

MODEL TEST PAPERS

Common Proficiency Test (CPT)

VOLUME - I



Board of Studies
The Institute of Chartered Accountants of India

Common Proficiency Test

A Simplified Entry to the Chartered Accountancy Course

An objective type test of four subjects: Fundamentals of Accounting, Mercantile Laws, General Economics and Quantitative Aptitude

A Four Hour duration, 200 Marks Test with negative marking



Pass Class 10 Examination

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CPT Calendar upto February, 2008

Date of CPT Examination	May 6, 2007	August 5, 2007	November 4, 2007	February 3, 2008
Last date of registration with the Board of Studies	March 1, 2007	June 1, 2007	September 1, 2007	December 1, 2007
Date of release of examination form	March 2, 2007	June 5, 2007	September 5, 2007	December 5, 2007
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Date of publication of result	June 1, 2007	September 1, 2007	December 1, 2007	March 1, 2008

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PREFACE

Under the New Scheme of Education and Training, the simplified entry to the chartered accountancy course has been designed through Common Proficiency Test (CPT). It is an objective type test of 200 marks of four subjects, i.e. Accounting, Mercantile Laws, General Economics and Quantitative Aptitude with an objective to test basic knowledge in these subject areas. This test is of 200 marks. This test is divided into two sessions of two hours each with a break in between. CPT is an objective type test with negative marking. Subjects to be studied in CPT are as follows:

SESSION – I (Two Sections – Two hours – 100 Marks)

Section A: Fundamentals of Accounting (60 Marks)

Section B: Mercantile Laws (40 Marks)

SESSION – II (Two Sections – Two hours – 100 Marks)

Section C: General Economics (50 Marks)

Section D: Quantitative Aptitude (50 Marks)

The CPT is treated as a single paper of 200 Marks. A student has to obtain 100 marks in aggregate to qualify CPT.

The Board of Studies has prepared comprehensive study materials covering the above mentioned subjects. There are good numbers of objective type questions in the study materials which students should practice.

In addition, this question bank is published to facilitate students to prepare for the examinations. This book contains 10 Model Test Papers comprising of 2000 objective type questions. Each Model test paper is divided into four sections. Section A relates to Fundamentals of Accounting carrying 60 marks. Section B relates to Mercantile Law carrying 40 marks. Sections C and D relate to General Economics and Quantitative aptitude carrying 50 marks each. All the papers have been carefully designed so as to expose students to all types of questions such as one line statement questions, fill in the blanks, numerical based questions, table based questions, paragraph based questions and diagram based questions.

Students are advised to answer these each test paper under examination conditions. They should attempt Section A and Section B in first two hours and with a break; Section C and Section D should be attempted in next two hours. Then the answer sheet should be assessed consulting the answers given at the end of the Model Test Papers. They should deduct 0.25 marks for each wrong answer. The same procedure should be followed for all ten test papers. I am confident that students will be able to evaluate their performance by this process.

I acknowledge contribution of the faculty members of the Board Studies, namely, Mrs. Prem J. Bhutani, Mrs. Seema Gupta, Mrs. Shilpa Agrawal, CA. Vikas Kumar, Ms. Srishti Gupta, Ms. Ginni Aggarwal in the preparation of these Model Test Papers. I also acknowledge the contributions made by Mr. P.N. Kapur who developed question bank of Accounting, Mr. R.K. Gupta and Dr. G.K. Pandey who developed question bank of Mercantile Laws, Dr. O.P. Shukla, Dr. G.P. Srivastava and Dr. Chamma Shukla who developed question bank of Economics and CA. Atul Mittal and Mr. G.P. Bhargava who developed question bank of Quantitative Aptitude.

Director of Studies



The Institute of Chartered Accountants of India

COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT/VOLUME - I

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BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-1/2006

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

Please follow the instructions given in each section carefully and answer the questions.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

- (i) Questions 1 to 10 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 11 to 20 are the fill in the blank based questions having four alternate answers and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 21 and 22 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Questions 23 to 60 are numerical based questions, which have answers as numerical values and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

1. RPC Ltd. follows the written down value method of depreciating machinery year after year due to
 - (a) Comparability.
 - (b) Convenience.
 - (c) Consistency.
 - (d) All of the above.

2. A change in accounting policy is justified
 - (a) To comply with accounting standard.
 - (b) To ensure more appropriate presentation of the financial statement of the enterprise.
 - (c) To comply with law.
 - (d) All of the above.
3. Purchases book records:
 - (a) All cash purchases.
 - (b) All credit purchases.
 - (c) Credit purchases of goods in trade.
 - (d) None of the above.
4. A Bank Reconciliation Statement is prepared to know the causes for the difference between:
 - (a) the balances as per cash column of Cash Book and the Pass Book.
 - (b) the balance as per bank column of Cash Book and the Pass Book.
 - (c) the balance as per bank column of Cash Book and balances as per cash column of Cash Book
 - (d) None of the above.
5. While finalizing the current year's profit, the company realized that there was an error in the valuation of closing stock of the previous year. In the previous year, closing stock was valued more by Rs.50,000. As a result
 - (a) Previous year's profit is overstated and current year's profit is also overstated
 - (b) Previous year's profit is understated and current year's profit is overstated
 - (c) Previous year's profit is understated and current year's profit is also understated
 - (d) Previous year's profit is overstated and current year's profit is understated
6. In the absence of any provision in the partnership agreement, profits and losses are shared
 - (a) In the ratio of capitals.
 - (b) Equally.
 - (c) In the ratio of loans given by them to the partnership firm.
 - (d) None of the above.
7. Fundamental accounting assumptions are
 - (a) Materiality.

- (b) Business entity.
 - (c) Going concern.
 - (d) Dual aspect
8. Which of the following errors are not revealed by the Trial Balance:
- (a) compensating errors;
 - (b) errors of commission;
 - (c) wrong balancing of an account;
 - (d) wrong totalling of an account
9. Which of the following are of capital nature?
- (a) Purchase of a goods
 - (b) Cost of repair
 - (c) Wages paid for installation of machinery
 - (d) Rent of a factory
10. Which of the following statement is not true:
- (a) If del-creditor's commission is allowed, bad debt will not be recorded in the books of consignor
 - (b) If del-creditor's commission is allowed, bad debt will be debited in consignment account
 - (c) Del-creditor's commission is allowed by consignor to consignee
 - (d) Del-creditor's commission is generally relevant for credit sales

PART II

11. Discount on issue of debentures is a _____
- (a) Revenue loss to be charged in the year of issue
 - (b) Capital loss to be written off from capital reserve
 - (c) Capital loss to be written off over the tenure of the debentures
 - (d) Capital loss to be shown as goodwill
12. Loss on issue of debentures is treated as _____.
- (a) Intangible asset
 - (b) Current asset
 - (c) Current liability
 - (d) Miscellaneous expenditure

13. Dividends are usually paid as a percentage of _____
- (a) Authorized share capital
 - (b) Net profit
 - (c) Paid-up capital
 - (d) Called-up capital
14. At the time of death of a partner, firm gets _____ from the insurance company against the Joint Life Policy taken jointly for all the partners.
- (a) Policy Amount.
 - (b) Surrender Value.
 - (c) Policy Value for the dead partner and Surrender Value for the rest.
 - (d) Surrender Value for all the partners.
15. Profit or loss on revaluation is shared among the partners in _____ ratio.
- (a) Old Profit Sharing.
 - (b) New Profit Sharing.
 - (c) Capital.
 - (d) Equal.
16. Interest on capital will be paid to the partners if provided for in the agreement but only from _____
- (a) Profits.
 - (b) Reserves.
 - (c) Accumulated Profits.
 - (d) Goodwill.
17. The owner of the consignment stock is _____
- (a) Consignor
 - (b) Consignee
 - (c) Debtors
 - (d) None
18. The parties to joint venture is called _____
- (a) Co-venturers
 - (b) Partners
 - (c) Principal & Agent
 - (d) Friends

19. The purpose of accommodation bill is_____
- (a) To finance actual purchase or sale of goods
 - (b) To facilitate trade transmission
 - (c) When both parties are in need of funds
 - (d) None of the above
20. The number of production or similar units expected to be obtained from the use of an asset by an enterprise is called as _____
- (a) Unit life
 - (b) Useful life
 - (c) Production life
 - (d) Expected life

PART III

21. Mr. A purchased a machinery costing Rs. 1,00,000 on 1st October, 2005. Transportation and installation charges were incurred amounting Rs. 10,000 and Rs. 4,000 respectively. Dismantling charges of the old machine in place of which new machine was purchased amounted Rs. 10,000. Market value of the machine was estimated at Rs. 1,20,000 on 31st March 2006. While finalising the annual accounts, A values the machinery at Rs. 1,20,000 in his books.

Which of the following concepts was violated by A?

- (a) Cost concept
 - (b) Matching concept
 - (c) Realisation concept
 - (d) Periodicity concept.
22. M/s ABC Brothers, which was registered in the year 2000, has been following Straight Line Method (SLM) of depreciation. In the current year it changed its method from Straight Line to Written Down Value (WDV) Method, since such change would result in the additional depreciation of Rs. 200 lakhs as a result of which the firm would qualify to be declared as a sick industrial unit. The auditor raised objection to this change in the method of depreciation.

The objection of the auditor is justified because

- (a) Change in the method of depreciation should be done only with the consent of the auditor
- (b) Depreciation method can be changed only from WDV to SLM and not vice versa
- (c) Change in the method of depreciation should be done only if it is required by some statute and change would result in appropriate presentation of financial

statement

- (d) Method of depreciation cannot be changed under any circumstances.

PART IV

23. If Cost of goods sold is Rs.80,700, Opening stock Rs.5,800 and Closing stock Rs.6,000. Then the amount of purchase will be
- (a) Rs.80,500
 - (b) Rs.74,900
 - (c) Rs.74,700
 - (d) Rs.80,900.
24. Original cost = Rs 1,26,000. Salvage value = 6,000. Useful Life = 6 years. Annual depreciation under SLM will be
- (a) Rs.21,000
 - (b) Rs.20,000
 - (c) Rs.15,000
 - (d) Rs.14,000
25. A new firm commenced business on 1st January, 2006 and purchased goods costing Rs. 90,000 during the year. A sum of Rs. 6,000 was spent on freight inwards. At the end of the year the cost of goods still unsold was Rs. 12,000. Sales during the year Rs. 1,20,000. What is the gross profit earned by the firm?
- (a) Rs. 36,000
 - (b) Rs. 30,000
 - (c) Rs. 42,000
 - (d) Rs. 38,000
26. X of Kolkata sends out goods costing 300,000 to Y of Mumbai at cost + 25%. Consignor's expenses Rs 5000. 1/10th of the goods were lost in transit. Insurance claim received Rs 3000. The net loss on account of abnormal loss is
- (a) Rs.27,500
 - (b) Rs.25,500
 - (c) Rs.30,500
 - (d) Rs.27,000
27. A and V enter into a joint venture to sell a consignment of biscuits sharing profits and losses equally. A provides biscuits from stock Rs 10000. He pays expenses amounting to Rs 1000. V incurs further expenses on carriage Rs 1000. He receives cash for sales Rs 15000. He also takes over goods to the value of Rs 2000. The profit on joint venture is

- (a) Rs.3000
 - (b) Rs.5000
 - (c) Rs.6000
 - (d) Rs.3500
28. X draws a bill on Y for Rs 20,000 for 3 months on 1.1.05. The bill is discounted with banker at a charge of Rs 100. At maturity the bill return dishonoured. In the books of X, for dishonour, the bank account will be credited by Rs.
- (a) 19,900
 - (b) 20,000
 - (c) 20,100
 - (d) 19,800
29. A sent some goods costing Rs. 3,500 at a profit of 25% on sale to B on sale or return basis. B returned goods costing Rs. 800. At the end of the accounting period i.e. on 31st December, 2005, the remaining goods were neither returned nor were approved by him. The stock on approval will be shown in the balance sheet at Rs.
- (a) 2,000.
 - (b) 2,700.
 - (c) 2,700 less 25% of 2,700.
 - (d) 3,500.
30. A and B are partners sharing profits and losses in the ratio of 3:2 having the capital of Rs. 80,000 and Rs. 50,000 respectively. They are entitled to 9% p.a. interest on capital before distributing the profits. During the year firm earned Rs. 7,800 after allowing interest on capital. Profits apportioned among A and B is
- (a) 4,680 and 3,120.
 - (b) 4,800 and 3,000.
 - (c) 5,000 and 2,800.
 - (d) None of the above.
31. A & B are partners sharing profits and losses in the ratio 5:3. On admission, C brings Rs. 70,000 cash and Rs. 48,000 against goodwill. New profit sharing ratio between A, B and C are 7:5:4. The scarificing ratio among A:B will be
- (a) 3:1.
 - (b) 4:7.
 - (c) 5:4.
 - (d) 2:1.
32. The cash book showed an overdraft of Rs. 1,500, but the pass book made up to the

same date showed that cheques of Rs. 100, Rs. 50 and Rs. 125 respectively had not been presented for payments; and the cheque of Rs. 400 paid into account had not been cleared. The balance as per the cash book will be

- (a) Rs. 1,100.
 - (b) Rs. 2,175.
 - (c) Rs. 1,625.
 - (d) Rs. 1,375.
33. A second hand car is purchased for Rs. 10,000, the amount of Rs. 1,000 is spent on its repairs, Rs. 500 is incurred to get the car registered in owner's name and Rs. 1,200 is paid as dealer's commission. The amount debited to car account will be
- (a) Rs. 10,000.
 - (b) Rs. 10,500.
 - (c) Rs. 11,500.
 - (d) Rs. 12,700.
34. If a purchase return of Rs. 84 has been wrongly posted to the debit of the sales return account, but had been correctly entered in the suppliers account, the total of the trial balance would show
- (a) the credit side to be Rs. 84 more than debit side.
 - (b) the debit side to be Rs. 84 more than credit side.
 - (c) the credit side to be Rs. 168 more than debit side.
 - (d) the debit side to be Rs. 168 more than credit side.

35. The accountant of the firm M/s ABC is unable to tally the following trial balance.

S. No.	Account heads	Debit (Rs.)	Credit (Rs.)
1.	Sales		15,000
2.	Purchases	10,000	
3.	Miscellaneous expenses	2,500	
4.	Salaries		<u>2,500</u>
	Total	<u>12,500</u>	<u>17,500</u>

The above difference in trial balance is due to

- (a) wrong placing of sales account
- (b) wrong placing of salaries account
- (c) wrong placing of miscellaneous expenses account
- (d) Wrong placing of all accounts

36. R, J and D are the partners sharing profits in the ratio 7:5:4. D died on 30th June 2006. It was decided to value the goodwill on the basis of three year's purchase of last five years average profits. If the profits are Rs. 29,600; Rs. 28,700; Rs. 28,900; Rs. 24,000 and Rs. 26,800. D's share of goodwill will be
- (a) Rs. 20,700.
 - (b) Rs. 27,600.
 - (c) Rs. 82,800.
 - (d) Rs. 27,000.
37. A company forfeited 2,000 shares of Rs.10 each (which were issued at par) held by Mr. John for non-payment of allotment money of Rs.4 per share. The called-up value per share was Rs.9. On forfeiture, the amount debited to share capital will be
- (a) Rs.10,000
 - (b) Rs.8,000
 - (c) Rs.2,000
 - (d) Rs.18,000.
38. S Ltd. issued 2,000, 10% Preference shares of Rs.100 each at par, which are redeemable at a premium of 10%. For the purpose of redemption, the company issued 1,500 Equity Shares of Rs.100 each at a premium of 20% per share. At the time of redemption of Preference Shares, the amount to be transferred by the company to the Capital Redemption Reserve Account will be
- (a) Rs.50,000
 - (b) Rs.40,000
 - (c) Rs.2,00,000
 - (d) Rs.2,20,000
39. W Ltd. issued 20,000, 8% debentures of Rs.10 each at par, which are redeemable after 5 years at a premium of 20%. The amount of loss on redemption of debentures to be written off every year will be
- (a) Rs.40,000
 - (b) Rs.10,000
 - (c) Rs.20,000
 - (d) Rs.8,000
40. X sent out certain goods to Y of Delhi. 1/10 of the goods were lost in transit. Invoice value of goods lost Rs 12,500. Invoice value of goods sent out on consignment will be:
- (a) Rs.120,000
 - (b) Rs.125,000

- (c) Rs.140,000
 - (d) Rs.100,000
41. T Ltd. purchased land and building from U Ltd. for a book value of Rs.2,00,000. The consideration was paid by issue of 12% Debentures of Rs.100 each at a discount of 20%. The debentures account will be credited with
- (a) Rs.2,60,000
 - (b) Rs.2,50,000
 - (c) Rs.2,40,000
 - (d) Rs.1,60,000
42. B Ltd. issued shares of Rs.10 each at a discount of 10%. Mr. C purchased 30 shares and paid Rs.2 on application but did not pay the allotment money of Rs.3. If the company forfeited his entire shares, the forfeiture account will be credited by
- (a) Rs.90
 - (b) Rs.81
 - (c) Rs.60
 - (d) Rs.54
43. A, B and C are partners sharing profits and losses in the ratio 9:4:3. They took joint life policy of Rs. 25,000 for A, Rs. 20,000 for B and Rs. 51,000 for C. What is the share of C in the JLP amount?
- (a) Rs. 18,000.
 - (b) Rs. 25,000.
 - (c) Rs. 51,000.
 - (d) Rs. 20,000.
44. A and B are partners sharing profits and losses in the ratio of 3:2 (A's Capital is Rs. 30,000 and B's Capital is Rs. 15,000). They admitted C agreed to give 1/5th share of profits to him. How much C should bring in towards his capital?
- (a) Rs. 9,000.
 - (b) Rs. 12,000.
 - (c) Rs. 14,500.
 - (d) Rs. 11,250.
45. A and B are partners with the capital Rs. 50,000 and Rs. 40,000 respectively. They share profits and losses equally. C is admitted on bringing Rs. 50,000 as capital only and nothing was bought against goodwill. Goodwill in Balance sheet of Rs. 20,000 is revalued as Rs. 35,000. What will be value of goodwill in the books after the admission

of C?

- (a) Rs. 55,000.
 - (b) Rs. 35,000.
 - (c) Rs. 20,000.
 - (d) Rs. 15,000
46. X, Y and Z are partners in a firm. At the time of division of profit for the year there was dispute between the partners. Profits before interest on partner's capital was Rs. 6,000 and Y determined interest @ 24% p.a. on his loan of Rs. 80,000. There was no agreement on this point. Calculate the amount payable to X, Y and Z respectively.
- (a) Rs. 2,000 to each partner.
 - (b) Loss of Rs. 4,400 for X and Z & Y will take home Rs. 14,800.
 - (c) Rs. 400 for X, Rs. 5,200 for Y and Rs. 400 for Z.
 - (d) Rs. 2,400 to each partner.
47. A merchant sends out his goods casually to his dealers on approval basis. All such transactions are, however, recorded as actual sales and are passed through the sales book. On 31-12-2005, it was found that 100 articles at a sale price of 200 each sent on approval basis were recorded as actual sales at that price. The sale price was made at cost *plus* 25%. The amount of stock on approval will be amounting
- (a) Rs.16,000.
 - (b) Rs. 20,000.
 - (c) Rs. 15,000.
 - (d) None of the above.
48. A draws a bill on B for Rs 30,000. A wants to endorse it to C in settlement of Rs 35,000 at 2% discount with the help of B's acceptance and balance in cash. How much cash A will pay to B?
- (a) 4300
 - (b) 4000
 - (c) 4100
 - (d) 5000
49. A and B enter into a joint venture for purchase and sale of Type-writer. A purchased Typewriter costing Rs 100000. Repairing expenses Rs 10000, printing expenses Rs 10000. B sold it at 20% margin on selling price. The sales value will be:
- (a) Rs. 125000

- (b) Rs. 150000
 - (c) Rs. 100000
 - (d) Rs. 140000
50. P of Faridabad sent out goods costing Rs. 45,000 to Y of Delhi at cost + $33\frac{1}{3}\%$. $\frac{1}{10}$ th of goods were lost in transit. $\frac{2}{3}$ rd of the goods are sold at 20% above IP. The amount of sale value will be:
- (a) Rs.54,000
 - (b) Rs.43,200
 - (c) Rs.60,000
 - (d) Rs.36,000
51. Rent paid on 1 October, 2004 for the year to 30 September, 2005 was Rs. 1,200 and rent paid on 1 October, 2005 for the year to 30 September, 2006 was Rs. 1,600. Rent payable, as shown in the profit and loss account for the year ended 31 December 2005, would be:
- (a) Rs. 1,200.
 - (b) Rs. 1,600.
 - (c) Rs. 1,300.
 - (d) Rs. 1,500.
52. H Ltd. purchased a machinery on April 01, 2000 for Rs.3,00,000. It is estimated that the machinery will have a useful life of 5 years after which it will have no salvage value. If the company follows sum-of-the-years'-digits method of depreciation, the amount of depreciation charged during the year 2004-05 was
- (a) Rs.1,00,000
 - (b) Rs.80,000
 - (c) Rs.60,000
 - (d) Rs.20,000.
53. If Average Stock = Rs 12,000. Closing stock is Rs 3,000 more than opening stock then the value of closing stock will be
- (a) Rs 12,000
 - (b) Rs 24,000
 - (c) Rs 10,500
 - (d) Rs 13,500.
54. O Ltd. maintains the inventory records under perpetual system of inventory. Consider the

following data pertaining to inventory of O Ltd. held for the month of March 2005:

<i>Date</i>	<i>Particulars</i>	<i>Quantity</i>	<i>Cost Per unit (Rs.)</i>
Mar. 1	Opening Inventory	15	400
Mar. 4	Purchases	20	450
Mar. 6	Purchases	10	460

If the company sold 32 units on March 24, 2005, closing inventory under FIFO method is

- (a) Rs.5,200
 - (b) Rs.5,681
 - (c) Rs.5,800
 - (d) Rs.5,950.
55. Debit balance as per Cash Book of ABC Enterprises as on 31.3.2006 is Rs. 1,500. Cheques deposited but not cleared amounts to Rs. 100 and Cheques issued but not presented of Rs. 150. The bank allowed interest amounting Rs. 50 and collected dividend Rs. 50 on behalf of ABC Enterprises. Balance as per pass book should be
- (a) 1,600.
 - (b) 1,450.
 - (c) 1,850.
 - (d) 1,650.
56. If a purchase return of Rs.1,000 has been wrongly posted to the debit of the sales returns account, but has been correctly entered in the suppliers' account, the total of the
- (a) trial balance would show the debit side to be Rs.1,000 more than the credit
 - (b) trial balance would show the credit side to be Rs.1,000 more than the debit.
 - (c) the debit side of the trial balance will be Rs.2,000 more than the credit side.
 - (d) the credit side of the trial balance will be Rs.2,000 more than the debit side.
57. If repair cost is Rs. 25,000, whitewash expenses are Rs. 5,000, cost of extension of building is Rs. 2,50,000 and cost of improvement in electrical wiring system is Rs. 19,000; the amount to be expensed is
- (a) Rs. 2,99,000.
 - (b) Rs. 44,000.
 - (c) Rs. 30,000.
 - (d) Rs. 49,000.
58. Sunset Tours has a Rs.3,500 account receivable from Mohan. On January 20, the Rotary makes a partial payment of Rs.2100 to Sunset Tours. The journal entry made

on January 20 by Sunset Tours to record this transaction includes:

- (a) A credit to the cash received account of Rs.2,100.
 - (b) A credit to the Accounts receivable account of Rs.2,100.
 - (c) A debit to the cash account of Rs.1,400.
 - (d) A debit to the Accounts receivable account of Rs.1,400.
59. A company forfeited 2,000 shares of Rs.10 each (which were issued at par) held by Mr. John for non-payment of allotment money of Rs.4 per share. The called-up value per share was Rs.9. On forfeiture, the amount debited to share capital = ?
- (a) Rs.10,000
 - (b) Rs.8,000
 - (c) Rs.2,000
 - (d) Rs.18,000.
60. A, B and C are partners sharing profits in the ratio 2:2:1. On retirement of B, goodwill was valued as Rs. 30,000. Find the contribution of A and C to compensate B.
- (a) Rs. 20,000 and Rs. 10,000.
 - (b) Rs. 8,000 and Rs. 4,000.
 - (c) They will not contribute any thing.
 - (d) Information is insufficient for any comment.

SECTION – B : MERCANTILE LAWS (40 MARKS)

- (i) Questions 61 to 79 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 80 to 98 are the fill in the blank based questions having four alternate answers and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 99 and 100 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 61. Which of the following is false? An offer to be valid must:
 - (a) Intend to create legal relations.
 - (b) Have certain & unambiguous terms.
 - (c) Contain a term the non-compliance of which would amount to acceptance.
 - (d) Be communicated to the person to whom it is made.
- 62. Which of the following statement is true?
 - (a) Consideration must result in a benefit to both parties.
 - (b) Past consideration is no consideration in India.
 - (c) Consideration must be adequate.
 - (d) Consideration must be something, which a promisor is not already bound to do.
- 63. Which of the following is not an exception to the rule – No Consideration, No Contract?
 - (a) Compensation for involuntary services.
 - (b) Love & Affection.
 - (c) Contract of Agency.
 - (d) Gift.
- 64. A minor's liability for 'necessaries' supplied to him;
 - (a) Arises after he attains majority age.
 - (b) Is against only minor's property.
 - (c) Does not arise at all.
 - (d) Arises if minor gives a promise for it.
- 65. An agreement is void if it is opposed to public policy. Which of the following is not covered by heads of public policy?
 - (a) Trading with an enemy.

- (b) Trafficking in public offices.
 - (c) Marriage brokerage contracts.
 - (d) Contracts to do impossible acts.
66. Which of the following persons can perform the contract?
- (a) Promisor alone.
 - (b) Legal representatives of promisor.
 - (c) Agent of the promisor.
 - (d) All of these.
67. A, B and C jointly promised to pay Rs. 60,000 to D. Before performance of the contract, C dies. Here, the contract
- (a) becomes void on C's death.
 - (b) should be performed by A and B along with C's legal representatives.
 - (c) should be performed by A and B alone.
 - (d) should be renewed between A, B and D.
68. Generally, which of the following damages are not recoverable?
- (a) Ordinary damages.
 - (b) Special damages.
 - (c) Remote damages.
 - (d) Nominal damages.
69. A mistake as to a law not in force in India has the same effect as:
- (a) mistake of fact
 - (b) mistake of Indian law
 - (c) fraud
 - (d) misrepresentation
70. The term "goods" under Sale of Goods Act, 1930 does not include
- (a) goodwill.
 - (b) actionable claims.
 - (c) stocks and shares.
 - (d) harvested crops.
71. Which of the following is not an implied condition in a contract of sale?
- (a) Condition as to title.

- (b) Condition as to description.
 - (c) Condition as to free from encumbrance.
 - (d) Condition as to sample.
72. Which of the following is not a form of delivery?
- (a) Constructive delivery.
 - (b) Structured delivery.
 - (c) Actual delivery.
 - (d) Symbolic delivery.
73. Mercantile Agent is having an authority to
- (a) sell or consign goods.
 - (b) raise money on the security of goods.
 - (c) sell or buy goods.
 - (d) any of the above.
74. Doctrine of Caveat Emptor means
- (a) let the seller beware.
 - (b) let the buyer beware.
 - (c) let the creditor beware.
 - (d) none of the above.
75. The most important element in partnership is:
- (a) Business
 - (b) Sharing of Profits
 - (c) Agreement
 - (d) Business to be carried on by all or any of them acting for all.
76. In the absence of agreement to the contrary all partners are:
- (a) Not entitled to share profits
 - (b) Entitled to share in capital ratio.
 - (c) Entitled to share in proportion to their ages.
 - (d) Entitled to share profits equally.
77. Active partner is one who:
- (a) Takes part in the business of the firm

- (b) Actively participates in co-curricular activities
 - (c) Actively shares the profits
 - (d) Makes a show of authority
78. On dissolution the partners remain liable to till
- (a) Accounts are settled
 - (b) Partners dues are paid off
 - (c) Public notice is given
 - (d) The registrar strikes off the name
79. Which of the following statements, about the registration of firm, is not true:
- (a) It must be done at the time of its formation.
 - (b) It may be done at the time of formation.
 - (c) It may be done before filing a suit against third party.
 - (d) It may be done at any time after its formation.

PART II

80. An agreement which is enforceable by law at the option of one or more of the parties thereon but not at the option of the other or others is a _____
- (a) Valid Contract.
 - (b) Void Contract.
 - (c) Voidable Contract.
 - (d) Illegal Contract.
81. When the consent of a party is not free, the contract is _____
- (a) Void.
 - (b) Voidable.
 - (c) Valid.
 - (d) Illegal.
82. Ordinarily, a minor's agreement is _____
- (a) Void ab initio
 - (b) Voidable.
 - (c) Valid.
 - (d) Unlawful.
83. The threat to commit suicide amounts to _____
- (a) Coercion.

- (b) Undue Influence.
 - (c) Misrepresentation.
 - (d) Fraud.
84. An agreement the object or consideration of which is unlawful, is _____
- (a) Void.
 - (b) Valid.
 - (c) Voidable.
 - (d) Contingent.
85. A contingent contract is _____
- (a) Void
 - (b) Voidable
 - (c) Valid
 - (d) Illegal
86. A agrees to sell his car worth Rs. 100,000 to B for Rs. 20,000 only, and A's consent was obtained by coercion. Here, the agreement is _____
- (a) void
 - (b) valid
 - (c) voidable
 - (d) unlawful
87. A agrees to pay Rs. 5 lakhs to B if he (B) procures an employment for A in Income Tax Department. This agreement is _____
- (a) void
 - (b) valid
 - (c) voidable
 - (d) contingent.
88. Agreement-the meaning of which is uncertain is _____
- (a) Valid.
 - (b) Void.
 - (c) Voidable.
 - (d) Illegal.
89. A contract for the sale of "future goods" is _____
- (a) sale

- (b) agreement to sell.
 - (c) void.
 - (d) hire-purchase contract.
90. A stipulation which is collateral to the main purpose of the contract, and if proves false, gives the buyer only a right to claim damages, is known as _____
- (a) conditions.
 - (b) guarantee.
 - (c) warranty.
 - (d) none of these.
91. Goods which are in existence at the time of the Contract of Sale is known as _____
- (a) present Goods.
 - (b) existing Goods.
 - (c) specific Goods.
 - (d) none of the above.
92. Selection of goods with the intention of using them in performance of the contract and with the mutual consent of the seller and the buyer is known as _____
- (a) distribution
 - (b) appropriation.
 - (c) amortization.
 - (d) storage.
93. An auction sale is complete on the _____
- (a) delivery of goods
 - (b) payment of price
 - (c) fall of hammer
 - (d) none of the above.
94. If A agrees to deliver 100 kg of sugar to B in exchange of 15 mts of cloth, then it is _____
- (a) Contract of sale.
 - (b) Agreement to sell.
 - (c) Sale on Approval.
 - (d) Barter.
95. A partner can retire on _____
- (a) Reaching the age of superannuation
 - (b) On the balance in the capital account reaching a certain amount

- (c) In accordance with the Partnership Deed
 - (d) On the condition of his nominee becoming a partner
96. Death of partner has the effect of_____
- (a) Dissolving the firm
 - (b) Result in continuance of the business of the firm
 - (c) His heirs joining the firm
 - (d) Computation of profits upto the date of death.
97. Registration of a firm is_____
- (a) Compulsory
 - (b) Optional
 - (c) Occasional
 - (d) None of the above
98. The reconstitution of the firm takes place in case of _____
- (a) Admission of a partner
 - (b) Retirement of a partner
 - (c) Expulsion or death of a partner
 - (d) All of the above.

PART III

99. G paid Rs.1,00,000 to H to influence the head of the Government Organisation in order to provide him some employment. On his failure to provide the job, G sued H for recovery of the amount. Which of the following is correct?
- (a) The contract is valid and G can recover the amount from H.
 - (b) The contract is void as it is opposed to public policy and G cannot recover.
 - (c) G can recover the amount with interest.
 - (d) G can recover the amount of Rs.1,00,000 and damages.
100. A sold a tin of disinfectant powder to K without warning knowing fully that if the tin was not opened with care, it will likely to cause injury. K was injured while opening the tin. Which of the following statement(s) is/are correct?
- (a) A is not liable to K under the Doctrine of caveat emptor.
 - (b) A is liable for the damages.
 - (c) A has no duty to disclose the facts to K.
 - (d) The buyer has the responsibility to enquire about all the things before purchasing the goods.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

- (i) Questions 101 to 116 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 117 to 132 are Fill in the blanks type and carry + 1 mark for each correct answer and -0.25 mark for each wrong answer.
- (iii) Questions 133 to 137 contain small paragraph / table followed by a question having only one correct answer and carries + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Question 138 to 150 are numerical based which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

101. What implication does resource scarcity have for the satisfaction of wants?
- (a) Not all wants can be satisfied.
 - (b) We will never be faced with the need to make choices.
 - (c) We must develop ways to decrease our individual wants.
 - (d) The discovery of new natural resources is necessary to increase our ability to satisfy wants.
102. Who expressed the view that “Economics should be neutral between ends”?
- (a) Robbins
 - (b) Marshall
 - (c) Pigou
 - (d) Adam Smith.
103. Which of the following pairs of goods is an example of substitutes?
- (a) Tea and sugar.
 - (b) Tea and coffee.
 - (c) Pen and ink.
 - (d) Shirt and trousers.
104. The consumer is in equilibrium when the following condition is satisfied:
- (a) $\frac{MU_x}{MU_y} > \frac{P_x}{P_y}$.

- (b) $\frac{MU_x}{MU_y} < \frac{P_x}{P_y}$.
- (c) $\frac{MU_x}{MU_y} = \frac{P_x}{P_y}$.
- (d) None of the above.
105. In the production of wheat, all of the following are variable factors that are used by the farmer except:
- the seed and fertilizer used when the crop is planted
 - the field that has been cleared of trees and in which the crop is planted.
 - the tractor used by the farmer in planting and cultivating not only wheat but also corn and barley.
 - the number of hours that the farmer spends cultivating the wheat fields.
106. In describing a given production technology, the short run is best described as lasting
- up to six months from now.
 - up to five years from now.
 - as long as all inputs are fixed.
 - as long as at least one input is fixed.
107. Price-taking firms, i.e., firms that operate in a perfectly competitive market, are said to be “small” relative to the market. Which of the following best describes this smallness?
- The individual firm must have fewer than 10 employees.
 - The individual firm faces a downward-sloping demand curve.
 - The individual firm has assets of less than Rs.20 lakh.
 - The individual firm is unable to affect market price through its output decisions.
108. A firm encounters its “shutdown point” when:
- average total cost equals price at the profit-maximizing level of output.
 - average variable cost equals price at the profit-maximizing level of output.
 - average fixed cost equals price at the profit-maximizing level of output.
 - marginal cost equals price at the profit-maximizing level of output.
109. Which of the following statements is correct?
- The public sector was given a dominant position in the newly Independent India.
 - The foreign trade policy post Independence allowed free trade of all goods and services.
 - Monetary policy post Independence sought to keep the CRR at a very low level.

- (d) None of the above.
- 110. The unsustainable levels of government deficits in the late 80's can be attributed to:
 - (a) high levels of government expenditures.
 - (b) insufficient revenues.
 - (c) poor returns on government investments.
 - (d) all of the above.
- 111. What is India's rank in world population?
 - (a) First
 - (b) Second
 - (c) Third
 - (d) Fourth
- 112. Which is of the following statements is correct?
 - (a) Gini coefficients are often used for measuring poverty in relative sense.
 - (b) When poverty is related to the distribution of income or consumption expenditure, it is absolute poverty.
 - (c) In India, we mainly use the concept of relative poverty for measuring poverty.
 - (d) None of the above.
- 113. The industrial sector faced the process of retrogression and deceleration during
 - (a) 1950-1965
 - (b) 1990-2005
 - (c) 1980- 1995
 - (d) 1965 -1980.
- 114. Find the tax which is direct tax among the following:
 - (a) Personal income tax.
 - (b) Excise duty
 - (c) Sales tax
 - (d) Service tax.
- 115. As a result of the New Industrial Policy, 1991:
 - (a) the public sector has been stripped off all its power.
 - (b) the public sector has been given the commanding heights of the economy.
 - (c) the public sector's portfolio will be reviewed with greater realism. The focus will be on strategic high tech and essential infrastructure industries.

- (d) the public sector's management has been passed over to the private sector.
116. In order to control credit:
- (a) CRR should be increased and Bank rate should be decreased.
 - (b) CRR should be reduced and Bank rate should be reduced.
 - (c) CRR should be increased and Bank rate should be increased.
 - (d) CRR should be reduced and Bank rate should be increased.

PART II

117. Under ----- market condition, firms make normal profits in the long run.
- (a) Perfect Competition
 - (b) Monopoly
 - (c) Oligopoly
 - (d) None of the above.
118. Larger production of -----goods would lead to higher production in future.
- (a) Consumer goods.
 - (b) Capital goods.
 - (c) Agricultural goods.
 - (d) Public goods.
119. Consumer surplus means -----.
- (a) the area inside the budget line.
 - (b) the area between the average revenue and marginal revenue curves.
 - (c) the different between the maximum amount a person is willing to pay for a good and its market price.
 - (d) none of the above.
120. A horizontal supply curve parallel to the quantity axis implies that the elasticity of supply is -----
- (a) zero.
 - (b) infinite.
 - (c) equal to one.
 - (d) greater than zero but less than one.
121. The average product of labour is maximized when marginal product of labour -----.
- (a) equals the average product of labour.
 - (b) equals zero.

- (c) is maximized.
 - (d) none of the above.
122. When _____, we know that the firms are earning just normal profits.
- (a) $AC = AR$
 - (b) $MC = MR$
 - (c) $MC = AC$
 - (d) $AR = MR$
123. In a free market economy, when consumers increase their purchase of a good and the level of _____ exceeds _____ then prices tend to rise.
- (a) demand, supply.
 - (b) supply, demand
 - (c) prices, demand
 - (d) profits, supply.
124. _____ is the apex bank for agriculture credit.
- (a) RBI
 - (b) SIDBI
 - (c) NABARD
 - (d) ICICI
125. India has the _____ largest scientific and technical manpower in the world.
- (a) fifth
 - (b) tenth
 - (c) eighth
 - (d) second
126. About _____ percent of the sick units in India are small units.
- (a) 10 percent
 - (b) 5 percent
 - (c) 30 percent
 - (d) 98 percent.
127. The Tenth Plan aims at achieving a growth rate of _____ in the industrial sector.
- (a) 5 per cent
 - (b) 8 percent

- (c) 10 percent
 - (d) 6 percent
128. Nearly _____ percent of working population is engaged in the service sector.
- (a) 23 percent
 - (b) 45 percent
 - (c) 80 percent
 - (d) 50 percent
129. Service sector accounted for nearly _____ percent of exports (2004-05).
- (a) 10 percent
 - (b) 20 percent
 - (c) 35 percent
 - (d) 80 percent
130. A situation of employment in which a person is apparently employed but his contribution to the production is almost nil is called _____ unemployment.
- (a) structural.
 - (b) chronic.
 - (c) disguised.
 - (d) cyclical.
131. _____ unemployment may result when some workers are temporarily out of work while changing job.
- (a) Cyclical.
 - (b) Voluntary.
 - (c) Frictional.
 - (d) seasonal
132. According to the Planning Commission, a person is said to be below poverty line, if he is earning less than _____ per capita per month for urban areas and less than - ----- per capita per month for rural areas.
- (a) Rs.2000; Rs.3000
 - (b) Rs.500; Rs.1000
 - (c) Rs.240; Rs.200
 - (d) Rs.265; Rs.225

PART III

Read the following paragraph and answer questions 133-134.

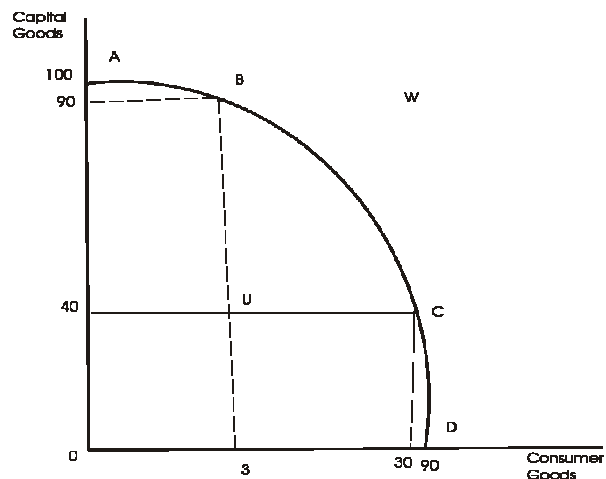
In 1940, Hitler's air force bombed Rotterdam, a beautiful city in Holland. Twenty five thousand homes, 1200 factories, 69 schools and 13 hospitals were destroyed. Nearly 75,000 people became homeless and 1000 people died. 35 % of the port was gutted by the German army.

133. The above destruction would mean:
- (a) A complete wipe off of the Production Possibilities Curve (PPC) of Rotterdam.
 - (b) An outward shift of the PPC of Rotterdam.
 - (c) An inward shift of the PPC of Rotterdam.
 - (d) A downward movement on the same PPC of Rotterdam.
134. If immediately after the war, Rotterdam rebuilt its port with the help of most up to date cranes, docks and cargo handling technology. By the end of the reconstruction, ships were loading and unloading faster and at lower cost than any where in the world. It became more efficient than it was before the destruction. This means:
- (a) Rotterdam has come back to its original PPC.
 - (b) Rotterdam has shifted to a higher PPC.
 - (c) Rotterdam has shifted to a lower PPC.
 - (d) Nothing can be said.

Read the following figure and answer questions 135-137.

135. Which of the following represents the concept of trade-offs?

- (a) A movement from point A to point B.
- (b) A movement from point U to point C.
- (c) Point W.
- (d) Point U.



136. Which of the following would not move the PPF for this economy closer to point W?
- (a) A decrease in the amount of unemployed labour resources.
 - (b) A shift in preferences toward greater capital formation.
 - (c) An improvement in the overall level of technology.
 - (d) An increase in the population growth rate.
137. Unemployment or underemployment of one or more resources is illustrated by production at point:
- (a) A
 - (b) C.
 - (c) U
 - (d) W

PART IV

Use Table 1 to answer questions 138-140.

Output (O)	0	1	2	3	4	5	6
Total Cost (TC):	Rs.240	Rs.330	Rs.410	Rs.480	Rs.540	Rs.610	Rs.690

138. The average fixed cost of 2 units of output is :
- (a) Rs.80
 - (b) Rs.85
 - (c) Rs.120
 - (d) Rs.205
139. The marginal cost of the sixth unit of output is:
- (a) Rs.133
 - (b) Rs.75
 - (c) Rs.80
 - (d) Rs.450
140. Diminishing marginal returns starts to occur between units:
- (a) 2 and 3
 - (b) 3 and 4
 - (c) 4 and 5
 - (d) 5 and 6

Use Table 2 to answer questions 141-143

Table 2: Production Possibilities

Production possibilities	A	B	C	D	E	F
Good A	0	1	2	3	4	5
Good B	30	28	24	18	10	0

141. According to Table 2, the opportunity cost of increasing Good A's production from 2 to 4 units is equal to:
- (a) 10 units of B
 - (b) 14 units of B
 - (c) 24 units of B
 - (d) 2 units of B.
142. According to Table 2, the opportunity cost of increasing one unit of Good B from 10 units to 18 units is:
- (a) 3 units of A.
 - (b) 1 unit of A.
 - (c) 0.125 units of A.
 - (d) 0.5 units of A.
143. Given the data in Table 2, as one moves from successively from point A to point B, C, D, E and F, the opportunity cost of Good A:
- (a) increases as more of good A is produced.
 - (b) decreases as more of good A is produced.
 - (c) remains constant.
 - (d) is always equal to one unit of B.
144. Suppose a department store has a sale on its silverware. If the price of a place-setting is reduced from Rs. 300 to Rs.200 and the quantity demanded increases from 3,000 place-settings to 5,000 place-settings, what is the price elasticity of demand for silverware?
- (a) .8
 - (b) 1.0
 - (c) 1.25
 - (d) 1.50

145. A discount store has a special offer on CDs. It reduces their price from Rs.150 to Rs.100. Suppose the store manager observes that the quantity demanded increases from 700 CDs to 1,300 CDs. What is the price elasticity of demand for CDs?
- .8
 - 1.0
 - 1.25
 - 1.50
146. If the local pizzeria raises the price of a medium pizza from Rs.60 to Rs.100 and quantity demanded falls from 700 pizzas a night to 100 pizzas a night, the price elasticity of demand for pizzas is:
- .67
 - 1.5
 - 2.0
 - 3.0
147. Suppose that a sole proprietorship is earning total revenues of Rs.100,000 and is incurring explicit costs of Rs.75,000. If the owner could work for another company for Rs.30,000 a year, we would conclude that:
- the firm is incurring an economic loss.
 - implicit costs are Rs.25,000.
 - the total economic costs are Rs.100,000.
 - the individual is earning an economic profit of Rs.25,000.

Use Table 3 to answer questions 148-150.

Table 3

Hours of Labour	Total Output	Marginal Product
0	---	---
1	100	100
2	_____	80
3	240	_____

148. What is the total output when 2 hours of labour are employed?
- 80
 - 100
 - 180
 - 200

149. What is the marginal product of the third hour of labour?
- (a) 60
 - (b) 80
 - (c) 100
 - (d) 240
150. What is the average product of the first three hours of labour?
- (a) 60
 - (b) 80
 - (c) 100
 - (d) 240

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

- (i) Questions 151 to 160 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 161 to 170 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 171 to 200 are numerical based questions, which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

151. Simple random sampling is very effective if
- (a) The population is not very large.
 - (b) The population is not much heterogeneous.
 - (c) The population is partitioned into several sections.
 - (d) Both (a) and (b).
152. Which of the following pairs of events are mutually exclusive?
- (a) A : The student reads in a school. B : He studies Philosophy.
 - (b) A : Raju was born in India. B : He is a fine Engineer.
 - (c) A : Ruma is 16 years old. B : She is a good singer.
 - (d) A : Peter is under 15 years of age. B : Peter is a voter of Kolkata.
153. Which of the following statements is untrue for tabulation?
- (a) Statistical analysis of data requires tabulation.
 - (b) It facilitates comparison between rows and not columns.
 - (c) Complicated data can be presented.
 - (d) Diagrammatic representation of data requires tabulation.
154. For a moderately skewed distribution, which of the following relationship holds?
- (a) Mean – Mode = 3 (Mean – Median)
 - (b) Median – Mode = 3 (Mean – Median)
 - (c) Mean – Median = 3 (Mean – Mode)
 - (d) Mean – Median = 3 (Median – Mode)
155. If two events A and B are independent, then $P(A \cap B)$
- (a) Equals to $P(A) + P(B)$.

- (b) Equals to $P(A) \times P(B)$.
 - (c) Equals to $P(A) \times P(B/A)$.
 - (d) Equals to $P(B) \times P(A/B)$.
156. Regression analysis is concerned with
- (a) Establishing a mathematical relationship between two variables.
 - (b) Measuring the extent of association between two variables.
 - (c) Predicting the value of the dependent variable for a given value of the independent variable.
 - (d) Both (a) and (c).
157. For a Poisson distribution,
- (a) Mean and standard deviation are equal.
 - (b) Mean and variance are equal.
 - (c) Standard deviation and variance are equal.
 - (d) Both (a) and (b).
158. The best method to collect data in case of natural calamity is
- (a) Personal interview.
 - (b) Telephone interview.
 - (c) Mailed questionnaire method.
 - (d) Indirect interview.
159. Sequence of periodic payments/ receipts regularly over a period of time is called
- (a) Perpetuity.
 - (b) Annuity.
 - (c) Annuity regular.
 - (d) Annuity due.
160. Which of the following statements is true?
- (a) Usually mean is the best measure of central tendency.
 - (b) Usually median is the best measure of central tendency.
 - (c) Usually mode is the best measure of central tendency.
 - (d) Normally, GM is the best measure of central tendency.

PART II

161. _____ distribution is symmetrical when $p = 0.5$.
- (a) Chi- square

- (b) Population
 - (c) Poisson
 - (d) Binomial
162. $\log 32/4$ is equal to _____.
- (a) $\log 32/\log 4$
 - (b) $\log 32 - \log 4$
 - (c) 2^3
 - (d) None of these
163. If _____, the roots are real and equal.
- (a) $b^2 - 4ac = 0$
 - (b) $b^2 - 4ac > 0$
 - (c) $b^2 - 4ac < 0$
 - (d) $b^2 - 4ac \leq 0$
164. _____ is the mean proportional between $12x^2$ and $27y^2$.
- (a) $18xy$
 - (b) $81xy$
 - (c) $8xy$
 - (d) $19.5xy$
165. The letters of the words CALCUTTA and AMERICA are arranged in all possible ways. The ratio of the number of these arrangement is _____.
- (a) 1: 2
 - (b) 2:1
 - (c) 1:1
 - (d) 1.5:1
166. The 7th term of the series 6, 12, 24.....is_____.
- (a) 384
 - (b) 834
 - (c) 438
 - (d) 854
167. The two variables are known to be_____ if the movement on the part of one variable does not produce any movement of the other variable in a particular direction.
- (a) Correlated

- (b) Positive correlated
 - (c) Negative correlated
 - (d) Uncorrelated
168. If two letters are taken at random from the word HOME , _____ is the probability that none of the letters would be vowels.
- (a) 1/6
 - (b) 1/2
 - (c) 1/3
 - (d) 1/4
169. In _____ years a sum will double at 5% p.a. compound interest.
- (a) 15 years 3 months
 - (b) 14 years 2 months
 - (c) 14 years 3 months
 - (d) 15 years 2 months
170. When the data are classified in respect of successive time points, they are known as_____.
- (a) Chronological data
 - (b) Geographical data
 - (c) Ordinal data
 - (d) Cordinal data

PART III

171. $\lim_{x \rightarrow -2} \frac{x^2 - 4}{x + 2}$ is equal to
- (a) 4
 - (b) -4
 - (c) does not exist
 - (d) None of these
172. The derivative of $y = \sqrt{x+1}$ is
- (a) $1 / \sqrt{x+1}$
 - (b) $-1 / \sqrt{x+1}$
 - (c) $1 / 2 \sqrt{x+1}$

- (d) None of these
173. $\int \log x \, dx$ is equal to
- (a) $x \log x$
 (b) $x \log x - x^2 + k$
 (c) $x \log x + k$
 (d) None of these
174. If $g(x) = x - 1/x$, $g(-1/2)$ is
- (a) 1
 (b) 2
 (c) $3/2$
 (d) 3
175. The sum of first n natural number
- (a) $(n/2)(n+1)$
 (b) $(n/6)(n+1)(2n+1)$
 (c) $[(n/2)(n+1)]^2$
 (d) None of these.
176. Chain index is equal to
- (a)
$$\frac{\text{link relative of current year} \times \text{chain index of the current year}}{100}$$

 (b)
$$\frac{\text{link relative of previous year} \times \text{chain index of the current year}}{100}$$

 (c)
$$\frac{\text{link relative of current year} \times \text{chain index of the previous year}}{100}$$

 (d)
$$\frac{\text{link relative of previous year} \times \text{chain index of the previous year}}{100}$$
177. If from a population with 25 members, a random sample without replacement of 2 members is taken, the number of all such samples is
- (a) 300
 (b) 625
 (c) 50
 (d) 600
178. If $A = \text{Rs. } 1000$, $n = 2$ years, $R = 6\%$ p.a compound interest payable half-yearly then

principal (P) is

- (a) Rs. 888.80
- (b) Rs. 880
- (c) 800
- (d) None of these

179. There are 10 trains plying between Calcutta and Delhi. The number of ways in which a person can go from Calcutta to Delhi and return by a different train is

- (a) 99
- (b) 90
- (c) 80
- (d) None of these.

180. Every person shakes hands with each other in a party and the total number of hand shakes is 66. The number of guests in the party is

- (a) 11
- (b) 12
- (c) 13
- (d) 14

181. The sum of a certain number of terms of an AP series $-8, -6, -4, \dots$ is 52. The number of terms is

- (a) 12
- (b) 13
- (c) 11
- (d) None of these.

182. If you save 1 paise today, 2 paise the next day 4 paise the succeeding day and so on, then your total savings in two weeks will be

- (a) Rs. 163
- (b) Rs. 183
- (c) Rs. 163.83
- (d) None of these.

183. If the set P has 3 elements, Q four and R two then the set $P \times Q \times R$ contains

- (a) 9 elements.
- (b) 20 elements.
- (c) 24 elements.
- (d) None of these.

184. A function $f(x)$ is defined by $f(x) = (x-2)+1$ over all real values of x . now $f(x)$ is
- Continuous at $x = 2$
 - Discontinuous at $x = 2$
 - Undefined at $x = 2$
 - None of these.
185. The number of accidents for seven days in a locality are given below :
- | | | | | | | | | |
|------------------|---|----|----|----|----|---|---|---|
| No. of accidents | : | 0 | 1 | 2 | 3 | 4 | 5 | 6 |
| Frequency | : | 15 | 19 | 22 | 31 | 9 | 3 | 2 |
- What is the number of cases when 3 or less accidents occurred?
- 56
 - 6
 - 68
 - 87
186. On the average experienced person does 5 units of work while a fresh one 3 units of work daily but the employer has to maintain an output of at least 30 units of work per day. This situation can be expressed as
- $5x + 3y \leq 30$
 - $5x + 3y > 30$
 - $5x + 3y \geq 30$
 - None of these
187. The mean salary for a group of 40 female workers is 5200 per month and that for a group of 60 male workers is 6800 per month . What is the combined mean salary?
- 6500
 - 6200
 - 6160
 - 6100
188. The standard deviation of, 10, 16, 10, 16, 10, 10, 16, 16 is
- 4
 - 6
 - 3
 - 0
189. A bag contains 15 one rupee coins, 25 two rupee coins and 10 five rupee coins. If a coin is selected at random from the bag, then the probability of not selecting a one

rupee coin is

- (a) 0.30
- (b) 0.70
- (c) 0.25
- (d) 0.20

190. If a card is drawn at random from a pack of 52 cards, what is the chance of getting a Spade or an ace?

- (a) $4/13$
- (b) $5/13$
- (c) 0.25
- (d) 0.20

191. The quartile deviation of a normal distribution with mean 10 and SD 4 is

- (a) 0.675.
- (b) 67.50 .
- (c) 2.70.
- (d) 3.20.

192. If there are 3 observations 15, 20, 25 then the sum of deviation of the observations from their AM is

- (a) 0
- (b) 5
- (c) -5
- (d) None of these.

193. $\int e^{ax} dx$

- (a) e^x
- (b) e^{ax} / a
- (c) $\log x$
- (d) e^{ax}

194. $\frac{d}{dx} (a^x)$

- (a) $a^x \log_e a$
- (b) $\log x$
- (c) e^{ax}

- (d) ae^{ax}
195. Five times of a positive whole number is 3 less than twice the square of the number. The number is
- 3
 - 4
 - 3
 - 2
196. If the profits of a company remains the same for the last ten months, then the standard deviation of profits for these ten months would be ?
- Positive
 - Negative
 - Zero
 - (a) or (c)
197. The mean of a binomial distribution with parameter n and p is
- $n(1-p)$.
 - $np(1-p)$.
 - np .
 - $\sqrt{np(1-p)}$.
198. The total area of the normal curve is
- One.
 - 50 per cent.
 - 0.50.
 - Any value between 0 and 1.
199. What is the present value of Re.1 to be received after two years compounded annually at 10% ?
- 0.73
 - 0.83
 - 0.93
 - None of these.
200. The sum of the series 9, 5, 1,..... to 100 terms is
- 18900
 - 18900
 - 19900
 - None of these.



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST
Model Test Paper – BOS/CPT-2/2006

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

Please follow the instructions given in each section carefully and answer the questions.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

- (i) Questions 1 to 10 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 11 to 20 are the fill in the blank based questions having four alternate options and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 21 and 22 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Questions 23 to 60 are numerical based questions, which have answers as numerical values and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

1. Which of the following is not a sub-field of accounting?
 - (a) Management accounting.
 - (b) Cost accounting.
 - (c) Financial accounting.
 - (d) Book-keeping.

2. Revenue from sale of products, is generally, realized in the period in which
 - (a) Cash is collected.
 - (b) Sale is made.
 - (c) Products are manufactured.
 - (d) None of the above.
3. The determination of expenses for an accounting period is based on the principle of
 - (a) Objectivity.
 - (b) Materiality.
 - (c) Matching.
 - (d) Periodicity.
4. It is essential to standardize the accounting principles and policies in order to ensure
 - (a) Transparency.
 - (b) Consistency.
 - (c) Comparability.
 - (d) All of the above.
5. Change in accounting estimate means
 - (a) Differences arising between certain parameters estimated earlier and re-estimated during the current period.
 - (b) Differences arising between certain parameters estimated earlier and actual results achieved during the current period.
 - (c) Differences arising between certain parameters re-estimated during the current period and actual results achieved during the current period.
 - (d) Both (a) and (b).
6. Which account is the odd one out?
 - (a) Office Furniture & Equipment.
 - (b) Freehold Land and Buildings.
 - (c) Stock of raw materials.
 - (d) Plant and Machinery.
7. In Double Entry System of Book-keeping every business transaction affects:
 - (a) Two accounts.
 - (b) Two sides of the same account.
 - (c) The same account on two different dates.
 - (d) All of the above.

8. Which of the following types of information are found in subsidiary ledgers, but not in the general ledger?
- (a) Total cost of goods sold for the period.
 - (b) The quantity of a particular product sold during the period.
 - (c) The amount owed to a particular creditor.
 - (d) The portion of total current assets that consist of cash.
9. Contra entries are passed only when
- (a) Double column cash book is prepared
 - (b) Three-column cash book is prepared
 - (c) Simple cash book is prepared
 - (d) None of the above
10. The preparation of a trial balance is for:
- (a) Locating errors of commission;
 - (b) Locating errors of principle;
 - (c) Locating clerical errors.
 - (d) All of the above

PART II

11. Present liability of uncertain amount, which can be measured reliably by using a substantial degree of estimation, is termed as _____
- (a) Provision
 - (b) Liability
 - (c) Contingent liability
 - (d) None of the above
12. When preparing a Bank Reconciliation Statement, if you start with a debit balance as per the Cash Book, then cheques issued but not presented within the period are _____
- (a) Added
 - (b) Deducted
 - (c) Not required to be adjusted
 - (d) None of the above.
13. Under inflationary conditions, _____ method will show highest value of closing stock?
- (a) FIFO

- (b) LIFO
 - (c) Weighted Average
 - (d) None of the above
14. In the case of downward revaluation of an asset, which is for the first time revalued, _____ account is debited.
- (a) Fixed Asset
 - (b) Revaluation Reserve
 - (c) Profit & Loss account
 - (d) General Reserve
15. The portion of the acquisition cost of the asset, yet to be allocated is known as _____
- (a) Written down value
 - (b) Accumulated value
 - (c) Realisable value
 - (d) Salvage value
16. If a concern proposes to discontinue its business from March 2005 and decides to dispose off all its assets within a period of 4 months, the Balance Sheet as on March 31, 2005 should indicate the assets at their _____
- (a) Historical cost
 - (b) Net realizable value
 - (c) Cost less depreciation
 - (d) Cost price or market value, whichever is lower
17. The balance of the petty cash is _____
- (a) an expense,
 - (b) income,
 - (c) an asset.
 - (d) liability
18. Sales for the year ended 31st March, 2005 amounted to Rs. 10,00,000. Sales included goods sold to Mr. A for Rs. 50,000 at a profit of 20% on cost. Such goods are still lying in the godown at the buyer's risk. Therefore, such goods should be treated as part of
- (a) Sales.
 - (b) Closing stock.
 - (c) Goods in transit.

- (d) Sales return.
19. As per Section 37 of the Indian Partnership Act, 1932, the executors would be entitled at their choice to the interest calculated from the date of death till the date of payment on the final amount due to the dead partner at _____ percentage per annum.
- (a) 7.
(b) 4.
(c) 6.
(d) 12.
20. If del-credere commission is allowed for bad debt, consignee will debit the bad debt amount to:
- (a) Commission Earned A/c
(b) Consignor A/c
(c) Debtors A/c
(d) General Trading A/c

PART III

21. Mr. A purchased a machinery costing Rs. 1,00,000 on 1st October, 2005. Transportation and installation charges were incurred amounting Rs. 10,000 and Rs. 4,000 respectively. Dismantling charges of the old machine in place of which new machine was purchased amounted Rs. 10,000. Market value of the machine was estimated at Rs. 1,20,000 on 31st March 2006. While finalising the annual accounts, A values the machinery at Rs. 1,20,000 in his books.
- Which of the following concepts was violated by A?
- (a) Cost concept
(b) Matching concept
(c) Realisation concept
(d) Periodicity concept.
22. Mohan purchased goods for Rs.15,00,000 and sold 4/5th of the goods amounting Rs.18,00,000 and paid expenses amounting Rs.2,70,000 during the year, 2005. He paid Rs. 5000 for an electricity bill of Dec. 2004 and advance salaries amounting Rs. 15,000 was paid for the month of Jan. 2006. He counted net profit as Rs.3,50,000.
- The profit calculated by him is correct according to
- (a) Entity concept.
(b) Periodicity concept.
(c) Matching concept.

- (d) Conservatism concept.

PART IV

23. W Ltd. issued 20,000, 8% debentures of Rs.10 each at par, which are redeemable after 5 years at a premium of 20%. The amount of loss on redemption of debentures to be written off every year will be
- (a) Rs.40,000
 - (b) Rs.10,000
 - (c) Rs.20,000
 - (d) Rs.8,000
24. S Ltd. issued 2,000, 10% Preference shares of Rs.100 each at par, which are redeemable at a premium of 10%. For the purpose of redemption, the company issued 1,500 Equity Shares of Rs.100 each at a premium of 20% per share. At the time of redemption of Preference Shares, the amount to be transferred by the company to the Capital Redemption Reserve Account will be
- (a) Rs.50,000
 - (b) Rs.40,000
 - (c) Rs.2,00,000
 - (d) Rs.2,20,000
25. G Ltd. acquired assets worth Rs.7,50,000 from H Ltd. by issue of shares of Rs.100 at a premium of 25%. The number of shares to be issued by G Ltd. to settle the purchase consideration will be
- (a) 6,000 shares
 - (b) 7,500 shares
 - (c) 9,375 shares
 - (d) 5,625 shares
26. The following information pertains to X Ltd.:
- | | |
|--------------------------------|-------------|
| Equity share capital called up | Rs.5,00,000 |
| Calls in arrear | Rs. 40,000 |
| Calls in advance | Rs. 25,000 |
| Proposed dividend | 15% |
- The amount of dividend payable will be
- (a) Rs.75,000
 - (b) Rs.72,750
 - (c) Rs.71,250

- (d) Rs.69,000
27. The subscribed share capital of S Ltd. is Rs.80,00,000 of Rs.100 each. There were no calls in arrear till the final call was made. The final call made was paid on 77,500 shares. The calls in arrear amounted to Rs.62,500. The final call on share will be
- Rs.25
 - Rs.7.80
 - Rs.20
 - Rs.62.50
28. A Company wishes to earn a 20% profit margin on selling price. Which of the following is the profit mark up on cost, which will achieve the required profit margin?
- 33%.
 - 25%.
 - 20%.
 - None of the above.
29. A, B and C are the partners sharing profits and losses in the ratio of 5:3:2, took a joint life policy of Rs. 30,000. On the death of B what amount will be payable to each partner.
- A – Rs. 22,000 and B – Rs. 8,000.
 - A – Rs. 14,000 and B – Rs. 16,000.
 - A – Rs. 15,000, B – Rs. 9,000 and C – Rs. 6,000.
 - A – Rs. 10,000, B – Rs. 8,000 and C – Rs. 10,000.
30. A, B and C were partners in a firm sharing profits and losses in the ratio of 2:2:1 respectively with the capital balance of Rs. 50,000 for A and B, for C Rs. 25,000. B declared to retire from the firm and balance in reserve on the date was Rs. 15,000. If goodwill of the firm was valued as Rs. 30,000 and profit on revaluation was Rs. 7,050 then what amount will be transferred to the loan account of C?
- Rs. 70,820.
 - Rs. 50,820.
 - Rs. 25,820.
 - Rs. 58,820.
31. A and B, who share profits and losses in the ratio of 3:2 has the following balances: Capital of A Rs. 50,000; Capital of B Rs. 30,000; Reserve Fund Rs. 15,000. They admit C as a partner, who contributes to the firm Rs. 25,000 for $\frac{1}{6}$ th share in the partnership. If C is to purchase $\frac{1}{6}$ th share in the partnership from the existing partners A and B in the ratio of 3:2 for Rs. 25,000, find closing capital of C.

- (a) Rs. 25,000.
 - (b) Rs. 19,000.
 - (c) Rs. 20,000.
 - (d) Rs. 18,000.
32. P and Q are partners sharing Profits in the ratio of 2:1. R is admitted to the partnership with effect from 1st April on the term that he will bring Rs. 20,000 as his capital for $\frac{1}{4}$ th share and pays Rs. 9,000 for goodwill, half of which is to be withdrawn by P and Q. How much cash can P & Q withdraw from the firm (if any)?
- (a) 3,000:1,500.
 - (b) 6,000:3,000.
 - (c) NIL.
 - (d) None of the above.
33. A and B are partners sharing profits in the ratio 5:3, they admitted C giving him $\frac{3}{10}$ th share of profit. If C acquires $\frac{1}{5}$ th share from A and $\frac{1}{10}$ th from B, new profit sharing ratio will be:
- (a) 5:6:3.
 - (b) 2:4:6.
 - (c) 18:24:38.
 - (d) 17:11:12
34. A, B and C are equal partners. D is admitted to the firm for one-fourth share. D brings Rs. 20,000 capital and Rs. 5,000 being half of the premium for goodwill. The value of goodwill of the firm is
- (a) Rs. 10,000
 - (b) Rs. 40,000.
 - (c) Rs. 20,000.
 - (d) None of the above.
35. A and B are partners with capitals of Rs. 10,000 and Rs. 20,000 respectively and sharing profits equally. They admitted C as their third partner with one-fourth profits of the firm on the payment of Rs. 12,000. The amount of hidden goodwill is:
- (a) 6,000.
 - (b) 10,000.
 - (c) 8,000.
 - (d) None of the above.

36. A & B are partners sharing profits and losses in the ratio 5:3. On admission C brings Rs. 70,000 cash and Rs. 48,000 against goodwill. New profit sharing ratio between A, B and C are 7:5:4. Find the sacrificing ratio as A:B
- 3:1.
 - 4:7.
 - 5:4.
 - 2:1.
37. Bill and Monica are partners sharing profits and losses in the ratio of 3:2 having the capital of Rs. 80,000 and Rs. 50,000 respectively. They are entitled to 9% p.a. interest on capital before distributing the profits. During the year firm earned Rs. 7,800 after allowing any interest on capital. Profits apportioned among Bill and Monica is:
- 4,680 and 3,120.
 - 4,800 and 3,000.
 - 5,000 and 2,800.
 - None of the above.
38. A merchant sends out his goods casually to his dealers on approval basis. All such transactions are, however, recorded as actual sales and are passed through the sales book. On 31-12-2005, it was found that 100 articles at a sale price of 200 each sent on approval basis were recorded as actual sales at that price. The sale price was made at cost *plus* 25%. The amount of stock on approval will be amounting
- Rs. 16,000.
 - Rs. 20,000.
 - Rs. 15,000.
 - None of the above.
39. On 16.6.05 X draws a bill on Y for Rs 25,000 for 30 days. 19th July is a public holiday, due date of the bill will be:
- 19th July
 - 18th July
 - 17th July
 - 16th July
40. Mr Bobby sold goods worth Rs 25,000 to Mr Bonny. Bonny immediately accepted a bill on 1.11.01, payable after 2 months. Bobby discounted this bill @ 18% p.a. on 15.11.01. On the due date Bonny failed to discharge the bill. Later on Bonny became insolvent and 50 paise is recovered from Bonny's estate. How much amount of bad debt will be recorded in the books of Bobby?
- 12,500

- (b) 9,437
 - (c) 11,687
 - (d) 13,650
41. Ram's acceptance to Din for Rs 8,000 renewed at 3 months on the condition that Rs 4,000 be paid in cash immediately and the remaining amount will carry interest @ 12% p.a. The amount of interest will be:
- (a) 120
 - (b) 80
 - (c) 90
 - (d) 160
42. A draws a bill on B for Rs. 30,000. A wants to endorse it to C in settlement of Rs. 35,000 at 2% discount with the help of B's acceptance and balance in cash. How much cash A will pay to B?
- (a) 4,300
 - (b) 4,000
 - (c) 4,100
 - (d) 5,000
43. A drew a bill on B for Rs. 50,000 for 3 months. Proceeds are to be shared equally. A got the bill discounted at 12% p.a. and remits required proceeds to B. The amount of such remittance will be:
- (a) 24,250
 - (b) 25,000
 - (c) 16,167
 - (d) 32,333
44. A and B enter into a joint venture to underwrite the shares of K Ltd. K Ltd make an equity issue of 100000 equity shares of Rs 10 each. 80% of the issue are subscribed by the party. The profit sharing ratio between A and B is 3:2. The balance shares not subscribed by the public, purchased by A and B in profit sharing ratio. How many shares to be purchased by A?
- (a) 80000 shares
 - (b) 72000 shares
 - (c) 12000 shares
 - (d) 8000 shares

45. R and M entered into a joint venture to purchase and sell new year gifts. They agreed to share the profit and losses equally. R purchased goods worth Rs 1,00,000 and spent Rs 10,000 in sending the goods to M. He also paid Rs 5,000 for insurance. M spent Rs 10,000 as selling expenses and sold goods for Rs.2,00,000. Remaining goods were taken over by him at Rs 5,000. Find out profit on venture.
- Rs.70,000
 - Rs.75,000
 - Rs.80,000
 - Rs.85,000
46. A purchased goods costing 2,00,000, B sold $\frac{4}{5}$ th of the goods for Rs 2,50,000. Balance goods were taken over by B at cost less 20%. If a same set of books is maintained, find out profit on venture.
- Rs. 82000
 - Rs .90000
 - Rs. 50000
 - None
47. If unsold goods costing Rs 20000 is taken over by Venturer at Rs 15000, the Joint Venture A/c will be credited by:
- Rs.20000
 - Rs.15000
 - Rs.5,000
 - Nil
48. X of Kolkata sends out goods costing Rs 1,00,000 to Y of Delhi. $\frac{3}{5}$ th of the goods were sold by consignee for Rs 70,000. Commission 2% on sales plus 20% of gross sales less all commission exceeds cost price. The amount of Commission will be:
- Rs.2833
 - Rs.2900
 - Rs.3000
 - Rs.2800
49. Rahim of Kolkata sends out 1000 boxes to Ram of Delhi costing Rs 100 each at an Invoice Price of Rs 120 each. Goods send out on consignment to be credited in general trading account will be:
- Rs.1,00,000
 - Rs.1,20,000
 - Rs.20,000

- (d) None
50. Goods sent out on consignment Rs.2,00,000. Consignor's expenses Rs.5,000. Consignee's expenses Rs.2000. Cash sales Rs.1,00,000, credit sales Rs.1,10,000. Consignment stock Rs.40,000. Ordinary commission payable to consignee Rs.3,000. Del-credere commission Rs.2000. The amount irrecoverable from customer Rs.2,000. What will be the profit on consignment?
- (a) Rs.38,000
(b) Rs.40,000
(c) Rs.36,000
(d) Rs.43,000
51. A of Kolkata sends out 500 boxes to B of Delhi costing Rs 200 each. Consignor's expenses Rs 5000. $\frac{1}{5}$ th of the boxes were still in transit. $\frac{3}{4}$ th of the goods received by consignee, were sold. The amount of goods still in transit will be:
- (a) Rs.20,000
(b) Rs.21,000
(c) Rs.21,200
(d) None
52. If sales revenues are Rs. 4,00,000; cost of goods sold is Rs. 3,10,000 and operating expenses are Rs.60,000 the gross profit is
- (a) Rs. 30,000.
(b) Rs. 90,000.
(c) Rs. 3,40,000.
(d) Rs. 60,000
53. If sales are Rs. 2,000 and the rate of gross profit on cost of goods sold is 25%, then the cost of goods sold will be
- (a) Rs. 2,000.
(b) Rs. 1,500.
(c) Rs. 1,600.
(d) None of the above.
54. Amit Ltd. purchased a machine on 01.01.2003 for Rs 1,20,000. Installation expenses were Rs 10,000. Residual value after 5 years Rs 5,000. On 01.07.2003, expenses for repairs were incurred to the extent of Rs 2,000. Depreciation is provided under straight line method. Depreciation rate is 10%. Annual Depreciation will be
- (a) Rs.13,000
(b) Rs.17,000

- (c) Rs.21,000
(d) Rs.25,000
55. In the books of D Ltd. the machinery account shows a debit balance of Rs.60,000 as on April 1,2003.The machinery was sold on September 30, 2004 for Rs.30,000. The company charges depreciation @ 20% p.a. on diminishing balance method. Profit / Loss on sale will be
(a) 13,200 Profit
(b) 13,200 loss
(c) 6,800 profit
(d) 6,800 loss
56. The total cost of goods available for sale with a company during the current year is Rs.12,00,000 and the total sales during the period are Rs.13,00,000. If the gross profit margin of the company is $33\frac{1}{3}\%$ on cost, the closing inventory during the current year is
(a) Rs.4,00,000
(b) Rs.3,00,000
(c) Rs.2,25,000
(d) Rs.2,60,000.
57. Consider the following data pertaining to H Ltd. for the month of March 2005:
- | Particulars | As on March 01, 2005 (Rs.) | As on March 31, 2005 (Rs.) |
|-------------|----------------------------|----------------------------|
| Stock | 1,80,000 | 90,000 |
- The company made purchases amounting Rs. 3,30,000 on credit. During the month of March 2005, the company paid a sum of Rs.3,50,000 to the suppliers. The goods are sold at 25% above the cost. The sales for the month of March 2005 were
(a) Rs.4,12,500
(b) Rs.5,25,000
(c) Rs.90,000
(d) Rs.3,15,000.
58. When preparing a Bank Reconciliation Statement, if you start with a debit balance as per the Cash Book, cheques issued but not presented within the period should be:
(a) Added
(b) Deducted
(c) Not required to be adjusted

- (d) None of the above.
- 59. Rs. 200 paid as wages for erecting a machine should be debited to
 - (a) Repair account.
 - (b) Machine account.
 - (c) Capital account.
 - (d) Furniture account
- 60. Rs. 2,500 spent on the overhaul of machines purchased second-hand is
 - (a) capital expenditure
 - (b) revenue expenditure
 - (c) deferred revenue expenditure
 - (d) None of the above

SECTION – B: MERCANTILE LAWS (40 MARKS)

- (i) Questions 61 to 79 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 80 to 98 are the fill in the blank based questions having four alternate answers and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 99 and 100 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 61. The law of contract in India is contained in
 - (a) Indian Contract Act, 1862
 - (b) Indian Contract Act, 1962
 - (c) Indian Contract Act, 1872
 - (d) Indian Contract Act, 1972
- 62. A void agreement is one which is
 - (a) Valid but not enforceable
 - (b) Enforceable at the option of both the parties.
 - (c) Enforceable at the option of one party
 - (d) Not enforceable in a court of law.
- 63. Which of the following is false? An acceptance:
 - (a) Must be communicated.
 - (b) Must be absolute and unconditional.
 - (c) Must be accepted by a person having authority to accept.
 - (d) May be presumed from silence of offeree.
- 64. A proposal when accepted becomes a
 - (a) Promise.
 - (b) Contract.
 - (c) Offer.
 - (d) Acceptance.
- 65. Which of the following statement is false? Consideration:
 - (a) Must move at the desire of the promisor.

- (b) May move from any person.
 - (c) Must be illusory.
 - (d) Must be of some value.
66. Which of the following statement is true?
- (a) A contract with a minor is voidable at the option of the minor.
 - (b) An agreement with a minor can be ratified after he attains majority.
 - (c) A person who is usually of an unsound mind cannot enter into contract even when he is of a sound mind.
 - (d) A person who is usually of a sound mind cannot enter into contract when he is of unsound mind.
67. Which of the following statement is true?
- (a) A threat to commit suicide does not amount to coercion.
 - (b) Undue influence involves use of physical pressure.
 - (c) Ignorance of law is no excuse.
 - (d) Silence always amounts to fraud.
68. On the valid performance of the contractual obligations by the parties, the contract
- (a) is discharged.
 - (b) becomes enforceable.
 - (c) becomes void.
 - (d) none of these.
69. A contract is discharged by rescission which means the
- (a) change in one or more terms of the contract.
 - (b) acceptance of lesser performance.
 - (c) abandonment of rights by a party.
 - (d) cancellation of the existing contract.
70. The Sale of Goods Act, 1930 deals with
- (a) sale
 - (b) mortgage.
 - (c) pledge.
 - (d) all of the above.
71. Which one of the following is/are document of title to goods?
- (a) railway receipt.

- (b) wharfinger's certificate.
 - (c) warehouse keeper's certificate.
 - (d) all of the above
72. Which one of the following is not true?
- (a) Document showing title is different from document of title.
 - (b) Bill of lading is a document of title to goods.
 - (c) Specific goods can be identified and agreed upon at the time of the contract of Sale.
 - (d) None of the above.
73. In which form of the contract, the property in the goods passes to the buyer immediately:
- (a) agreement to sell.
 - (b) hire purchase.
 - (c) sale
 - (d) installment to sell.
74. Which one of the following is not an implied warranty?
- (a) Warranty as to undisturbed possession.
 - (b) Warranty as to existence of encumbrance.
 - (c) Disclosure of dangerous nature of goods.
 - (d) Warranty as to quality or fitness by usage of trade.
75. A firm is the name of:
- (a) The Partners
 - (b) The minors in the firm.
 - (c) The business under which the firm carries on business
 - (d) The collective name under which it carries on business.
76. A partnership at will is one:
- (a) which does not have any deed
 - (b) which does not have any partner
 - (c) which does not provide for how long the business will continue
 - (d) which cannot be dissolved.
77. Every partner has the right to:
- (a) Take part in the business of the firm

- (b) To share exclusive profits
 - (c) To use the property of the firm for personal purposes
 - (d) Pay taxes
78. Which of the following is not disability of an unregistered firm?
- (a) It cannot file a suit against third parties
 - (b) Its partners cannot file a suit against a firm.
 - (c) It cannot claim a set-off exceeding Rs. 100.
 - (d) It cannot be sued by a third party.
79. Which of the following is not the right of a partner i.e., which he cannot claim as a matter of right?
- (a) Right to take part in business.
 - (b) Right to have access to account books.
 - (c) Right to share profits.
 - (d) Right to receive remuneration.

PART II

80. In case of illegal agreements, the collateral agreements are _____ .
- (a) Valid.
 - (b) Void.
 - (c) Voidable.
 - (d) None of these.
81. Consent is not said to be free when it is caused by _____
- (a) Coercion.
 - (b) Undue Influence.
 - (c) Fraud.
 - (d) All of these.
82. Moral pressure is involved in the case of _____
- (a) Coercion.
 - (b) Undue Influence.
 - (c) Misrepresentation.
 - (d) Fraud.
83. Sometimes, a party is entitled to claim compensation in proportion to the work done by

- him. It is possible by a suit for _____
- (a) damages
 - (b) injunction
 - (c) quantum meruit
 - (d) none of these.
84. A contract dependent on the happening or non-happening of future uncertain event, is a _____
- (a) Uncertain contract.
 - (b) Contingent contract.
 - (c) Void contract.
 - (d) Voidable contract.
85. A agrees to pay Rs. One lakh to B if he brings on earth a star from sky. This is a contingent contract and _____.
- (a) Illegal
 - (b) Valid
 - (c) Voidable
 - (d) Void.
86. As a general rule, an agreement made without consideration is _____
- (a) void
 - (b) voidable
 - (c) valid
 - (d) unlawful
87. An agreement made with free consent to which the consideration is lawful but inadequate, is _____.
- (a) void
 - (b) valid
 - (c) voidable
 - (d) unlawful
88. A contract with the minor, which is beneficial for him, is _____
- (a) void ab initio
 - (b) voidable
 - (c) valid
 - (d) illegal

89. A stipulation in a contract of sale of goods whose violation by seller gives a right of rescission to buyer, is called _____
- (a) Guarantee.
 - (b) Warranty.
 - (c) Condition.
 - (d) Term.
90. The essence of a right of lien is to _____
- (a) deliver the goods.
 - (b) retain the possession.
 - (c) regain the possession.
 - (d) none of the above.
91. If a seller handed over the keys of a warehouse containing the goods to the buyer results in _____
- (a) constructive delivery
 - (b) actual delivery
 - (c) symbolic delivery
 - (d) none of the above
92. A agrees to deliver his old car valued at Rs. 80,000 to B, a car dealer, in exchange for a new car, and agrees to pay the difference in cash it is _____
- (a) Contract of sale.
 - (b) Agreement to sell.
 - (c) Exchange.
 - (d) Barter.
93. A contract for the sale of goods which provide that the property would pass to the buyer on full payment of price and execution of sale deed, is known as _____
- (a) sale
 - (b) agreement to Sell
 - (c) hire-purchase Agreement
 - (d) sale of approval
94. Voluntary transfer of possession by one person to another is popularly known as _____
- (a) Transfer.

- (b) Possession.
 - (c) Delivery.
 - (d) None of the above.
95. A partner can be expelled if _____
- (a) Such expulsion is in good faith
 - (b) The majority of the partner agree on such expulsion
 - (c) The expelled partner is given an opportunity to start a business competing with that of the firm
 - (d) Compensation is paid
96. A new partner can be admitted in the firm with the consent of _____
- (a) All the partners
 - (b) Simple majority of partners
 - (c) Special majority of partners
 - (d) New partner only.
97. A partner may retire from an existing firm _____
- (a) with consent of all partners
 - (b) as per express agreement
 - (c) by written notice in partnership at will
 - (d) all of the above.
98. A partnership firm is compulsorily dissolved where _____
- (a) All partners have become insolvent
 - (b) Firm's business has become unlawful
 - (c) The fixed term has expired
 - (d) In cases (a) and (b) only.

PART III

99. Ram, Rohit and Kiran jointly borrowed Rs.2,00,000 from Rahim by executing a promissory note. Rohit and Kiran are not traceable. Rahim wants to recover the entire amount from Ram. Ram objected this move by saying he is liable to pay 1/3 of the debt only. Which of the following statement(s) is correct?
- (a) Rahim can recover the entire amount from Ram.
 - (b) Rahim can only recover 1/3 of Rs.2,00,000 from Ram.
 - (c) Rahim cannot recover any amount from Ram.

- (d) The promissory note is not executable against Ram as Rohit and Kiran are not traceable.
100. X agrees with Y to carry passengers by taxi from Delhi to Gurgaon on the following terms, namely, Y is to pay X Rs. 100 per mile per annum, and X and Y are to share the costs of repairing and replacement of the cars, and to divide equally between them the proceeds of fares received from passengers. Choose the correct alternative.
- (a) X and Y are partners
- (b) X and Y are cab owners
- (c) X and Y are co-owners
- (d) Can't be decided.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

- (i) Questions 101 to 116 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 117 to 132 are Fill in the blanks type and carry +1 mark for each correct answer and -0.25 mark for each wrong answer.
- (iii) Questions 133 to 137 contain small paragraph / table followed by a question having only one correct answer and carries + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Question 138 to 150 are numerical based which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

101. Which of the following statements would you consider to be a normative one?
- (a) Faster economic growth should result if an economy has a higher level of investment.
 - (b) Changing the level of interest rates is a better way of managing the economy than using taxation and government expenditure.
 - (c) Higher levels of unemployment will lead to higher levels of inflation.
 - (d) The average level of growth in the economy was faster in the 1990s than the 1980s.
102. Consider the following and decide which, if any, economy is without scarcity:
- (a) The pre-independence Indian economy, where most people were farmers.
 - (b) A mythical economy where everybody is a billionaire.
 - (c) Any economy where income is distributed equally among its people.
 - (d) None of the above.
103. The economic analysis expects the consumer to behave in a manner which is:
- (a) Rational
 - (b) Irrational
 - (c) Emotional
 - (d) Indifferent.
104. After reaching the saturation point, consumption of additional units of the commodity cause:
- (a) Total utility to fall and marginal utility to increase.
 - (b) Total utility and marginal utility both to increase.

- (c) Total utility to fall and marginal utility to become negative.
 - (d) Total utility to become negative and marginal utility to fall.
105. Consumer surplus is highest in the case of:
- (a) Necessities.
 - (b) Luxuries.
 - (c) Comforts.
 - (d) Conventional necessities.
106. If one unit of labour and one unit of capital give 200 units of output, two units of labour and two units of capital give 400 units of output and 5 units of labour and five units of capital give 1000 units of output then this is a case of:
- (a) Constant returns to scale.
 - (b) Increasing returns to scale.
 - (c) Decreasing returns to scale.
 - (d) None of these.
107. The vertical difference between TVC and TC is equal to:
- (a) MC.
 - (b) AVC.
 - (c) TFC.
 - (d) None of these.
108. Price taker firms:
- (a) Advertise to increase the demand for their products.
 - (b) Do not advertise because most advertising is harmful for the society.
 - (c) Do not advertise because they can sell as much as they want at the current price.
 - (d) Who advertise will get more profits than those who do not.
109. The AR curve and industry demand curve are same:
- (a) In the case of monopoly.
 - (b) In the case of oligopoly.
 - (c) In the case of perfect competition.
 - (d) None of the above.
110. Which of the following is not, by definition, equal to National Income?
- (a) National product
 - (b) National expenditure

- (c) National output
 - (d) National wealth
111. Which of the following is not an objective of Fiscal policy?
- (a) Economic growth
 - (b) Economic stability
 - (c) Maximization of employment level
 - (d) Regulating of financial institutions
112. The main objective of the World Trade Organisation is to secure among others:
- (a) A general agreement among common market countries on technical training and mutual prices of traded goods.
 - (b) The maintenance of intellectual property rights and patent rights of member countries.
 - (c) An improvement in the USA's terms of trade in the next decade.
 - (d) A reduction in tariffs through negotiation, elimination of import quotas and globalization of international trade.
113. Which one of the following is the best example of agreement between oligopolists?
- (a) GATT
 - (b) OPEC
 - (c) WTO
 - (d) UNIDO
114. Which of the following concepts of Budget deficit has become practically redundant in India?
- (a) Fiscal deficit
 - (b) Budgetary deficit
 - (c) Primary deficit
 - (d) Revenue deficit
115. Birth rate and Death rate are measured as per:
- (a) 100 population
 - (b) 1000 population
 - (c) 10000 population
 - (d) 100000 population
116. Money includes:
- (a) Currencies and demand deposits.

- (b) Bonds, government securities.
- (c) Equity shares.
- (d) All of the above.

PART II

117. ----- pair of commodities is an example of substitutes.
- (a) Coffee and milk
 - (b) Diamond and cow
 - (c) Pen and ink
 - (d) Mustard oil and coconut oil
118. When the price of a substitute of X commodity falls, the demand for X -----.
- (a) Rises
 - (b) Falls
 - (c) Remains unchanged
 - (d) Any of the above.
119. Marginal utility approach to demand was given by -----.
- (a) J.R. Hicks
 - (b) Alfred Marshall
 - (c) Robbins
 - (d) A C Pigou
120. While analyzing Marshall's measure of consumer's surplus one assumes -----.
- (a) Imperfect competition
 - (b) Perfect competition
 - (c) Monopoly
 - (d) Monopsony
121. The law of variable proportions come into being when -----.
- (a) There are only two variable factors.
 - (b) There is a fixed factor and a variable factor.
 - (c) All factors are variable.
 - (d) Variable factors yield less.
122. ----- is an implicit cost of production.
- (a) Wages of the labour.
 - (b) Charges for electricity.

- (c) Interest on owned money capital.
 - (d) Payment for raw material.
123. Excess capacity is not found under -----.
- (a) Monopoly
 - (b) Monopolistic competition
 - (c) Perfect competition.
 - (d) Oligopoly.
124. Stagflation means -----.
- (a) Inflation with recession
 - (b) Recession with stagnation
 - (c) Inflation galloping like a stag
 - (d) Inflation and increasing output.
125. ----- is not a direct tax.
- (a) Income tax
 - (b) Wealth tax
 - (c) Expenditure tax
 - (d) Entertainment tax
126. ----- has been founded to act as permanent watchdog on the international trade.
- (a) IBRD
 - (b) ADB
 - (c) WTO
 - (d) IMF
127. _____ measure usually gives the lowest estimate of unemployment especially for poor economy.
- (a) Usual status
 - (b) Current weekly status
 - (c) Current daily status
 - (d) Current yearly status
128. The average profit is the difference between -----.
- (a) AC and TC
 - (b) AC and VC.

- (c) AC and AR
(d) AC and TR
129. At the point of inflexion, the marginal product is -----.
- (a) Increasing
(b) Decreasing
(c) Maximum
(d) Negative
- 130 . Marginal revenue will be negative if elasticity of demand is -----.
- (a) Less than one.
(b) More than one.
(c) Equal to one.
(d) Equal to zero.
131. If the railways are making losses on passenger traffic they should lower their fares. The suggested remedy would only work if the demand for rail travel had a price elasticity of -----
- (a) Zero
(b) Greater than zero but less than one.
(c) One
(d) Greater than one
132. If R point bisects the demand curve in two equal parts, then elasticity at R equals -----
- (a) Zero
(b) Five
(c) Two
(d) One

PART III

The following data give the production possibilities frontier of an economy that produces two types of goods, guns and bread. Read the following table and answer questions 133-135

Table 1 : Production Possibilities

Production possibilities	A	B	C	D	E	F	G	H
Guns	0	10	20	30	40	50	60	30
Bread	105	100	90	75	55	30	0	45

133. According to Table 1, the opportunity cost of increasing gun's production from 20 to 30 units is equal to
- (a) 10 units of bread.
 - (b) 15 units of bread.
 - (c) 25 units of bread.
 - (d) 24 units of bread.
134. Given the data in Table 1, one moves successively from point A to points B, C, D, E and F, the opportunity cost of guns:
- (a) Increases as more of guns are produced.
 - (b) Decreases as more of guns are produced.
 - (c) Remains constant as more of guns are produced.
 - (d) Nothing can be said.
135. Point D is efficient while point H (30 guns and 45 loaves of bread) is inefficient. Why?
- (a) Point D is outside the PPF while point H is on the PPF.
 - (b) Point D is inside the PPF while point H is on the PPF.
 - (c) Point D is on the PPF while point H is inside the PPF.
 - (d) nothing can be said.

Read the following paragraph and answer questions 136 to 137.

In the Monetary Policy announced for the year 2006-07 the following announcements have been made - Bank Rate, Repo Rate, Reverse Repo Rate and Cash Reserve Ratio have been kept unchanged at their present levels of 6 per cent, 6.5 per cent, 5.5 per cent and 5 per cent respectively. These have been kept unchanged as liquidity pressure seen during the last 4 months of 2005-06 have eased off considerably.

136. What is Bank Rate?
- (a) The rate of interest charged by public sector banks from the general public.
 - (b) The rate of interest on housing loans.
 - (c) The rate of interest on educational loan.
 - (d) The rate at which the RBI discounts the bills of commercial banks.
137. In the given paragraph it is stated that Bank Rate and Cash Reserve Ratio(CRR) have been kept unchanged. What can RBI do if it wants to control credit in the economy?
- (a) Decrease Bank Rate and decrease CRR.
 - (b) Increase Bank Rate and increase CRR.

- (c) Increase Bank Rate and decrease CRR
- (d) Decrease Bank Rate and increase CRR.

PART IV

Use Table 2 to answer questions 138-141.

Bozzo's burgers is a small restaurant and a price taker. The table below provides the data of Bozzo's output and costs in Rupees.

<i>Quantity</i>	<i>Total cost</i>	<i>Fixed cost</i>	<i>Variable cost</i>	<i>Average variable cost</i>	<i>Average total cost</i>	<i>Marginal cost</i>
0	100		—	—		—
10	210					
20	300					
30	400					
40	540					
50	790					
60	1060					

138. If burgers sell for Rs14 each, what is Bozzo's profit maximizing level of output :

- (a) 10 burgers
- (b) 40 burgers
- (c) 50 burgers
- (d) 60 burgers

139. What is the total variable cost when 60 burgers are produced?

- (a) Rs. 690
- (b) Rs.960
- (c) Rs.110
- (d) Rs.440

140. What is average fixed cost when 20 burgers are produced?

- (a) Rs. 5
- (b) Rs.3.33
- (c) Rs. 10
- (d) Rs. 2.5

141. Between 10 to 20 burgers, what is the marginal cost (per burger)?

- (a) Rs. 11
- (b) Rs. 13
- (c) Rs 14
- (d) Rs. 9

In Econoville, there is one grocery shop, Ecoconvenience. It used to sell fresh milk at Rs.20 per litre, at which price 400 litres of milk were sold per month. After some time, the price was raised to Rs 30 per litre. Following the price rise:

- ◆ **Only 200 litres of milk was sold every month.**
- ◆ **The number of boxes of cereal customers bought went down from 280 to 240.**
- ◆ **The number of packets of powdered milk customers bought went up from 90 to 220 per month.**

Now answer Questions number 142-147.

142. The price elasticity of demand when fresh milk's price increases from Rs. 20 per litre to Rs 30 per litre is equal to:

- (a) 2.5
- (b) 1.0
- (c) 1.66
- (d) 2.66

143. The cross elasticity of monthly demand for cereal when the price of fresh milk increases from Rs 20 to Rs.30 is equal to:

- (a) - 0.38
- (b) + 0.25.
- (c) - 0.19.
- (d) + 0.38.

144. The cross elasticity of monthly demand for powdered milk when the price of fresh milk increases from Rs 20 to Rs 30 per litre is equal to:

- (a) + 1.05.
- (b) -1.05.
- (c) -2.09.
- (d) + 2.09.

145. What can be said about the price elasticity of demand for fresh milk?

- (a) It is perfectly elastic.

- (b) It is elastic.
- (c) It is perfectly inelastic.
- (d) It is inelastic.
146. Suppose income of the residents of Ecoville increases by 50% and the quantity of fresh milk demanded increases by 30%. What is income elasticity of demand for fresh milk?
- (a) 0.5
- (b) 0.6
- (c) 1.25
- (d) 1.50
147. We can say that fresh milk in economics sense is a/an:
- (a) luxury good
- (b) inferior good
- (c) normal good
- (d) nothing can be said.
148. Suppose that a sole proprietorship is earning total revenues of Rs.2,00,000 and is incurring explicit costs of Rs.1,50,000. If the owner could work for another company for Rs.60,000 a year, we would conclude that:
- (a) the firm is incurring an economic loss.
- (b) implicit costs are Rs.50,000.
- (c) the total economic costs are Rs.2,00,000.
- (d) the individual is earning an economic profit of Rs.50,000.

Use Table 3 to answer questions 149-150.

Table 3

Hours of Labour	Total Output	Marginal Product
0	---	---
1	200	200
2	_____	160
3	480	_____

149. What is the total output when 2 hours of labour are employed?
- (a) 160

- (b) 200
- (c) 360
- (d) 400

150. What is the marginal product of the third hour of labour?

- (a) 120
- (b) 160
- (c) 200
- (d) 480

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

- (i) Questions 151 to 160 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 161 to 170 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 171 to 200 are numerical based questions, which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

151. Mutually exclusive classification is usually meant for
- (a) A discrete variable.
 - (b) A continuous variable.
 - (c) An attribute.
 - (d) Any of these.
152. $\lim_{x \rightarrow 0} \frac{3x + |x|}{7x - 5|x|}$
- (a) Exists
 - (b) Does not exist
 - (c) $1/6$
 - (d) None of these
153. Which measure of dispersion is based on all the observations?
- (a) Mean deviation
 - (b) Standard deviation
 - (c) Quartile deviation
 - (d) (a) and (b) but not (c)
154. If an unbiased coin is tossed once, then the two events Head and Tail are
- (a) Mutually exclusive.
 - (b) Exhaustive.
 - (c) Equally likely.
 - (d) All these (a), (b) and (c).

155. If $P(A) = P(B)$, then
- (a) A and B are the same events.
 - (b) A and B must be same events.
 - (c) A and B may be different events.
 - (d) A and B are mutually exclusive events.
156. As the sample size increases, standard error
- (a) Increases .
 - (b) Decreases.
 - (c) Remains constant.
 - (d) Decreases proportionately.
157. The test of shifting the base is called
- (a) Unit Test.
 - (b) Time Reversal Test.
 - (c) Circular Test.
 - (d) None of these.
158. Which sampling is subjected to the discretion of the sampler?
- (a) Systematic sampling
 - (b) Simple random sampling
 - (c) Purposive sampling
 - (d) Quota sampling
159. Scatter diagram helps us to
- (a) Find the nature correlation between two variables.
 - (b) Compute the extent of correlation between two variables.
 - (c) Obtain the mathematical relationship between two variables.
 - (d) Both (a) and (c).
160. The point of intersection between the straight lines $3x + 2y = 6$ and $3x - y = 12$ lie in
- (a) 1st quadrant.
 - (b) 2nd quadrant.
 - (c) 3rd quadrant.
 - (d) 4th quadrant.

PART II

161. 'Stub' of a table is the _____ part of the table describing the _____.
- (a) Left, Columns
 - (b) Right, Columns
 - (c) Right, Rows
 - (d) Left, Rows
162. The logarithm of a number consists of two parts, the whole part or the integral part is called the _____ and the decimal part is called the _____.
- (a) Characteristic, Number
 - (b) Characteristic, Mantissa
 - (c) Mantissa, Characteristic
 - (d) Number, Mantissa
163. If $b^2 - 4ac < 0$ then the roots are _____.
- (a) Real and equal
 - (b) Imaginary
 - (c) Real and unequal
 - (d) Irrational and unequal
164. In _____ receipts/payments takes place forever.
- (a) Annuity
 - (b) Perpetuity
 - (c) Annuity regular
 - (d) Annuity due
165. Usually _____ is the best measure of central tendency.
- (a) Median
 - (b) Mode
 - (c) Mean
 - (d) G.M.
166. _____ are used for measuring central tendency , dispersion & skewness.
- (a) Median
 - (b) Deciles
 - (c) Percentiles
 - (d) Quartiles.

167. If the plotted points in a scatter diagram lie from upper left to lower right, then the correlation is_____.
- Positive
 - Zero
 - Negative
 - None of these.
168. A small value of r indicates only a _____ linear type of relationship between the variables .
- Good
 - Poor
 - Maximum
 - Highest
169. The method usually applied for fitting a binomial distribution is known as_____.
- Method of least square
 - Method of moments
 - Method of probability distribution
 - Method of deviations
170. An index time series is a list of _____ nos. for two or more periods of time.
- Index
 - Absolute
 - Relative
 - Sample

PART III

171. The following data relate to the marks of a group of students:

Marks :	Below 10	Below 20	Below 30	Below 40	Below 50
No. of students :	15	38	65	84	100

How many students got marks more than 30?

- 65
- 50
- 35
- 43

172. The following data relate to the incomes of 86 persons :

Income in Rs.	:	500–999	1000–1499	1500–1999	2000–2499
No. of persons	:	15	28	36	7

What is the percentage of persons earning more than Rs. 1500?

- (a) 50
 - (b) 45
 - (c) 40
 - (d) 60
173. Value of $2x^{1/2} \cdot 3x^{-1}$ if $x = 4$ is
- (a) 3
 - (b) 4
 - (c) 3.5
 - (d) 4.5
174. A number between 10 and 100 is five times the sum of its digits. If 9 be added to it the digits are reversed, find the number.
- (a) 54
 - (b) 53
 - (c) 45
 - (d) 55
175. An employer recruits experienced (x) and fresh workmen (y) for his firm under the condition that he cannot employ more than 9 people. x and y can be related by the inequality
- (a) $x + y \neq 9$
 - (b) $x + y \leq 9$
 - (c) $x + y \geq 9$
 - (d) None of these
176. The sum required to earn a monthly interest of Rs 1200 at 18% per annum SI is
- (a) Rs. 50000
 - (b) Rs. 60000
 - (c) Rs. 80000
 - (d) None of these

177. The difference between compound and simple interest at 5% per annum for 4 years on Rs.20000 is
- (a) Rs 250
 - (b) Rs 277
 - (c) Rs 300
 - (d) Rs 310
178. ${}^4P_4$ is equal to
- (a) 1
 - (b) 24
 - (c) 0
 - (d) None of these
179. In how many ways can 8 persons be seated at a round table? In how many cases will 2 particular persons sit together?
- (a) 5040
 - (b) 4050
 - (c) 450
 - (d) 540
180. Five bulbs of which three are defective are to be tried in two bulb points in a dark room. Number of trials the room shall be lighted
- (a) 6
 - (b) 8
 - (c) 5
 - (d) 7
181. Which term of the progression $-1, -3, -5, \dots$ is -39 ?
- (a) 21st
 - (b) 20th
 - (c) 19th
 - (d) None of these
182. The sum of natural numbers upto 200 excluding those divisible by 5 is
- (a) 20100
 - (b) 4100
 - (c) 16000

- (d) None of these.
183. The number of subsets of the set $\{2, 3, 5\}$ is
- (a) 3
(b) 8
(c) 6
(d) None of these.
184. Given $A = \{2, 3\}$, $B = \{4, 5\}$, $C = \{5, 6\}$ then $A \times (BC)$ is
- (a) $\{(2, 5), (3, 5)\}$
(b) $\{(5, 2), (5, 3)\}$
(c) $\{(2, 3), (5, 5)\}$
(d) None of these.
185. $\lim_{x \rightarrow 4} \frac{(x^2 - 16)}{(x - 4)}$ is evaluated as
- (a) 8
(b) -8
(c) 0
(d) None of these.
186. If $y = \frac{1}{\sqrt{x}}$ then $\frac{dy}{dx}$ is equal to
- (a) $\frac{1}{2x\sqrt{x}}$
(b) $\frac{-1}{x\sqrt{x}}$
(c) $-\frac{1}{2x\sqrt{x}}$
(d) None of these.
187. $f(x) = x^2/e^x$ then $f'(-1)$ is equal to
- (a) $-1/e$
(b) $1/e$
(c) e
(d) None of these.

188. Evaluate $\int 5x^2 dx$ and the answer will be
- (a) $5 / 3x^3 + k$
 - (b) $5x^3 / 3$
 - (c) $5x^3$
 - (d) None of these.
189. Evaluate $\int_2^4 (3x - 2)^2 dx$ and the value is
- (a) 104
 - (b) 100
 - (c) 10
 - (d) None of these.
190. What is the value of the first quartile for observations 15, 18, 10, 20, 23, 28, 12, 16?
- (a) 17
 - (b) 16
 - (c) 15.75
 - (d) 12
191. What is the coefficient of range for the following wages of 8 workers?
Rs.80, Rs.65, Rs.90, Rs.60, Rs.75, Rs.70, Rs.72, Rs.85.
- (a) Rs.30
 - (b) Rs.20
 - (c) 30
 - (d) 20
192. If the relationship between two variables x and y is given by $2x + 3y + 4 = 0$, then the value of the correlation coefficient between x and y is
- (a) 0
 - (b) 1
 - (c) -1
 - (d) Negative.
193. If two unbiased dice are rolled together, what is the probability of getting no difference of points?
- (a) $1/2$

- (b) $\frac{1}{3}$
 - (c) $\frac{1}{5}$
 - (d) $\frac{1}{6}$
194. The probability that a card drawn at random from the pack of playing cards may be either a queen or an ace is
- (a) $\frac{2}{13}$
 - (b) $\frac{11}{13}$
 - (c) $\frac{9}{13}$
 - (d) None of these.
195. If the overall percentage of success in an exam is 60, what is the probability that out of a group of 4 students, at least one has passed?
- (a) 0.6525
 - (b) 0.9744
 - (c) 0.8704
 - (d) 0.0256
196. If the mean deviation of a normal variable is 16, what is its quartile deviation?
- (a) 10.00
 - (b) 13.50
 - (c) 15.00
 - (d) 12.05
197. If S.D.= 20 and sample size is 100 then standard error of mean is
- (a) 2
 - (b) 5
 - (c) $\frac{1}{5}$
 - (d) None of these.
198. If for two variable x and y, the covariance, variance of x and variance of y are 40, 16 and 256 respectively, what is the value of the correlation coefficient?
- (a) 0.01
 - (b) 0.625
 - (c) 0.4
 - (d) 0.5

199. The present value of Rs.10000 due in 2 years at 5% p.a. compound interest when the interest is paid on yearly basis is
- (a) Rs 9070
 - (b) Rs 9069
 - (c) Rs 9061
 - (d) Rs 9060
200. A town has a total population of 50,000. Out of it 28,000 read the newspaper X and 23000 read Y while 4000 read both the papers. The number of persons not reading X and Y both is
- (a) 2000
 - (b) 3000
 - (c) 2500
 - (d) None of these.



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-3/2006

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

Please follow the instructions given in each section carefully and answer the questions.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

- (i) Questions 1 to 10 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 11 to 20 are the fill in the blank based questions having four alternate answers and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 21 and 22 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Questions 23 to 60 are numerical based questions, which have answers as numerical values and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

1. All of the following are functions of Accounting except
 - (a) Decision making.
 - (b) Measurement.
 - (c) Forecasting.
 - (d) Ledger posting.

2. Manufacturing account is prepared to
 - (a) ascertain the profit or loss on the goods produced
 - (b) ascertain the cost of the manufactured goods
 - (c) show the sale proceeds from the goods produced during the year
 - (d) both (b) and (c).
3. On March 31, 2006 after sale of goods worth Rs. 2,000, he is left with the closing stock of Rs. 10,000. This is
 - (a) An event.
 - (b) A transaction.
 - (c) A transaction as well as an event.
 - (d) Neither a transaction nor an event.
4. Financial statements only consider
 - (a) Assets expressed in monetary terms.
 - (b) Liabilities expressed in monetary terms.
 - (c) Assets expressed in non-monetary terms.
 - (d) Assets and liabilities expressed in monetary terms
5. Which financial statement represents the accounting equation, assets = Liabilities + Owner's equity:
 - (a) Income Statement
 - (b) Statement of Cash flows
 - (c) Balance Sheet
 - (d) None of the above
6. A purchased a car for Rs.5,00,000, making a down payment of Rs.1,00,000 and signing a Rs.4,00,000 bill payable due in 60 days. As a result of this transaction
 - (a) Total assets increased by Rs.5,00,000.
 - (b) Total liabilities increased by Rs.4,00,000.
 - (c) Total assets increased by Rs.4,00,000.
 - (d) Total assets increased by Rs.4,00,000 with corresponding increase in liabilities by Rs.4,00,000.
7. The debts written off as bad, if recovered subsequently are
 - (a) credited to Bad Debts Recovered Account
 - (b) credited to Debtors Account.
 - (c) debited to Profit and Loss Account

- (d) None of the above
- 8. A withdrawal of cash from business by the proprietor should be credited to:
 - (a) Drawings Account
 - (b) Capital Account
 - (c) Cash Account
 - (d) None of the above.
- 9. Contra entries are passed only when
 - (a) double column cash book is prepared
 - (b) three-column cash book is prepared
 - (c) simple cash book is prepared
 - (d) None of the above
- 10. Consignment account is
 - (a) Real account
 - (b) Personal account
 - (c) Nominal account
 - (d) None of the above

PART II

- 11. Economic life of an enterprise is split into the periodic interval as per _____
 - (a) Money Measurement.
 - (b) Matching.
 - (c) Going concern.
 - (d) Accrual.
- 12. Accounting policies refer to specific accounting _____
 - (a) Principles.
 - (b) Methods of applying those principles.
 - (c) Both (a) and (b).
 - (d) None of the above.
- 13. Dividends are usually paid as a percentage of _____
 - (a) Authorized share capital
 - (b) Net profit
 - (c) Paid-up capital
 - (d) Called-up capital

14. Outgoing partner is compensated for parting with firm's future profits in favour of remaining partners. The remaining partners contribute to such compensation amount in _____
- (a) Gaining Ratio.
 - (b) Capital Ratio.
 - (c) Sacrificing Ratio.
 - (d) Profit Sharing Ratio.
15. The balance of the petty cash is _____
- (a) An expense,
 - (b) Income,
 - (c) An asset.
 - (d) Liability
16. Interest on capital will be paid to the partners if provided for in the agreement but only from _____
- (a) Profits.
 - (b) Reserves.
 - (c) Accumulated Profits.
 - (d) Goodwill.
17. A proforma invoice is sent by _____
- (a) Consignee to Consignor
 - (b) Consignor to Consignee
 - (c) Debtors to Consignee
 - (d) Debtors to Consignor
18. If a venturer draws a bill on his co-venturer and if the drawer discounts the bill with same sets of books maintained, the discounting charges will be borne by _____
- (a) The drawer of the bill
 - (b) The drawee of the bill
 - (c) The discounting charges will be recorded in memorandum account
 - (d) The discounting charges will be borne by bank
19. X draws a bill on Y. X endorsed the bill to Z. _____ will be the payee of the bill
- (a) X
 - (b) Y
 - (c) Z

- (d) None
20. A Company wishes to earn a 20% profit margin on selling price. _____ is the profit mark up on cost, which will achieve the required profit margin?
- (a) 33%.
 (b) 25%.
 (c) 20%.
 (d) None of the above.

PART III

21. A businessman purchased goods for Rs.25,00,000 and sold 80% of such goods during the accounting year ended 31st March, 2005. The market value of the remaining goods was Rs.4,00,000. He valued the closing stock at cost. He violated the concept of
- (a) Money measurement.
 (b) Conservatism.
 (c) Cost.
 (d) Periodicity.
22. M/s ABC Brothers, which was registered in the year 2000, has been following Straight Line Method (SLM) of depreciation. In the current year it changed its method from Straight Line to Written Down Value (WDV) Method, since such change would result in the additional depreciation of Rs. 200 lakhs as a result of which the firm would qualify to be declared as a sick industrial unit. The auditor raised objection to this change in the method of depreciation.
- The objection of the auditor is justified because
- (a) Change in the method of depreciation should be done only with the consent of the auditor
 (b) Depreciation method can be changed only from WDV to SLM and not vice versa
 (c) Change in the method of depreciation should be done only if it is required by some statute and change would result in appropriate presentation of financial statement
 (d) Method of depreciation cannot be changed under any circumstances.

PART IV

23. E Ltd., a dealer in second-hand cars has the following five vehicles of different models and makes in their stock at the end of the financial year 2004-2005:

Car	Fiat	Ambassador	Maruti Esteem	Maruti 800	Zen
Cost	90,000	1,15,000	2,75,000	1,00,000	2,10,000
Net realisable value (Rs.)	95,000	1,55,000	2,65,000	1,25,000	2,00,000

The value of stock included in the balance sheet of the company as on March 31, 2005 was

- (a) Rs.7,62,500
 - (b) Rs.7,70,000
 - (c) Rs.7,90,000
 - (d) Rs.8,70,000.
24. Original cost = Rs.1,26,000; Salvage value = Nil; Useful life = 6 years. Depreciation for the first year under sum of years digits method will be
- (a) Rs.6,000
 - (b) Rs. 12,000
 - (c) Rs. 18,000
 - (d) Rs. 36,000
25. If sales revenues are Rs. 4,00,000; cost of goods sold is Rs. 3,10,000 and operating expenses are Rs.60,000, the gross profit is
- (a) Rs. 30,000.
 - (b) Rs. 90,000.
 - (c) Rs. 3,40,000.
 - (d) Rs. 60,000
26. Consider the following for Alpha Co. for the year 2005-06:

Cost of goods available for sale	Rs.1,00,000
Total sales	Rs. 80,000
Opening stock of goods	Rs. 20,000
Gross profit margin	25%

Closing stock of goods for the year 2005-06 was

- (a) Rs.80,000
 - (b) Rs.60,000
 - (c) Rs.40,000
 - (d) Rs.36,000.
27. A and B purchased a piece of land for Rs 20,000 and sold it for Rs 60,000 in 2005. Originally A had contributed Rs 12000 and B Rs 8000. The profit on venture will be
- (a) Rs. 40,000
 - (b) Rs. 20,000
 - (c) Rs. 60,000

- (d) Nil
28. On 1.1.05 X draw a bill on Y for Rs 50,000. At maturity, the bill returned dishonoured as Y become insolvent and 40 paise per rupee is recovered from his estate. The amount recovered is:
- (a) 20,000
(b) Nil
(c) 30,000
(d) 40 paise
29. Average Stock = Rs 12,000. Closing stock is Rs 3,000 more than opening stock. The value of closing stock will be
- (a) Rs 12,000
(b) Rs 24,000
(c) Rs 10,500
(d) Rs 13,500.
30. Find the goodwill of the firm using capitalization method from the following information:
Total Capital Employed in the firm Rs. 8,00,000
Reasonable Rate of Return 15%
Profits for the year Rs. 12,00,000
- (a) Rs. 82,00,000.
(b) Rs. 12,00,000.
(c) Rs. 72,00,000.
(d) Rs. 42,00,000
31. A & B are partners sharing profits and losses in the ratio 5:3. After admission of C, new profit sharing ratio between A, B and C are 7:5:4. The sacrificing ratio among A:B will be
- (a) 3:1.
(b) 4:7.
(c) 5:4.
(d) 2:1.
32. The cash book showed an overdraft of Rs. 1,500, but the pass book made up to the same date showed that cheques of Rs. 100, Rs. 50 and Rs. 125 respectively had not been presented for payments; and the cheque of Rs.400 paid into account had not been cleared. The balance as per the cash book will be
- (a) Rs. 1,100.

- (b) Rs. 2,175.
 (c) Rs. 1,625.
 (d) Rs. 1,375.
33. A second hand machinery is purchased for Rs. 10,000, the amount of Rs. 1,500 is spent on its transportation and Rs. 1,200 is paid for installation. The amount debited to machinery account will be
- (a) Rs. 10,000.
 (b) Rs. 10,500.
 (c) Rs. 11,500.
 (d) Rs. 12,700.

34. Consider the following data pertaining to a company for the month of March 2005:

<i>Particulars</i>	<i>Rs.</i>
Opening stock	22,000
Closing stock	25,000
Purchases less returns	1,10,000
Gross profit margin (on sales)	20%

The sales of the company during the month are

- (a) Rs.1,41,250
 (b) Rs.1,35,600
 (c) Rs.1,33,750
 (d) Rs.1,28,400.
35. The accountant of the firm M/s ABC is unable to tally the following trial balance.

<i>S. No.</i>	<i>Account heads</i>	<i>Debit (Rs.)</i>	<i>Credit (Rs.)</i>
1.	Sales		15,000
2.	Purchases	10,000	
3.	Miscellaneous expenses	2,500	
4.	Salaries		<u>2,500</u>
	Total	<u>12,500</u>	<u>17,500</u>

The above difference in trial balance is due to

- (a) wrong placing of sales account
 (b) wrong placing of salaries account
 (c) wrong placing of miscellaneous expenses account
 (d) Wrong placing of all accounts

36. The profits of last five years are Rs. 85,000; Rs. 90,000; Rs. 70,000; Rs. 1,00,000 and Rs. 80,000. Find the value of goodwill, if it is calculated on average profits of last five years on the basis of 3 years of purchase.

- (a) Rs. 85,000.
- (b) Rs. 2,55,000.
- (c) Rs. 2,75,000.
- (d) Rs. 2,85,000.

37. C Ltd. recorded the following information as on March 31, 2005:

	<i>Rs.</i>
Stock as on April 01, 2004	80,000
Purchases	1,60,000
Sales	2,00,000

It is noticed that goods worth Rs.30,000 were destroyed due to fire. Against this, the insurance company accepted a claim of Rs.20,000.

The company sells goods at cost plus $33\frac{1}{3}\%$. The value of closing inventory, after taking into account the above transactions is,

- (a) Rs.10,000
- (b) Rs.30,000
- (c) Rs.1,00,000
- (d) Rs.60,000.

	<i>Rs.</i>		<i>Rs.</i>
Opening Stock	20,000	Carriage on sales	3,000
Closing Stock	18,000	Rent of Office	5,000
Purchases	85,800	Sales	1,40,700
Carriage on purchases	2,300		

Gross profit will be

- (a) Rs. 50,000
- (b) Rs. 47,600
- (c) Rs. 42,600
- (d) Rs. 50,600

39. Omega Ltd., a listed company, acquired assets worth Rs. 7,50,000 from Alpha Ltd. and issues shares of Rs. 100 each at premium of 25%. The number of shares to be issued by Omega Ltd. to settle the purchase consideration will be
- (a) 6,000
 - (b) 7,500.
 - (c) 9,375.
 - (d) 5,625.
40. X sent out certain goods to Y of Delhi. 1/10 of the goods were lost in transit. Invoice value of goods lost Rs 12,500. Invoice value of goods sent out on consignment will be:
- (a) Rs.120,000
 - (b) Rs.125,000
 - (c) Rs.140,000
 - (d) Rs.100,000
41. F Ltd. purchased Machinery from G Company for a book value of Rs.4,00,000. The consideration was paid by issue of 10% debentures of Rs.100 each at a discount of 20%. The debenture account was credited with
- (a) Rs.4,00,000
 - (b) Rs.5,00,000
 - (c) Rs.3,20,000
 - (d) Rs.4,80,000
42. P Ltd. issued 5,000, 12% debentures of Rs.100 each at a premium of 10%, which are redeemable after 10 years at a premium of 20%. The amount of loss on redemption of debentures to be written off every year is
- (a) Rs.80,000
 - (b) Rs.40,000
 - (c) Rs.10,000
 - (d) Rs. 8,000
43. X and Y share profits and losses in the ratio of 2 : 1. They take Z as a partner and the new profit sharing ratio becomes 3 : 2 : 1. Z brings Rs. 4,500 as premium for goodwill. The full value of goodwill will be
- (a) Rs. 4,500.
 - (b) Rs. 18,000.
 - (c) Rs. 27,000.
 - (d) Rs. 24,000.

44. The profits of last three years are Rs. 42,000; Rs. 39,000 and Rs. 45,000. Find out the goodwill of two years purchase.
- (a) Rs. 42,000.
 - (b) Rs. 84,000.
 - (c) Rs. 1,26,000.
 - (d) Rs. 36,000.
45. T Ltd. has issued 14% Debentures of Rs.20,00,000 at a discount of 10% on April 01, 2004 and the company pays interest half-yearly on June 30, and December 31 every year. On March 31, 2006, the amount shown as "interest accrued but not due" in the Balance Sheet will be
- (a) Rs.70,000 shown along with Debentures
 - (b) Rs.2,10,000 under current liabilities
 - (c) Rs.1,40,000 shown along with Debentures
 - (d) Rs.2,80,000 under current liabilities
46. A and B enter into a joint venture sharing profit and losses in the ratio 2:1. A purchased goods costing Rs 2,00,000. B sold the goods for Rs 2,50,000. A is entitled to get 1% commission on purchase and B is entitled to get 5% commission on sales. The profit on venture will be:
- (a) Rs. 35,500
 - (b) Rs. 36,000
 - (c) Rs. 34,000
 - (d) Rs.38,000
47. Ashok purchased a machine on 01.01.2005 for Rs 1,20,000. Installation expenses were Rs 10,000. Residual value after 5 years Rs 5,000. On 01.07.2005, expenses for repairs were incurred to the extent of Rs 2,000. Depreciation is provided under straight line method. Annual Depreciation is
- (a) 13,000
 - (b) 17,000
 - (c) 21,000
 - (d) 25,000
48. X draws a bill on Y for Rs 30,000. X wants to endorse it to W in settlement of Rs 35,000 at 2% discount with the help of Y's acceptance and balance in cash. How much cash X will pay to Y?
- (a) 4300
 - (b) 4000

- (c) 4100
 - (d) 5000
49. A purchased 1000 kg of rice costing Rs 200 each. Carriage 2000, insurance 3000. 4/5th of the boxes were sold by B at Rs 250 per boxes. Remaining stock were taken over by B at cost. The amount of stock taken over will be:
- (a) Rs. 40000
 - (b) Rs.41000
 - (c) Rs.50000
 - (d) Rs.50200
50. A company sends its cars to dealers on 'sale or return' basis. All such transactions are however treated like actual sales and are passed through the sales day book. Just before the end of the financial year, two cars which had cost Rs.55,000 each have been sent on 'sale or return' and have been debited to customers at Rs.75,000 each, cost of goods lying with the customers will be
- (a) Rs.1,10,000.
 - (b) Rs. 55,000.
 - (c) Rs. 75,000.
 - (d) None of the above.
51. Electricity paid on 1 October, 2004 for the year to 30 September, 2005 was Rs. 2,400 and electricity paid on 1 October, 2005 for the year to 30 September, 2006 was Rs. 3,200. Electricity payable, as shown in the profit and loss account for the year ended 31 December 2005, would be:
- (a) Rs. 2,400.
 - (b) Rs. 3,200.
 - (c) Rs. 2,600.
 - (d) Rs. 3,000.
52. Goods costing Rs 2,00,000 sent out to consignee at Cost + 25%. Invoice value of the goods will be
- (a) Rs.250,000
 - (b) Rs.2,40,000
 - (c) Rs.300,000
 - (d) None of the above.
53. R, J and D are the partners sharing profits in the ratio 7:5:4. D died on 30th June 2006 and profits for the accounting year 2005-2006 were Rs. 24,000. How much share in

profits for the period 1st April 2006 to 30th June 2006 will be credited to D's Account.

- (a) Rs. 6,000.
 - (b) Rs. 1,500.
 - (c) Nil.
 - (d) Rs. 2,000.
54. X of Kolkata sends out certain goods at cost + 25%. Invoice value of goods sends out Rs 200,000. 4/5th of the goods were sold by consignee at Rs.1,76,000. Commission 2% upto invoice value and 10% of any surplus above invoice value.
The amount of commission will be:
- (a) Rs.4800
 - (b) Rs.5200
 - (c) Rs.3200
 - (d) Rs.1600
55. Debit balance as per Cash Book of ABC Enterprises as on 31.3.2006 is Rs. 1,500. Cheques deposited but not cleared amounts to Rs. 100 and Cheques issued but not presented of Rs. 150. The bank allowed interest amounting Rs. 50 and collected dividend Rs. 50 on behalf of ABC Enterprises. Balance as per pass book should be
- (a) 1,600.
 - (b) 1,450.
 - (c) 1,850.
 - (d) 1,650.
56. If a purchase return of Rs.1,000 has been wrongly posted to the debit of the sales returns account, but has been correctly entered in the suppliers' account, the total of the
- (a) trial balance would show the debit side to be Rs.1,000 more than the credit
 - (b) trial balance would show the credit side to be Rs.1,000 more than the debit.
 - (c) the debit side of the trial balance will be Rs.2,000 more than the credit side.
 - (d) the credit side of the trial balance will be Rs.2,000 more than the debit side.
57. X and Y are partners sharing profits in the ratio 5:3. They admitted Z for 1/5th share of profits, for which he paid Rs. 1,20,000 against capital and Rs. 60,000 against goodwill. Find the capital balances for each partner taking Z's capital as base capital.
- (a) 3,00,000; 1,20,000 and 1,20,000.
 - (b) 3,00,000; 1,20,000 and 1,80,000.
 - (c) 3,00,000; 1,80,000 and 1,20,000.

- (d) 3,00,000; 1,80,000 and 1,80,000.
58. L's acceptances of Rs 20,000 given to A is renewed upon cash payment of Rs 5000 and the fresh bill of Rs 15,100. Journal entry for renewal in the books of A will be:
- (a)
- | | | | |
|-----------------|----|-------|-------|
| B/R A/c | Dr | 15100 | |
| Cash A/c | Dr | 5000 | |
| To L A/c | | | 20000 |
| To Interest A/c | | | 100 |
- (b)
- | | | | |
|-----------------|----|-------|-------|
| B/R A/c | Dr | 20100 | |
| To Cash A/c | | | 5100 |
| To L A/c | | | 15000 |
| To Interest A/c | | | 100 |
- (c)
- | | | | |
|----------|----|-------|-------|
| B/R A/c | Dr | 20100 | |
| To L A/c | | | 20100 |
- (d)
- | | | | |
|----------|----|-------|-------|
| B/R A/c | Dr | 15000 | |
| Cash A/c | Dr | 5000 | |
| To L A/c | | | 20000 |
59. A company forfeited 2,000 shares of Rs.10 each (which were issued at par) held by Mr. John for non-payment of allotment money of Rs.4 per share. The called-up value per share was Rs.9. On forfeiture, the amount debited to share capital will be
- (a) Rs.10,000
- (b) Rs.8,000
- (c) Rs.2,000
- (d) Rs.18,000.
60. X, Y and Z are partners sharing profits in the ratio 2:2:1. On retirement of Y, goodwill was valued as Rs. 30,000. The contribution of X and Z to compensate Y will be
- (a) Rs. 20,000 and Rs. 10,000.
- (b) Rs. 8,000 and Rs. 4,000.
- (c) They will not contribute any thing.
- (d) Information is insufficient for any comment.

SECTION – B : MERCANTILE LAWS (40 MARKS)

- (i) Questions 61 to 79 have only one correct answer and carries + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 80 to 98 are the fill in the blank based questions having four alternate answers and carries + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 99 and 100 contain small paragraph / table followed by a question having only one correct answer and carries + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 61. Which of the following statement is true?
 - (a) An agreement is an unaccepted proposal.
 - (b) An agreement enforceable by law is a contract.
 - (c) An agreement can only consist of an offer.
 - (d) An agreement can only consist of an acceptance.
- 62. An offer may lapse by:
 - (a) Revocation.
 - (b) Counter Offer.
 - (c) Rejection of Offer by Offeree.
 - (d) All of these.
- 63. Consideration must move at the desire of
 - (a) Promisor.
 - (b) Promisee.
 - (c) Any other person.
 - (d) Any of these.
- 64. Which of the following statements is not true about minor's position in a firm?
 - (a) He cannot become a partner in an existing firm.
 - (b) He can become a partner in an existing firm.
 - (c) He can be admitted only to the benefits of any existing firm.
 - (d) He can become partner on becoming a major.

65. A contract is discharged by novation which means the
- (a) cancellation of the existing contract.
 - (b) change in one or more terms of the contract.
 - (c) substitution of existing contract for a new one.
 - (d) none of these.
66. When prior to the due date of performance, the promisor absolutely refuses to perform the contract, it is known as
- (a) abandonment of contract.
 - (b) remission of contract.
 - (c) actual breach of contract.
 - (d) anticipatory breach of contract.
67. In case of breach of contract, which of the following remedy is available to the aggrieved party?
- (a) Suit for rescission.
 - (b) Suit for damages.
 - (c) Suit for specific performance.
 - (d) All of these.
68. A voidable contract is one which
- (a) can be enforced at the option of aggrieved party
 - (b) can be enforced at the option of both the parties
 - (c) cannot be enforced in a court of law
 - (d) courts prohibit.
69. A agrees to sell his car worth Rs. 100,000 to B for Rs. 20,000 only, and A's consent was obtained by coercion. Here, the agreement is
- (a) void
 - (b) valid
 - (c) voidable
 - (d) unlawful
70. The term "goods" under Sale of Goods Act, 1930 does not include
- (a) goodwill.

- (b) actionable claims.
 - (c) stocks and shares.
 - (d) harvested crops.
71. Which of the following is not an implied condition in a contract of sale?
- (a) Condition as to title.
 - (b) Condition as to description.
 - (c) Condition as to free from encumbrance.
 - (d) Condition as to sample.
72. Which of the following is not a form of delivery?
- (a) Constructive delivery.
 - (b) Structured delivery.
 - (c) Actual delivery.
 - (d) Symbolic delivery.
73. Goods which are in existence at the time of the Contract of Sale is known as
- (a) present Goods.
 - (b) existing Goods.
 - (c) specific Goods.
 - (d) none of the above
74. The doctrine of Caveat Emptor does not apply, when
- (a) the goods are bought by sample.
 - (b) the goods are bought by sample as well as description.
 - (c) the goods are purchased under its brand name.
 - (d) all of the above.
75. If X commissioned Y, an artist, to paint a portrait of A for 200 dollars & Y uses his own canvas & paint then it is
- (a) Contract of sale.
 - (b) Contract of work & materials.
 - (c) Sale on approval.
 - (d) Hire-Purchase agreement.
76. The most important element in partnership is:
- (a) Business
 - (b) Sharing of Profits

- (c) Agreement
 - (d) Business to be carried on by all or any of them acting for all.
77. On dissolution the partners remain liable to till
- (a) Accounts are settled
 - (b) Partners dues are paid off
 - (c) Public notice is given
 - (d) The registrar strikes off the name
78. Which of the following acts are not included in the implied authority of a partner?
- (a) To buy or sell goods on accounts of partners.
 - (b) To borrow money for the purposes of firm.
 - (c) To enter into partnership on behalf of firm.
 - (d) To engage a lawyer to defend actions against firm.
79. After retirement from firm, which of the following partners is not liable by holding out, even if the public notice of retirement is not given?
- (a) Active partner
 - (b) Sleeping partner
 - (c) Representative of deceased partner
 - (d) Both (b) and (c)

PART II

80. An agreement enforceable by law is a _____.
- (a) Promise.
 - (b) Contract.
 - (c) Obligation.
 - (d) Lawful Promise.
81. A wrong representation when made without any intention to deceive the other party amounts to _____.
- (a) Coercion.
 - (b) Undue Influence.
 - (c) Misrepresentation.
 - (d) Fraud.

82. When the consent of a party is obtained by coercion undue influence, fraud or misrepresentation, the contract is_____.
- (a) void
 - (b) voidable
 - (c) valid
 - (d) illegal
83. A threatens to kill B if he does not agree to sell his scooter to him for Rs. 1000 only. Here Bs consent is obtained by _____.
- (a) undue influence
 - (b) fraud
 - (c) coercion
 - (d) none of these
84. Where the consent of both the parties is given by mistake, the contract is _____
- (a) void
 - (b) valid
 - (c) voidable
 - (d) illegal
85. A mistake as to a law not in force in India has the same effect as _____.
- (a) mistake of fact
 - (b) mistake of Indian law
 - (c) fraud
 - (d) misrepresentation
86. An agreement, which prevents a person from carrying a lawful business, is _____.
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Contingent
87. A agrees to sell his car to B at a price which B may be able to pay. This agreement is _____.
- (a) void
 - (b) valid
 - (c) voidable

- (d) contingent
- 88. An agreement to pay money or money's worth on the happening or non-happening of a specified uncertain event is a _____.
 - (a) wagering agreement
 - (b) contingent contract
 - (c) quasi contract
 - (d) uncertain agreement.
- 89. Agreement-the meaning of which is uncertain is _____.
 - (a) Valid.
 - (b) Void.
 - (c) Voidable.
 - (d) Illegal.
- 90. The goods are at the risk of a party who has the _____.
 - (a) Ownership of goods
 - (b) Possession of goods
 - (c) Custody of goods
 - (d) both (b) and (c)
- 91. In case of unconditional contract of sale, the property passes to the buyer at the time of making the contract. For this rule to apply, the goods must be _____.
 - (a) specific
 - (b) in a deliverable state
 - (c) physically transferred to buyer
 - (d) both (a) and (b)
- 92. In case of sale of unascertained goods, the ownership is transferred to the buyer when the goods are _____.
 - (a) ascertained
 - (b) appropriated to the contract
 - (c) weighed and measured
 - (d) both (a) and (b)
- 93. In case of sale on approval, the ownership is transferred to the buyer when he _____.
 - (a) accepts the goods
 - (b) adopts the transaction

- (c) fails to return goods
 - (d) in all the above cases.
94. The bidder at an auction sale can withdraw his bid _____.
- (a) any time during auction
 - (b) before fall of hammer
 - (c) before payment of price
 - (d) cannot withdraw at all.
95. A partner can retire on_____
- (a) Reaching the age of superannuation
 - (b) On the balance in the capital account reaching a certain amount
 - (c) In accordance with the Partnership Deed
 - (d) On the condition of his nominee becoming a partner
96. Death of partner has the effect of_____
- (a) Dissolving the firm
 - (b) Result in continuance of the business of the firm
 - (c) His heirs joining the firm
 - (d) Computation of profits upto the date of death.
97. The reconstitution of the firm takes place in case of _____
- (a) Admission of a partner
 - (b) Retirement of a partner
 - (c) Expulsion or death of a partner
 - (d) All of the above.
98. A partner may be expelled from the firm on the fulfillment of the condition that the expulsion power is exercised _____.
- (a) As given by express contract
 - (b) By majority of partners
 - (c) In absolute good faith
 - (d) All of the above.

PART III

99. A contracts with B to buy a necklace, believing it is made of pearls whereas in fact it is made of imitation pearls of no value. B knows that A is mistaken and takes no steps to correct the error. Now A wants to cancel the contract on the basis of fraud. Which of the following statement is correct?
- (a) A can cancel the contract alleging fraud.
 - (b) A cannot cancel the contract.
 - (c) A can cancel the contract alleging undue influence.
 - (d) A can claim damages.
100. A timber merchant agreed to supply best teak at a certain agreed price to a builder. Later the merchant supplied timber which was identified as ordinary class of timber and demanded the payment from the builder. Which of the following statements is/are true?
- (a) Builder can reject the goods and can claim damages.
 - (b) Builder has to accept the goods.
 - (c) Builder has to pay the price by taking delivery of teak wood.
 - (d) Timber merchant cannot plead the doctrine of caveat emptor.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

- (i) Questions 101 to 116 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 117 to 132 are Fill in the blanks type and carry +1 mark for each correct answer and -0.25 mark for each wrong answer.
- (iii) Questions 133 to 137 contain small paragraph / table followed by a question having only one correct answer and carries + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Question 138 to 150 are numerical based which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 101. Which of the following statements is correct?
 - (a) Agriculture occupies 10 percent population of India.
 - (b) Nearly 5 percent population of India is below the poverty line.
 - (c) The production techniques are backward.
 - (d) None of the above.
- 102. The green revolution is also known as:
 - (a) wheat revolution
 - (b) rice revolution
 - (c) maize revolution
 - (d) forest revolution
- 103. Which of the following has been specifically established to meet the requirements of credit of the farmers and villagers?
 - (a) ICICI bank
 - (b) Regional Rural Banks
 - (c) State Bank of India
 - (d) EXIM bank
- 104. Per capita national income means
 - (a) $NNP \div \text{population}$
 - (b) $\text{Total capital} \div \text{population}$
 - (c) $\text{Population} \div NNP$
 - (d) None of the above.

105. In the theory of demographic transition in the last stage,
- (a) birth rate rises, death rate rises.
 - (b) birth rate falls, death rate rises.
 - (c) birth rate rises, death rate falls.
 - (d) birth rate falls, death rate falls.
106. Work force refers to that part of:
- (a) labour force which is employed.
 - (b) population which is unemployed.
 - (c) population which is forced to work.
 - (d) labour force which is unemployed
107. According to the latest NSSO survey (2004):
- (a) unemployment rates on the basis of current daily status were same as those on the basis of usual status.
 - (b) unemployment rates on the basis of current daily status were higher than those on the basis of usual status.
 - (c) unemployment rates on the basis of current daily status were lower than those on the basis of usual status.
 - (d) none of the above.
108. Electricity generated from radio active elements is called:
- (a) thermal electricity .
 - (b) atomic energy.
 - (c) hydel electricity.
 - (d) tidal energy.
109. FRBM Act stands for:
- (a) Fiscal Revenue and Budget Management.
 - (b) Foreign Revenue and Business Management.
 - (c) Fiscal Responsibility and Budget Management.
 - (d) Foreign Responsibility and Budget Management
110. The pre-condition for privatization to be successful requires:
- (a) liberalization and de-regulation of the economy.
 - (b) capital markets should be sufficiently developed.
 - (c) None of the above
 - (d) both of the above (a) & (b)

111. Under the new industrial policy, 1991:
- (a) the mandatory convertibility clause is applicable for all term loans.
 - (b) the mandatory convertibility clause is applicable for term loans of more than 10 years.
 - (c) the mandatory convertibility clause is applicable for term loans of less than 10 years.
 - (d) the mandatory convertibility clause is no longer applicable.
112. Fiscal policy means:
- (a) policy relating to money and banking in a country.
 - (b) policy relating to public revenue and public expenditure.
 - (c) policy relating to non banking financial institutions.
 - (d) none of the above.
113. Money in traditional sense:
- (a) serves as a medium of exchange.
 - (b) serves as a store of value.
 - (c) serves as both medium of exchange and store of value.
 - (d) serves neither as medium of exchange and store of value.
114. Narrow money refers to:
- (a) M_1
 - (b) M_2
 - (c) M_3
 - (d) M_4
115. Which of the following statements about banks is incorrect?
- (a) Banks encourage saving habits among people.
 - (b) Banks mobilize savings and make them available for production.
 - (c) Banks help in creating credit money.
 - (d) None of the above.
116. Who is the official "lender of the last resort" in India?
- (a) SBI
 - (b) PNB
 - (c) RBI
 - (d) OBC

PART II

117. Over the planning period the share of industrial sector in the GDP of India has _____.
- (a) increased
 - (b) decreased
 - (c) remained constant
 - (d) remained above 50 percent
118. Three steel plants in Bhilai, Rourkela and Durgapur were set up in the -----.
- (a) First plan
 - (b) Second plan
 - (c) Third plan
 - (d) Fourth plan
119. The annual addition to the country's population is almost equal to the total population of -----.
- (a) Bangladesh
 - (b) Australia
 - (c) Japan
 - (d) China
120. India's passing through _____ stage of demographic transition.
- (a) fourth
 - (b) third
 - (c) first
 - (d) second
121. At present only _____ industries are reserved for the public sector.
- (a) 5
 - (b) 7
 - (c) 8
 - (d) 3
122. At present, 100 percent FDI is allowed in _____.
- (a) defence
 - (b) drugs and pharmaceuticals
 - (c) banks

- (d) insurance
123. When due to introduction of new machinery, some workers tend to be replaced by machines, their unemployment is termed as _____.
- (a) structural.
 (b) technological.
 (c) mechanical.
 (d) seasonal.
124. Most of the unemployment in India is _____.
- (a) voluntary
 (b) structural
 (c) frictional
 (d) technical
125. Rural bank branches constitute _____ percent of total bank branches in India.
- (a) 14
 (b) 60
 (c) 47
 (d) 82
126. A study of how increases in the corporate income tax rate will affect the national unemployment rate is an example of -----.
- (a) macroeconomics.
 (b) descriptive economics.
 (c) microeconomics.
 (d) normative economics.
127. If the marginal (additional) opportunity cost is a constant then the PPC would be -----
- (a) straight line
 (b) convex
 (c) backward leading
 (d) concave
128. If a good is a luxury, its income elasticity of demand is -----.
- (a) positive and less than 1.
 (b) negative but greater than -1.
 (c) positive and greater than 1.

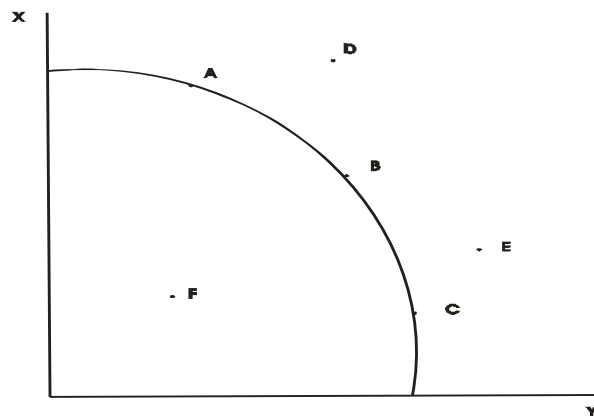
- (d) zero.
129. In the case of a Giffen good, the demand curve will be -----.
- (a) horizontal.
 - (b) downward-sloping to the right.
 - (c) backward falling to the left .
 - (d) upward-sloping to the right.
- 130 . ----- is also known as planning curve.
- (a) Long run average cost curve.
 - (b) Short-run average cost curve.
 - (c) Average variable cost curve.
 - (d) Average total cost curve.
131. If the airlines are making losses on passenger traffic they should lower their fares. The suggested remedy would only work if the demand for air travel had a price elasticity of - -----
- (a) zero
 - (b) greater than zero but less than one.
 - (c) one
 - (d) greater than one
132. When _____, we know that the firms must be producing at the minimum point of the average cost curve and so there will be productive efficiency .
- (a) $AC = AR$
 - (b) $MC = AC$
 - (c) $MC = MR$
 - (d) $AR = MR$

PART III

Figure 1 give the production possibilities frontier of an economy that produces two types of goods, guns and bread. Read the figure and answer questions 133-135

133. Which point on the PPF shows a productively efficient level of output?

- (a) A
- (b) B
- (c) C
- (d) All of the above.



134. Which of the following clearly represents a movement toward greater productive efficiency?

- (a) A movement from point A to point B.
- (b) A movement from point C to point D.
- (c) A movement from point F to point C.
- (d) A movement from point E to point B.

135. Which of the following illustrates a decrease in unemployment using the PPF?

- (a) A movement down along the PPF.
- (b) A rightward shift of the PPF.
- (c) A movement from a point on the PPF to a point inside the PPF.
- (d) A movement from a point inside the PPF to a point on the PPF.

Read the para below and answer Qus 136-137.

It was the World Trade Organisation(WTO) which gave a real push to the process of globalization. The World Trade Organisation came into existence on 1st January 1995. It is a powerful body which aims at making the whole world a big village where there is a free flow of goods and services and there is no barrier to trade. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's

trading nations.

136. What is globalization?

- (a) It refers to the transfer of assets from public to private ownership.
- (b) It refers to the disposal of public sector's equity in the market.
- (c) It means integrating the domestic economy with the world economy
- (d) None of the above.

137. What of the following is false about WTO?

- (a) It is the main organ for implementing the Multilateral Trade Agreements..
- (b) It is global in its membership.
- (c) It has far wider scope than GATT.
- (d) Only countries having more than prescribed level of total GDP can become its members.

PART IV

A competitive firm sells as much as of its product as it chooses at a market price of Rs 100 per unit. Its fixed cost are Rs 300 and its variable costs (in rupees) for different levels of production are shown in the following table. Use Table 2 to answer questions 138-141.

Table 2

Quantity	Variable cost	Fixed cost	Total cost	Average variable cost	Average total cost	Marginal cost
0	0			-	-	-
5	250					
10	470					
15	700					
20	980					
25	1350					
30	1850					
35	2520					
40	3400					
45	4530					
50	5950					

138. When production is 40 units, the average total cost is
- (a) Rs. 4.40
 - (b) Rs. 7.50
 - (c) Rs. 85
 - (d) Rs. 92.50
139. In the table marginal cost per unit that corresponds to 40 units of production is
- (a) Rs. 22
 - (b) Rs.85
 - (c) Rs.176
 - (d) Rs.880
140. To maximize profit, the firm should produce
- (a) 15 units
 - (b) 30 units
 - (c) 35 units
 - (d) 50 units
141. If the market price drops from Rs 100 to Rs 56, the firm's short run response should be
- (a) shut down
 - (b) produce 5 units
 - (c) produce 20 units
 - (d) continue to produce the same number of units as before the drop in price.

Read the following data and answer Questions number 142-147

A shopkeeper sells gel pen at Rs10 per pen. At this price he can sell 120 per month. After some time, he raises the price to Rs 15 per pen. Following the price rise:

- ◆ **Only 60 pens were sold every month.**
 - ◆ **The number of refills bought went down from 200 to 150.**
 - ◆ **The number of ink pen customers bought went up from 90 to 180 per month.**
142. The price elasticity of demand when gel pen's price increases from Rs. 10 per pen to Rs 15 per pen is equal to:
- (a) 2.5
 - (b) 1.0
 - (c) 1.66
 - (d) 2 .66

143. The cross elasticity of monthly demand for refills when the price of gel pen increase from Rs 10 to Rs.15 is equal to:
- (a) - 0.71
 - (b) + 0.25.
 - (c) - 0.19.
 - (d) + 0.38.
144. The cross elasticity of monthly demand for ink pen when the price of gel pen increases from Rs 10 to Rs 15 is equal to:
- (a) + 1.66.
 - (b) -1.05.
 - (c) -2.09.
 - (d) + 2.09.
145. What can be said about the price elasticity of demand for pen?
- (a) It is perfectly elastic.
 - (b) It is elastic.
 - (c) It is perfectly inelastic.
 - (d) It is inelastic.
146. Suppose income of the residents of locality increases by 50% and the quantity of gel pens demanded increases by 20%. What is income elasticity of demand for gel pen?
- (a) 0.4
 - (b) 0.6
 - (c) 1.25
 - (d) 1.50
147. We can say that gel pen in economics sense is a/an
- (a) luxury good
 - (b) inferior good
 - (c) normal good
 - (d) nothing can be said.
148. Suppose that a sole proprietorship is earning total revenues of Rs.120,000 and is incurring explicit costs of Rs 90,000. If the owner could work for another company for Rs.50,000 a year, we would conclude that:
- (a) the firm is incurring an economic loss.
 - (b) implicit costs are Rs.90,000.

- (c) the total economic costs are Rs.100,000.
- (d) the individual is earning an economic profit of Rs.25,000.

Use Table 3 to answer questions 149-150.

Table 3

Hours of Labour	Total Output	Marginal Product
0	---	---
1	300	300
2	_____	240
3	720	_____

149. What is the total output when 2 hours of labour are employed?
- (a) 160
 - (b) 200
 - (c) 360
 - (d) 540
150. What is the marginal product of the third hour of labour?
- (a) 120
 - (b) 160
 - (c) 200
 - (d) 180

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

- (i) Questions 151 to 160 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 161 to 170 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 171 to 200 are numerical based questions, which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 151. Statistics is concerned with
 - (a) Qualitative information.
 - (b) Quantitative information.
 - (c) (a) or (b).
 - (d) Both (a) and (b).
- 152. For any two numbers SD is always
 - (a) Twice the range.
 - (b) Half of the range.
 - (c) Square of the range.
 - (d) None of these.
- 153. Bivariate Data are the data collected for
 - (a) Two variables.
 - (b) More than two variables.
 - (c) Two variables at the same point of time.
 - (d) Two variables at different points of time.
- 154. Karl Pearson's coefficient is defined from
 - (a) Ungrouped data.
 - (b) Grouped data.
 - (c) Both.
 - (d) None.
- 155. An experiment is known to be random if the results of the experiment
 - (a) Can not be predicted.

- (b) Can be predicted.
 - (c) Can be split into further experiments.
 - (d) Can be selected at random.
156. A theoretical probability distribution
- (a) Does not exist.
 - (b) Exists only in theory.
 - (c) Exists in real life.
 - (d) Both (b) and (c).
157. Poisson distribution may be
- (a) Unimodal.
 - (b) Bimodal.
 - (c) Multi-modal.
 - (d) (a) or (b).
158. Standard error can be described as
- (a) The error committed in sampling.
 - (b) The error committed in sample survey.
 - (c) The error committed in estimating a parameter.
 - (d) Standard deviation of a statistic.
159. P_{01} is the index for time
- (a) 1 on 0
 - (b) 0 on 1
 - (c) 1 on 1
 - (d) 0 on 0
160. The present value of an annuity of Rs. 3000 for 15 years at 4.5% p.a CI is
- (a) Rs. 23809.41
 - (b) Rs. 32809.41
 - (c) Rs. 32908.41
 - (d) None of these.

PART II

161. If $b^2 - 4ac > 0$ then the roots are _____ and _____ .
- (a) Real, Equal
 - (b) Real, Unequal

- (c) Imaginary, Unequal
(d) Imaginary, Equal
162. If an investment of Rs.60000 and Rs.70000 respectively yields an income of Rs.5750 Rs.6500 an investment of Rs.90000 would yield income of Rs._____.
- (a) 7500
(b) 8000
(c) 7750
(d) 7800
163. In _____ ways can 4 Americans and 4 English men be seated at a round table so that no 2 Americans may be together.
- (a) $4! \times 3!$
(b) ${}^4P_4$
(c) $3 \times {}^4P_4$
(d) ${}^4C_4$
164. The last term of the series $x^2, x, 1, \dots$ to 31 terms is _____ .
- (a) x^{28}
(b) $1/x$
(c) $1/x^{28}$
(d) $1/x^{30}$
165. The sum of all natural numbers between 200 and 400 which are divisible by 7 is _____.
- (a) 7730
(b) 8729
(c) 7729
(d) 8730
166. An Ogive can be prepared in _____ different ways.
- (a) 2
(b) 3
(c) 4
(d) 5

167. Mutually inclusive classification is usually meant for_____ .
- (a) A discrete variable
 - (b) A continuous variable
 - (c) An attribute
 - (d) All these
168. _____ is an absolute measure of dispersion.
- (a) Range
 - (b) Mean Deviation
 - (c) Standard Deviation
 - (d) All these measures
169. For finding the degree of agreement about beauty between two Judges in a Beauty Contest, we use_____ .
- (a) Scatter diagram
 - (b) Coefficient of rank correlation
 - (c) Coefficient of correlation
 - (d) Coefficient of concurrent deviation
170. Probability density function is always _____ .
- (a) Greater than 0
 - (b) Greater than equal to 0
 - (c) Less than 0
 - (d) Less than equal to 0

PART III

171. The value of $(8/27)^{1/3}$ is
- (a) $2/3$
 - (b) $3/2$
 - (c) $2/9$
 - (d) None of these.
172. The equation $-7x + 1 = 5 - 3x$ will be satisfied for x equal to
- (a) 2
 - (b) -1
 - (c) 1
 - (d) None of these.

173. The sum of two numbers is 52 and their difference is 2. The numbers are
- (a) 17 and 15
 - (b) 12 and 10
 - (c) 27 and 25
 - (d) None of these.
174. In what time will Rs.85000 amount to Rs.157675 at 4.5 % p.a. ?
- (a) 18 years
 - (b) 18.5 years
 - (c) 19 years
 - (d) 20 years
175. On what sum will the compound interest at 5% per annum for two years compounded annually be Rs.1640?
- (a) Rs. 16000
 - (b) Rs. 17000
 - (c) Rs. 18000
 - (d) Rs. 19000
176. Find the future value of an annuity of Rs.500 is made annually for 7 years at interest rate of 14% compounded annually. Given that $(1.14)^7 = 2.5023$.
- (a) Rs.5635.25
 - (b) Rs.5365.25
 - (c) Rs.6535.25
 - (d) Rs.6355.25
177. Find n if ${}^nP_3 = 60$
- (a) 4
 - (b) 5
 - (c) 6
 - (d) 7
178. A man has 5 friends. In how many ways can he invite one or more of his friends to dinner?
- (a) 29
 - (b) 30
 - (c) 31

- (d) 32
179. The 4 arithmetic means between -2 and 23 are
- 3, 13, 8, 18
 - 18, 3, 8, 13
 - 3, 8, 13, 18
 - None of these.
180. The second term of a G P is 24 and the fifth term is 81 . The series is
- 16, 36, 24, 54,..
 - 24, 36, 53,...
 - 16, 24, 36, 54,..
 - None of these.
181. In a group of 20 children, 8 drink tea but not coffee and 13 like tea. The number of children drinking coffee but not tea is
- 6
 - 7
 - 1
 - None of these.
182. Evaluate: $\lim_{x \rightarrow 3} \frac{x^2 - 6x + 9}{x - 3}$.
- 1
 - 0
 - 1
 - 2
183. $\lim_{x \rightarrow 1} \frac{x^2 - \sqrt{x}}{\sqrt{x} - 1}$ is equal to
- 3
 - $1/3$
 - 3
 - None of these.
184. If $y = x(x-1)(x-2)$ then $\frac{dy}{dx}$ is
- $3x^2 - 6x + 2$

- (b) $-6x + 2$
 (c) $3x^2 + 2$
 (d) None of these.
185. The derivative of $\frac{3-5x}{3+5x}$ is
 (a) $30 / (3+5x)^2$
 (b) $1 / (3+5x)^2$
 (c) $-30 / (3+5x)^2$
 (d) None of these.
186. Integration of $3 - 2x - x^4$ will become
 (a) $-x^2 - x^5 / 5$
 (b) $3x - x^2 - x^5 / 5$
 (c) $3x - x^2 x^5 / 5 + k$
 (d) None of these.
187. Evaluate $\int_0^1 (2x^2 - x^3) dx$ and the value is
 (a) $4/3$
 (b) $5/12$
 (c) $-4/3$
 (d) None of these.
188. Find the number of observations between 250 and 300 from the following data :
- | | | | | |
|----------------------|-----------------|---------------|---------------|---------------|
| Value | : More than 200 | More than 250 | More than 300 | More than 350 |
| No. of observations: | 56 | 38 | 15 | 0 |
- (a) 56
 (b) 23
 (c) 15
 (d) 8
189. What is the median for the following observations?
 5, 8, 6, 9, 11, 4.
 (a) 6
 (b) 7
 (c) 8

- (d) None of these.
190. The third decile for the numbers 15, 10, 20, 25, 18, 11, 9, 12 is
- (a) 13
 - (b) 10.70
 - (c) 11
 - (d) 11.50
191. If the range of x is 2, what would be the range of $-3x + 50$?
- (a) 2
 - (b) 6
 - (c) -6
 - (d) 44
192. What is the standard deviation of 5, 5, 9, 9, 9, 10, 5, 10, 10?
- (a) $\sqrt{14}$
 - (b) $\sqrt{42}$
 - (c) 4.50
 - (d) 8
193. When $r = 0$ then $\text{cov}(x,y)$ is equal to
- (a) + 1
 - (b) - 1
 - (c) 0
 - (d) None of these.
194. If an unbiased die is rolled once, the odds in favour of getting a point which is a multiple of 3 is
- (a) 1:2
 - (b) 2:1
 - (c) 1:3
 - (d) 3:1
195. If A, B and C are mutually exclusive independent and exhaustive events then what is the probability that they occur simultaneously?
- (a) 1
 - (b) 0.50
 - (c) 0

- (d) Any value between 0 and 1
196. It is given that a family of 2 children has a girl, what is the probability that the other child is also a girl ?
- (a) 0.50
(b) 0.75
(c) $1/3$
(d) $2/3$
197. If the quartile deviation of a normal curve is 4.05, then its mean deviation is
- (a) 5.26
(b) 6.24
(c) 4.24
(d) 4.80
198. If $2 \log x = 4 \log 3$, the x is equal to
- (a) 3
(b) 9
(c) 2
(d) None of these.
199. The number of subsets of the sets $\{6, 8, 11\}$ is
- (a) 9
(b) 6
(c) 8
(d) None of these.
200. $\lim_{x \rightarrow \infty} \frac{e^x + 1}{e^x + 2}$ is evaluated to be
- (a) 0
(b) -1
(c) 1
(d) None of these.



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-4/2006

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

Please follow the instructions given in each section carefully and answer the questions.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

- (i) Questions 1 to 10 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 11 to 20 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 21 and 22 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Questions 23 to 60 are numerical based questions, which have answers as numerical values and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

1. In the books of manufacturing concern, opening stock consists of
 - (a) Raw materials
 - (b) Work-in-progress
 - (c) Finished goods
 - (d) All of the above

2. When adjusted purchase is shown on the debit column of the trial balance then
 - (a) Both opening stock and closing stock do not appear in the trial balance
 - (b) Closing stock is shown in the trial balance and not the opening stock
 - (c) Opening stock is shown in the trial balance and not the closing stock
 - (d) Both opening and closing stock appear in the trial balance
3. Following is the example of external users:
 - (a) Government.
 - (b) Owners.
 - (c) Management.
 - (d) Employees.
4. "Business unit is separate and distinct from the person who supply capital to it", is based on
 - (a) Money measurement concept.
 - (b) Going concern concept.
 - (c) Business entity concept
 - (d) Dual aspect concept.
5. State the case where the going concern concept is applied?
 - (a) When an enterprise was set up for a particular purpose, which has been achieved, or to be achieved shortly.
 - (b) When a receiver or liquidator has been appointed in case of as a company which is to be liquidated.
 - (c) Fixed assets are acquired for use in the business for earning revenues and are not meant for resale.
 - (d) When an enterprise is declared sick.
6. If two or more transactions of the same nature are journalised together having either the debit or the credit account common is known as
 - (a) Compound journal entry.
 - (b) Separate journal entry.
 - (c) Posting.
 - (d) None of the above.
7. If the cheque is not presented for the payment upto the date of the preparation of the Bank Reconciliation Statement, then the balance as per Pass Book will be
 - (a) Higher than the balance shown by the cashbook by the amount of unpresented cheque.

- (b) Lower than the balance shown by the cashbook by the amount of unrepresented cheque.
 - (c) Same as shown by the cashbook.
 - (d) None of the above
8. Whenever errors are noticed in the accounting records, they should be rectified
- (a) At the time of preparation of the trial balance.
 - (b) Without waiting the accounting year to end.
 - (c) After the preparation of final accounts.
 - (d) In the next accounting year.
9. Parties to a bill of exchange are
- (a) Drawer.
 - (b) Drawee.
 - (c) Payee.
 - (d) All of the above
10. All the expenditures and receipts of revenue nature go to
- (a) Trading account.
 - (b) Profit and loss account.
 - (c) Balance sheet.
 - (d) Either to (a) or (b)

PART II

11. A _____ is sent to a customer when he returns the goods.
- (a) Debit note.
 - (b) Credit note.
 - (c) Proforma invoice
 - (d) None of the above.
12. Noting charges are paid at the time of _____ of a bill.
- (a) Retirement.
 - (b) Renewal
 - (c) Dishonour
 - (d) None of the above.
13. Depreciation of fixed assets is an example of _____ expenditure.
- (a) Revenue.

- (b) Deferred revenue.
 - (c) Capital
 - (d) None of the above.
14. Interest on drawings is _____ for the business.
- (a) Expenditure.
 - (b) Expense
 - (c) Gain
 - (d) None of the three.
15. An amount of Rs.200 received from A credited to B would affect _____
- (a) Accounts of A and B.
 - (b) A's account
 - (c) Cash account
 - (d) B's account.
16. In _____ method, depreciation is charged by allocating depreciable cost in proportion of the annual output to the probable life-time output.
- (a) Working hours method.
 - (b) Replacement method.
 - (c) Revaluation method.
 - (d) Production units method.
17. General ledger adjustment account(s) is/are opened in _____.
- (a) Debtors ledger.
 - (b) General ledger.
 - (c) Creditors ledger.
 - (d) Both (a) and (c)
18. General reserve at the time of admission of a new partner is transferred to _____.
- (a) Profit and loss adjustment account.
 - (b) Partners' capital accounts.
 - (c) Revaluation account
 - (d) Memorandum revaluation account.
19. A suspense account facilitates the preparation of _____ even when the _____ has not tallied.
- (a) Ledgers; Trial balance.

- (b) Financial statements; Trial Balance.
 - (c) Trial balance; Financial statements.
 - (d) Journal; Trial balance.
20. Writing of transaction in the ledger is called_____.
- (a) Costing.
 - (b) Balancing.
 - (c) Journalizing
 - (d) Posting

PART III

21. Accounting has certain norms to be observed by the accountants in recording of transactions and preparation of financial statements. These norms reduce the vagueness and chances of misunderstanding by harmonizing the varied accounting practices. These norms are
- (a) Accounting regulations.
 - (b) Accounting guidance notes.
 - (c) Accounting standards.
 - (d) Accounting framework.
22. RPG Ltd. purchased equipment from PQR Ltd. for Rs.50,000 on 1st April, 2005. The freight and cartage of Rs.2,000 is spent to bring the asset to the factory and Rs.3,000 is incurred on installing the equipment to make it possible for the intended use. The market price of machinery on 31st April, 2006 is Rs.60,000 and the accountant of the company wants to disclose the machinery at Rs.60,000 in financial statements. However, the auditor emphasizes that the machinery should be valued at Rs.55,000 (50,000+2,000+3,000) according to:
- (a) Money measurement principle.
 - (b) Historical cost concept.
 - (c) Full disclosure principle.
 - (d) Revenue recognition.

PART IV

23. Mr. A started a business on 1st January 2005 with Rs. 5,00,000. During the year he bought goods worth Rs. 1,00,000 on credit and sold 80% of the same goods at profit of 20% on cost. At the end of the year 2005, the amount of opening stock to be shown in the trial balance of Mr. A will be
- (a) Rs. 20,000

- (b) Rs. 24,000
 - (c) Rs. 1,00,000
 - (d) Nil
24. Sundry debtors on 31st March 2006 are Rs.55,200. Further bad debts are Rs.200. Provision for doubtful debts are to be made on debtors @ 5% and also provision of discount is to be made on debtors @ 2%. The amount of provision of doubtful debts will be
- (a) Rs.1,045
 - (b) Rs.2,750
 - (c) Rs.1,100
 - (d) Rs.2,760
25. A firm purchases a 5 years' lease for Rs. 40,000 on 1st January. It decides to write off depreciation on the Annuity method, presuming the rate of interest to be 5% per annum. The annuity for it is 0.230975. The amount of annual depreciation will be
- (a) Rs. 8,000
 - (b) Rs. 2,000
 - (c) Rs. 9,239
 - (d) Rs. 6,000
26. The balance of machine on 31st March 2006 is Rs.72,900. The machine was purchased on 1st April 2003 charging depreciation @ 10% p.a. The cost price of the machine as on 1st April 2003 would be
- (a) Rs.1,00,000
 - (b) Rs.90,000
 - (c) Rs.81,000
 - (d) Rs.72,900
27. On May 01, 2003, Y Ltd. issued 7% 40,000 convertible debentures of Rs.100 each at a premium of 20%. Interest is payable on September 30 and March 31, every year. Assuming that the interest runs from the date of issue, the amount of interest expenditure debited to profit and loss account for the year ended March 31, 2004 will be
- (a) Rs.2,80,000
 - (b) Rs.2,33,333
 - (c) Rs.3,36,000
 - (d) Rs.2,56,667

28. A company cannot issue redeemable preference shares for a period exceeding
- 6 years
 - 7 years
 - 8 years
 - 20 years
29. E Ltd. had allotted 10,000 shares to the applicants of 14,000 shares on pro rata basis. The amount payable on application is Rs.2. F applied for 420 shares. The number of shares allotted and the amount carried forward for adjustment against allotment money due from F will be
- 60 shares; Rs.120
 - 340 shares; Rs.160
 - 320 shares; Rs.200
 - 300 shares; Rs.240
30. Z Ltd. issued 10,000 shares of Rs.10 each. The called up value per share was Rs.8. The company forfeited 200 shares of Mr. A for non-payment of 1st call money of Rs.2 per share. He paid Rs.6 for application and allotment money. On forfeiture, the share capital account will be _____.
- Debited by Rs.2,000
 - Debited by Rs.1,600
 - Credited by Rs.1,600
 - Debited by Rs. 1,200
31. R, J and D are the partners sharing profits in the ratio 7:5:4. D died on 30th June 2006 and profits for the accounting year 2005-2006 were Rs. 24,000. How much share in profits for the period 1st April 2006 to 30th June 2006 will be credited to D's Account.
- Rs. 6,000.
 - Rs. 1,500.
 - Nil.
 - Rs. 2,000.
32. A company sends its cars to dealers on 'sale or return' basis. All such transactions are however treated like actual sales and are passed through the sales day book. Just before the end of the financial year, two cars which had cost Rs.55,000 each have been sent on 'sale or return' and have been debited to customers at Rs.75,000 each, cost of goods lying with the customers will be
- Rs.1,10,000.
 - Rs. 55,000.

- (c) Rs. 75,000.
 - (d) None of the above.
33. A second hand car is purchased for Rs. 10,000, the amount of Rs. 1,000 is spent on its repairs, Rs. 500 is incurred to get the car registered in owner's name and Rs. 1,200 is paid as dealer's commission. The amount debited to car account will be
- (a) Rs. 10,000.
 - (b) Rs. 10,500.
 - (c) Rs. 11,500.
 - (d) Rs. 12,700.
34. A bill of 12,000 was discounted by A with the banker for 11,880. At maturity, the bill returned dishonoured, noting charges Rs 20. How much amount will the bank deduct from A's bank balance at the time of such dishonour?
- (a) 12,000
 - (b) 11,880
 - (c) 12,020
 - (d) 11,900
35. A purchased goods costing 42500. B sold goods costing Rs 40000 at Rs 50000. Balance goods were taken over by A at same gross profit percentage as in case of sale. The amount of goods taken over will be:
- (a) Rs. 3125
 - (b) Rs. 2500
 - (c) Rs. 3000
 - (d) None of the above
36. Mr. X is a partner in a firm. He withdraws Rs.200 at the end of each month. If rate of interest is @ 5% p.a., the interest on drawings is
- (a) Rs.65
 - (b) Rs.55
 - (c) Rs.60
 - (d) Rs.50
37. Mohan and Sohan are partners in a firm sharing profits and losses in the ratio 5:3. The firm earned profits during last four years amounting Rs.18,000, Rs.8,500 (loss), Rs.30,000 and Rs.16,500 respectively. The value of goodwill on the basis of one and a half year's purchase of average profits of last four years will be
- (a) Rs.14,000

- (b) Rs.27,375
(c) Rs.21,000
(d) Nil
38. A to whom 100 shares of Rs.10 each was allotted at par, paid Rs.3 on application, Rs.3 on allotment but could not pay the first and final call money of Rs.4. His shares were forfeited by the directors. The amount to be credited to shares forfeited account will be
(a) Rs.500
(b) Rs.400
(c) Rs.600
(d) Rs.1,000
39. Balance as per cash book is Rs.5,000. Cheques issued but not presented for payment Rs.2,000 and cheques sent for collection but not collected Rs.1,500. The Bank had wrongly debited the account of firm by Rs.20. Balance as per pass book will be
(a) Rs.5,500
(b) Rs.6,300
(c) Rs.5,700
(d) Rs.8,300
40. Following are the extracts from the trial balance of a firm as on 31st December, 2005:
- | Particulars | Dr. | Cr. |
|--|--------|-------|
| Investments in 6% Debentures of A Ltd. (Interest Payable on 31 st March and 30 th September) | 30,000 | |
| Interest on investments | | 9,000 |
- The amount of accrued interest on 31st December will be
(a) Rs.1,800
(b) Rs.900
(c) Rs.450
(d) None of the above.
41. Following are the extracts from the Trial Balance of a firm was on 31st December, 2005.
- | Particulars | Rs. |
|----------------|--------|
| Sundry debtors | 30,000 |
| Bad debts | 5,000 |
- Additional information:
(i) After preparing the trial balance, it is learnt that a debtor, Mohan became

insolvent and therefore, the entire amount of Rs.3,000 due from him was irrecoverable.

- (ii) 10% provision for bad and doubtful debts is generally created.

The amount of provision for bad and doubtful debts to be charged to profit and loss account will be

- (a) Rs.3,000.
 - (b) Rs.2,700.
 - (c) Rs. 2,500.
 - (d) None of the three.
42. A and B are partners in a firm. During the year 2006, A withdrew Rs.1,000 p.m. and B withdraw Rs.500 p.m. on the first day of each month for personal use. Interest on drawings is to be charged @ 10% p.a. The interest on drawings will be
- (a) Rs.650.
 - (b) Rs.975
 - (c) Rs.900
 - (d) Rs.1,800
43. A and B are partners in a firm sharing profits and losses in the ratio of 3:2. They have invested capitals of Rs.40,000 and Rs.25,000 respectively. As per the partnership deed, they are entitled to interest on capital @ 5% p.a. before dividing the profits. During the year, the firm earned a profit of Rs.3,900 before allowing interest. The net profits will be apportioned as
- (a) Rs.260 to A and Rs.390 to B.
 - (b) Rs.390 to A and Rs.260 to B.
 - (c) Rs.2,340 to A and Rs.1,560 to B.
 - (d) Rs.1,560 to A and Rs.2,340 to B.
44. Advertisement expenditure of Rs.10,000 paid on 30.12.2006, the advertisement in respect of which has appeared in the magazines of January, 2007.
- This expenditure will be
- (a) Shown as 'expense' in the financial statements of the year ended 31st December, 2006.
 - (b) Shown as 'liability' in the financial statements of the year ended 31st December, 2006.
 - (c) Shown as prepaid expense in the financial statements of the year ended 31st December, 2006.
 - (d) None of the three.

45. Our acceptance to Mr. A for Rs.8,000 renewed for 3 months on the condition that Rs.2,000 is paid in cash immediately and the remaining balance to carry out interest at 18% p.a. The amount of the renewed bill of exchange will be
- (a) Rs.6,270
 - (b) Rs.8,270
 - (c) Rs.8,000
 - (d) None of the three.
46. On 1st January, 2005, Alpha Ltd. purchased a machine for Rs.50,000 and spent Rs.4,000 on its carriage and Rs.2,000 on its installation. On the date of purchase, it was estimated that the effective life of the machine will be 10 years and after 10 years its scrap value will be Rs.6,000. Depreciation is charged on straight line basis. Depreciation for the year 2005 will be
- (a) Rs.4,600
 - (b) Rs.5,000
 - (c) Rs.4,800
 - (d) Rs.4,500
47. Ram and Gopal are partners sharing profits and losses in the ratio of 2:1. Gopal gave a loan of Rs.12,000 to the firm. They did not have any specific agreement about interest on loan mentioned in the partnership deed. Gopal claims interest on loan @ 10% p.a. The interest on loan as per rules of Partnership Act, 1932 will be:
- (a) Rs.840
 - (b) Rs.820
 - (c) Rs.720
 - (d) Rs.960
48. Mr. A is a partner in a firm along with Mr. B. Both contributed capitals of Rs.40,000 and Rs.50,000 respectively on the 1st of July, 2005. Interest on capital is to be charged @ 10% p.a. Book of account are to be closed on 31st December, 2005. Interest on capital is
- (a) Rs.2,500
 - (b) Rs.2,000
 - (c) Rs.4,500
 - (d) None of the above.
49. A firm has on average profit of Rs.60,000. Rate of return on capital employed is 12.5% p.a. Total capital employed in the firm was Rs.4,00,000. Goodwill on the basis of two years purchase of super profits is
- (a) Rs.20,000

- (b) Rs.15,000
(c) Rs.10,000
(d) None of the above.
50. A transport company purchases a truck for Rs.2,00,000 on 1st January, 2005. It charges 20% depreciation p.a. according to w.d.v. method. The truck was sold on 1st July, 2006 for a sum of Rs.1,60,000.
The profit or loss on sale of truck is
(a) Loss of Rs. 16,000.
(b) Profit of Rs. 16,000.
(c) Profit of Rs. 12,000.
(d) Loss of Rs. 12,000.
51. Ram started business with cash Rs.50,000
Purchased goods from Mohan on credit Rs.20,000
Sold goods to Shyam costing Rs.3,000 for cash Rs.3,600
The accounting equation on the basis of these transactions will be
(a) Assets Rs.70,600 = Liabilities Rs.3,600+Owner's equity Rs.67,000
(b) Assets Rs.70,600 = Liabilities Rs.50,600+Owner's equity Rs.20,000
(c) Assets Rs.70,600= Liabilities Rs.20,000+Owner's equity Rs.50,600.
(d) None of the three.
52. Cost of physical stock on 15.4.06 was Rs.3,00,000. Sales amounting Rs.1,00,000 and purchases worth Rs.50,000 were held between 31.3.06 and 15.4.06. Goods are sold at a profit of 20% on sales. Value of inventory as on 31.3.06 is
(a) Rs.3,50,000.
(b) Rs.2,70,000.
(c) Rs.3,30,000.
(d) Rs.3,00,000.
53. A and B entered into a joint venture agreement to share the profits and losses in the ratio of 2:1. A supplied 100 radio sets worth Rs.1,00,000 to B incurring expenses of Rs.5,000 for freight and issuance. B sold the 95 radio sets for Rs.1,20,000. 5 radio sets were taken over by B. The profit/loss on venture will be
(a) Profit of Rs.20,000.
(b) Profit of Rs.15,000.
(c) Loss of Rs.20,000.
(d) Profit of Rs.20,250.

54. A cheque of Rs.1,000 received from Ramesh was dishonoured and had been posted to the debit of sales returns account.

The rectifying journal entry will be

			Rs.	Rs.
(a)	Sales Returns A/c	Dr.	1,000	
	To Ramesh			1,000
(b)	Ramesh	Dr.	1,000	
	To Sales Return A/c			1,000
(c)	Ramesh	Dr.	1,000	
	Sales Returns A/c	Dr.	1,000	
	To Suspense A/c			2,000
(d)	None of the above.			

55. Record of purchase of T.V. sets.

Date	Quantity	Price per unit
	Units	Rs.
March 4	900	5
March 10	400	5.50

Record of issues

March 5	600
March 12	400

The value of T.V. sets on 15 March, as per LIFO will be

- (a) Rs.1,500
 (b) Rs.1,650
 (c) Rs.1,575.
 (d) None of the three.
56. A purchased a computer costing Rs.10,000. Repairing expenses Rs.1,000 and miscellaneous expenses Rs.500 were incurred by him. He sold the computer at 20% margin on selling price. The sales value will be
 (a) Rs.12,500.
 (b) Rs.11,000
 (c) Rs.14,375
 (d) Rs.13,800
57. Priya sold goods to Nidhi for Rs.1,00,000. Priya will grant 5% discount to Nidhi. Nidhi

requested Priya to draw a bill. The amount of the bill will be

- (a) Rs.1,00,000.
 - (b) Rs.95,000.
 - (c) Rs.93,800.
 - (d) Rs.90,000
58. A bill is drawn on 28th March, 2006 for one month after sight. The date of acceptance is 2nd April, 2006. The due date of the bill will be
- (a) 1st May, 2006.
 - (b) 28th April, 2006.
 - (c) 5th May, 2006.
 - (d) 2nd May, 2006.
59. Mohan drew a bill on Shyam for Rs.50,000 for 3 months. Proceeds are to be shared equally. Mohan got the bill discounted at 12% p.a. and remits required proceeds to Shyam. The amount of such remittance will be
- (a) Rs.24,250.
 - (b) Rs.25,000.
 - (c) Rs.16,167
 - (d) Rs.32,333.
60. Goods costing Rs. 10,000 were sold at 25% profit on selling price. The sales will be of
- (a) Rs.12,000.
 - (b) Rs. 12,500.
 - (c) Rs. 10,000.
 - (d) None of the three.

SECTION – B : MERCANTILE LAWS (40 MARKS)

- (i) Questions 61 to 79 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 80 to 98 are the fill in the blank based questions having four alternate answers and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 99 and 100 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 61. Cross Offers means
 - (a) Exchanging identical offers by two parties in ignorance.
 - (b) Offer made to the public in general.
 - (c) Offer allowed to remain open for acceptance over a period of time.
 - (d) Offer made to a definite person.
- 62. Valid Contract:
 - (a) In case of this collateral agreements are void.
 - (b) Not enforceable in a court of law.
 - (c) An agreement enforceable by law at the option of one or more of the parties thereon but not at the option of the other or others.
 - (d) Enforceable at the option of both the parties.
- 63. Which of the following is a requirement for misrepresentation to exist?
 - (a) Misrepresentation should relate to a material fact.
 - (b) The person making a misrepresentation should not believe it to be true.
 - (c) It must be made with an intention to deceive the other party.
 - (d) All of the above.
- 64. Which of the following agreements is void?
 - (a) Agreements made under the unilateral mistake of fact.
 - (b) Agreements made under the bilateral mistake of fact.
 - (c) Agreements made under the influence of fraud.
 - (d) Contingent agreement.
- 65. Which of the following offers constitute a valid offer?
 - (a) An auctioneer displays a TV. set before a gathering in an auction sale.

- (b) Ram who is in possession of three cars purchased in different years says 'I will sell you a car'.
 - (c) A says to B, "Will you purchase my motor cycle for Rs. 20,000?"
 - (d) All of the above.
66. Which of the following statements is true?
- (a) Even if a proposal is not accepted properly it becomes a valid contract.
 - (b) The agreements which are against the public policy can be enforced if the parties are willing to contract.
 - (c) A contract can consist of an offer or an acceptance only.
 - (d) Two or more persons are said to consent when they agree upon the same thing in the same sense.
67. Contract caused by which of the following is void?
- (a) Fraud.
 - (b) Misrepresentation.
 - (c) Coercion.
 - (d) Bilateral Mistake.
68. Suppose the time fixed for performance of the contract has expired but the time is not essential. What is the remedy of the promisee in the circumstances?
- (a) Can rescind the contract.
 - (b) To claim compensation.
 - (c) No remedy available.
 - (d) Can't be determined.
69. What is legal terminology for the doing or not doing of something which the promisor desires to be done or not done?
- (a) Desires.
 - (b) Wishes.
 - (c) Consideration.
 - (d) Promise.
70. Goods must be the same as wanted by the seller. This is
- (a) Condition as to description
 - (b) Condition as to sample
 - (c) Condition as to wholesomeness
 - (d) Condition as to title

71. Goods dependant upon certain events which may or may not happen.
- (a) Unascertained goods.
 - (b) Future goods.
 - (c) Contingent Goods.
 - (d) Existing Goods.
72. Which of the following is a not document of title to goods?
- (a) Bill of Lading.
 - (b) Railway Receipt.
 - (c) Dock Warrant.
 - (d) Performa invoice.
73. The term 'goods' for the purpose of Sale of Goods Act, includes
- (a) Money.
 - (b) Actionable claims.
 - (c) Growing crops, grass.
 - (d) None of these.
74. In which of the following cases, the unpaid seller loses his right of lien?
- (a) Delivery of goods to buyer.
 - (b) Delivery of goods to carrier.
 - (c) Tender of price by buyer.
 - (d) All of these.
75. In case of sale of standing trees, the property passes to the buyer when trees are
- (a) Felled and ascertained.
 - (b) Not felled but earmarked.
 - (c) Counted and ascertained.
 - (d) Both (b) and (c).
76. Partnership
- (a) Arises by operation of law.
 - (b) Comes into existence only after registration.
 - (c) Can arise by agreement or otherwise.
 - (d) Arise by way of an agreement only.

77. X and Y agree to work together as carpenters but X shall receive all profit and shall pay wages to Y. The relation between X and Y is that
- (a) Partners.
 - (b) Carpenters.
 - (c) Labourers.
 - (d) Master-Servant.
78. Which of the following is an essential feature of partnership?
- (a) Registration.
 - (b) Test of Mutual Agency.
 - (c) Separate Legal Entity.
 - (d) All of the above.
79. Which of the following acts are not included in the implied authority of a partner?
- (a) To buy or sell goods on accounts of partners.
 - (b) To borrow money for the purposes of firm.
 - (c) To enter into partnership on behalf of firm.
 - (d) To engage a lawyer to defend actions against firm.

PART II

80. Implied contract, even if not in writing or express words, is perfectly _____ if other conditions are satisfied
- (a) Void.
 - (b) Valid.
 - (c) Voidable.
 - (d) Illegal.
81. R, an optical surgeon, employs S as the assistant for a term of three years and S agrees not to practice as a surgeon during this period. This contract is _____
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Illegal
82. _____ consideration is no consideration in England.
- (a) Past
 - (b) Present

- (c) Future
 - (d) Past and Present
83. A agrees to pay Rs. 500 to B if it rains, and B promises to pay a like amount to A if it does not rain, this agreement is called _____.
- (a) Quasi Contract
 - (b) Contingent Contract
 - (c) Wagering Agreement
 - (d) Voidable Contract
84. When the offeree offers to qualified acceptance of the offer subject to modifications and variations he is said to have made a _____.
- (a) Standing, open or continuing offer
 - (b) Counter Offer
 - (c) Cross Offers
 - (d) Special Offer
85. When after the formation of a valid contract, an event happens which makes the performance of contract impossible, and then the contract becomes _____.
- (a) Void
 - (b) Voidable
 - (c) Valid
 - (d) Illegal
86. Where the performance of a promise by one party depends on the prior performance of promise by the other party, such reciprocal promises fall under the category of _____.
- (a) Mutual and concurrent
 - (b) Conditional and dependent
 - (c) Mutual and independent
 - (d) Can't be determined
87. The basis of 'quasi contractual relations' is the _____.
- (a) Existence of a valid contract between the parties
 - (b) Prevention of unjust enrichment at the expense of others
 - (c) Provisions contained in Section 10 of the Contract Act
 - (d) Existence of a voidable contract between the parties

88. A agrees to pay Rs. 1000 to B if a certain ship returns within a year. However, the ship sinks within the year. In this case, the contract becomes _____.
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Illegal
89. Where an agreement consists of two parts once legal and the other illegal, and the legal part is separable from the illegal one, such legal part is _____.
- (a) Void
 - (b) Valid
 - (c) Voidable
 - (d) Illegal
90. The Sale of Goods Act, 1930 came into force on _____.
- (a) 15th March, 1930
 - (b) 1st July, 1930
 - (c) 30th July, 1930
 - (d) 30th June, 1930
91. Contract of Sale is _____.
- (a) Executory Contract
 - (b) Executed Contract
 - (c) Executory Contract or Executed Contract
 - (d) None of the above
92. Where in an auction sale, the seller appoints more than one bidder, the sale is _____.
- (a) Void
 - (b) Illegal
 - (c) Conditional
 - (d) Voidable
93. Where the goods are delivered to a carrier or wharfinger for the purpose of transmission to the buyer, the delivery is _____.
- (a) Invalid and ineffective
 - (b) Valid and effective
 - (c) Conditional

- (d) None of these
94. The property in the goods means the _____.
- (a) Possession of goods
 - (b) Custody of goods
 - (c) Ownership of goods
 - (d) Both (a) and (b)
95. Untill goods are ascertained there is merely _____.
- (a) An agreement to sell
 - (b) A breach of warranty
 - (c) A breach of condition
 - (d) All the above
96. The rights of an agent against the principal are the following _____.
- (a) Right of indemnification
 - (b) Right to compensation
 - (c) Right of stoppage in transit
 - (d) All of the above
97. Discharge by mutual agreement may involve_____.
- (a) Novation
 - (b) Recission
 - (c) Alteration
 - (d) All of the above
98. A enquires from B, "Will you purchase my cow for \$ 100?" B replies, "I shall purchase your cow for \$ 100 provided you purchase my parrot for \$ 120." In this case _____.
- (a) B has accepted the offer of A
 - (b) B has made a counter offer to A
 - (c) A is bound by the actions of B
 - (d) B cannot make such an offer

PART III

99. A sold 1000 tins of oil to B without appropriating any particular oil to the contract. B sold 600 tins out it to C and gave delivery order addressed to A. C lodged the delivery order with A requesting him to "await" his orders. Meanwhile, B became insolvent and thus A

became the unpaid seller.

- (a) A can exercise his right of lien and refuse to make delivery to C.
- (b) A cannot exercise his right of lien and refuse to make delivery to C.
- (c) C has claim over the goods in possession of A.
- (d) None of the above.

100. X fraudulently induced Y to enter into partnership with him and Y pays a premium of Rs.5,000/- to A. Within three months the firm incurs liabilities to the extent of Rs.10,000/-. On discovering the fraud, Y files a suit for the rescission of the contract creating partnership and contract is rescinded. The creditors of the firm also levy attachment on Y who pays Rs.3,000/- to them as well. Which of the following is correct?

- (a) Y can obtain a decree for Rs.8000/- against A.
- (b) Y can obtain a decree for Rs.5000/- against A.
- (c) Y can obtain a decree for Rs.3000/- against A.
- (d) Y cannot obtain a decree for either Rs.5,000/- or Rs.3,000/- or Rs.8000/- against.

SECTION – C : GENERAL ECONOMICS(50 MARKS)

- (i) Questions 101 to 116 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 117 to 132 are Fill in the blanks type and carries +1 mark for each correct answer and -0.25 mark for each wrong answer.
- (iii) Questions 133 to 137 contain small paragraph / table followed by a question having only one correct answer and carries + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Question 138 to 150 are numerical based which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

101. Find the correct match:
- (a) An enquiry into the nature and causes of the wealth of the nation: A.C.Pigou.
 - (b) Science which deals with wealth: Alfred Marshall.
 - (c) Economics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses: Robbins.
 - (d) The range of our enquiry becomes restricted to that part of social welfare that can be brought directly or indirectly into relation with the measuring rod of money: Adam Smith.
102. Suppose the demand for meals at a medium-priced restaurant is elastic. If the management of the restaurant is considering raising prices, it can expect a relatively:
- (a) large fall in quantity demanded.
 - (b) large fall in demand.
 - (c) small fall in quantity demanded.
 - (d) small fall in demand.
103. Which of the following is not a characteristic of a “price taker”?
- (a) $TR = P \times Q$
 - (b) $AR = \text{Price}$
 - (c) Negatively –sloped demand
 - (d) $\text{Marginal Revenue} = \text{Price}$
104. Which cost increases continuously with the increase in production?
- (a) Average cost
 - (b) Marginal cost

- (c) Fixed cost
 - (d) Variable cost
105. Which one is not an assumption of the theory of demand based on analysis of indifference curves?
- (a) Given scale of preferences as between different combinations of two goods.
 - (b) Diminishing marginal rate of substitution.
 - (c) Constant marginal utility of money.
 - (d) Consumers would always prefer more of a particular good to less of it, other things remaining the same.
106. Which of the following statements is correct?
- (a) Under zamindari system, farmers directly paid land revenue to the state.
 - (b) At present, income tax revenues from the agriculture sector are negligible.
 - (c) Commercial banks are providing loans to the agriculture sector at zero interest rate.
 - (d) None of the above.
107. We can say Indian agriculture has become modern since:
- (a) there has been an increased in the use of high yielding varieties of seeds, fertilizers, pesticides etc.
 - (b) there has been noticeable positive change in the attitude of farmers towards new techniques of production.
 - (c) farmers are increasingly resorting to intensive cultivation, multiple cropping, scientific water management
 - (d) all of the above.
108. Which of the following statements is correct ?
- (a) The demand and the supply of fuel are almost equal.
 - (b) Our import bill on account of oil has been decreasing since 1990.
 - (c) Oil prices have been decreasing since 1973.
 - (d) Transmission and distribution losses of power companies are very high.
109. Sahara Jet and Kingfisher are examples of:
- (a) private schools.
 - (b) private airlines.
 - (c) private ships.
 - (d) private railways.

110. All of the following developments were noticed during 1991 (when economic reforms were enforced) except one. Identify it.
- (a) National debt was nearly 60 percent of the GNP of India.
 - (b) Inflation crossed double digits
 - (c) Foreign reserves were maintained at a very high level.
 - (d) None of the above.
111. All of the following statements except one are correct about the foreign trade policy, 2004-09. Identify the incorrect statement:
- (a) Certain thrust areas like agriculture, handlooms, handicrafts etc have been identified.
 - (b) Vishesh Krishiupaj Yojana has been started.
 - (c) 'Served from India' scheme has been started.
 - (d) The entry of FDI in India has been restricted.
112. The economic reforms have failed to:
- (a) keep fiscal deficits to the targeted levels.
 - (b) fully implement industrial deregulation.
 - (c) fully open the economy to trade.
 - (d) all of the above.
113. Broad money refers to
- (a) M_1
 - (b) M_2
 - (c) M_3
 - (d) M_4
114. Nationalization of banks aimed at all of the following except:
- (a) removal of control by a few.
 - (b) provision of credit to big industries only.
 - (c) provision of adequate credit for agriculture, small industry and export units.
 - (d) encouragement of a new class of entrepreneur.
115. In order to encourage investment in the country, the RBI may:
- (a) reduce CRR.
 - (b) increase CRR.
 - (c) sell securities in the open market.
 - (d) increase Bank rate.

116. Which of the following statements is incorrect?
- (a) The Indian road network is one of the longest in the world.
 - (b) The rural road network connects around 65 percent of all weather roads.
 - (c) Most of the State Road Transport Corporations are running on profits.
 - (d) The National highways carry more than 40 percent of the total road traffic.

PART II

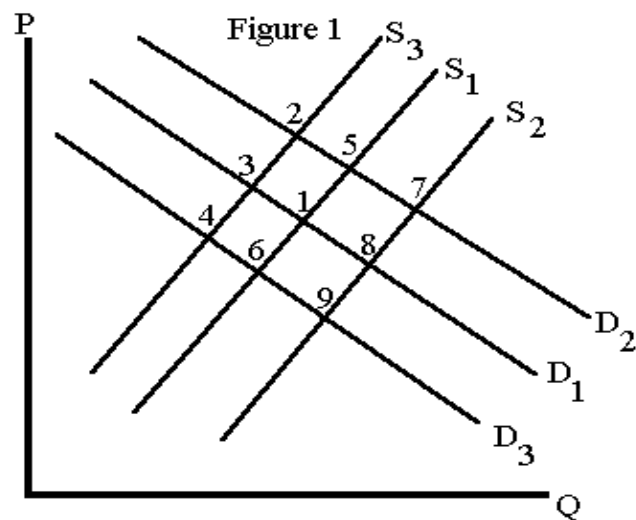
117. ----- expressed the view that "Economics is neutral between end".
- (a) Robbins
 - (b) Marshall
 - (c) Pigou
 - (d) Adam Smith
118. The law of demand refers to -----.
- (a) price-supply relationship
 - (b) price- cost relationship
 - (c) price-demand relationship
 - (d) price-income relationship.
119. Increasing returns imply -----.
- (a) constant average cost.
 - (b) diminishing cost per unit of output.
 - (c) optimum use of capital and labour.
 - (d) external economies.
120. In monopolistic competition, a firm is in long run equilibrium -----.
- (a) at the minimum point of the LAC curve.
 - (b) in the declining segment of the LAC curve.
 - (c) in the rising segment of the LAC curve.
 - (d) when price is equal to marginal cost.
121. Of the major 12 ports, _____ is the top traffic handler.
- (a) Paradip
 - (b) Cochin
 - (c) Vishakhapatnam
 - (d) Mumbai

122. On an average, one post office in India serves _____.
(a) 100 persons
(b) 1000 persons
(c) 6615 persons
(d) 5800 persons
123. At present, nearly _____ percent of the energy consumed is obtained from non-commercial traditional sources.
(a) 45
(b) 51.
(c) 23
(d) 10
124. _____ refers to the transfer of assets or services functions from public to private ownership.
(a) Globalization
(b) Privatization
(c) Disinvestment
(d) Liberalization
125. At present only _____ industries are reserved for the public sector.
(a) 5
(b) 7
(c) 8
(d) 3
126. At present, Bank rate is _____ percent.
(a) 5
(b) 6
(c) 6.5
(d) 5.5
127. _____ is the official minimum rate at which the central bank of a country is prepared to rediscount approved bills held by banks.
(a) CRR
(b) SLR
(c) Bank rate
(d) Repo rate

128. EPCG stands for -----.
- Export Promotion Capital Goods.
 - Expert Programme for Credit Generation.
 - Exchange Programme for Consumer Goods.
 - Export Promotion Consumer Goods
129. The area under irrigation has _____ over the years in India.
- remained constant.
 - decreased
 - increased.
 - first increased and then decreased
130. The service sector in India now accounts for -----.
- more than 80 percent of GDP.
 - more than 70 percent of GDP.
 - more than 50 percent of GDP.
 - more than 90 percent of GDP.
131. _____ is the Banker's Bank in India.
- SBI
 - PNB
 - RBI
 - OBC
132. According to the 2001 census the total literacy ratio is
- 32.5%
 - 65.4%
 - 52.1%
 - 75.8%

PART III

Questions 133 to 137 are based on the demand and supply diagrams in Figure 1. S_1 and D_1 are the original demand and supply curves. D_2 , D_3 , S_2 and S_3 are possible new demand and supply curves. Starting from initial equilibrium point(1) what point on the graph is most likely to result from each change?



133. Assume X is a normal good. Holding everything else constant, assume that income rises and the price of a factor of production also increases. What point in Figure 1 is most likely to be the new equilibrium price and quantity?
- Point 9
 - Point 5
 - Point 3
 - Point 2.
134. We are analyzing the market for good Z. The price of a complement good, good Y, declines. At the same time, there is a technological advance in the production of good Z. What point Figure 1 is most likely to be the new equilibrium price and quantity?
- Point 4.
 - Point 5
 - Point 7
 - Point 8
135. Heavy rains in Maharashtra during 2005 and 2006 caused havoc with the rice crop. What point in Figure 1 is most likely to be the new equilibrium price and quantity?
- Point 6
 - Point 3
 - Point 7
 - Point 8
136. Assume that consumers expect the prices on new cars to significantly increase next year. What point in Figure 1 is most likely to be the new equilibrium price and quantity?

- (a) Point 6
 - (b) Point 5
 - (c) Point 3
 - (d) Point 8
137. What combinations of changes would most likely decrease the equilibrium quantity?
- (a) When supply increases and demand decreases.
 - (b) When demand increases and supply decreases
 - (c) When supply increases and demand increases.
 - (d) When demand decreases and supply decreases.

PART IV

Use Table 1 to answer questions 138 - 141

Table 1

<i>Quantity</i>	<i>Average Fixed cost</i>	<i>Average Total cost</i>	<i>Marginal cost</i>
0	-	-	-
1	80.00	100.00	20
2	40.00	58.00	17
3	26.66	44.00	15
4	20.00	36.25	13
5	16.00	31.40	12
6	13.33	28.33	13
7	11.42	26.29	14
8	10.00	26.13	25
9	8.88	26.56	30
10	8.00	27.30	34
11	7.27	28.45	40
12	6.66	30.00	47
13	6.15	31.92	55

138. Refer to Table 1 which lists the average costs of a perfectly competitive firm. If the price of the good is Rs 13, the firm will be produce
- (a) 4 units at a loss of Rs. 93

- (b) 6 units at a loss Rs. 92
 - (c) zero units at a loss of Rs. 80
 - (d) 8 units at a profit of Rs. 9
139. Refer to the competitive firm in Table 1. If the market price is Rs 31, the firm will produce:
- (a) 9 units at an economic profit of Rs 40
 - (b) 10 units at an economic profit of Rs 67
 - (c) 9 units at an economic profit of Rs 81.
 - (d) Zero units of output and lose its fixed cost.
140. In Table 1, if price is Rs 26, the perfectly competitive firm will:
- (a) shut down in the short run.
 - (b) produce 8 units at an economic loss of Rs 9.
 - (c) produce 9 units at an economic loss of Rs. 5.
 - (d) produce 8 units at an economic loss of Rs. 1.04.
141. In Table 1, if price is Rs 34, the perfectly competitive firm will:
- (a) shut down
 - (b) produce 10 units
 - (c) produce 11 units
 - (d) produce 13 units.

Read the following paragraph and answer Questions number 142-147

Anisha quit her job at a private company where she earned Rs2,90,000 a year. She withdrew Rs 4,00,000 in a savings account that earned 10% interest annually to buy a second hand mini bus to commute passenger between Cannaught Place and Noida. There are 1000 passengers who will pay Rs 4000 a year each for commuter services; Rs 2800 from each passenger goes for petrol, maintenance, depreciation etc.

142. What is Anisha's total revenue from her commuter service?
- (a) Rs. 40,00,000
 - (b) Rs.2, 90,000
 - (c) Rs, 28, 00,000
 - (d) Rs 31, 30,000
143. Calculate Anisha's accounting costs?
- (a) Rs. 12, 00,000

- (b) Rs. 40, 00,000
 - (c) Rs.28, 00,000.
 - (d) Rs. 8, 70,000.
144. Calculate Anisha's economic cost?
- (a) Rs. 3, 30,000
 - (b) Rs. 40, 000
 - (c) Rs.28, 00,000.
 - (d) Rs. 31, 30,000.
145. We can say that Anisha:
- (a) earned economic profits but suffered accounting loss.
 - (b) earned economic profits and accounting profits.
 - (c) suffered economic loss and accounting loss.
 - (d) earned accounting profits but suffered economic loss.
146. Calculate Anisha's accounting profit/ loss?
- (a) Rs. 40, 00,000.
 - (b) Rs. 12, 00,000.
 - (c) Rs. 8, 70,000.
 - (d) Rs. 2, 90,000.
147. Calculate Anisha's economic profit/ loss?
- (a) Rs. 12, 00,000
 - (b) Rs. 30,000
 - (c) Rs. 31, 30,000
 - (d) Rs. 8, 70,000
148. If the local pizzeria raises the price of a medium pizza from Rs.60 to Rs.100 and quantity demanded falls from 700 pizzas a night to 100 pizzas a night, the price elasticity of demand for pizzas is:
- (a) .67
 - (b) 1.5
 - (c) 2.0
 - (d) 3.0
149. Suppose a consumer's income increases from Rs.30,000 to Rs.36,000. As a result, the consumer increases her purchases of compact discs(CDs) from 25 CDs to 30 CDs. What is the consumer's income elasticity of demand for CDs?

- (a) 0.5
 - (b) 1.0
 - (c) 1.5
 - (d) 2.0
150. If the quantity demanded of beef increases by 5% when the price of chicken increases by 20%, the cross-price elasticity of demand between beef and chicken is
- (a) -0.25
 - (b) 0.25
 - (c) -4
 - (d) 4

SECTION – D : QUANTITATIVE APTITUDE(50 MARKS)

- (i) Questions 151 to 160 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 161 to 170 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 171 to 200 are numerical based questions, which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

151. The entire upper part of a table is known as
- (a) Caption.
 - (b) Stub.
 - (c) Box head.
 - (d) Body.
152. Ogive is a
- (a) Line diagram.
 - (b) Bar diagram.
 - (c) Both.
 - (d) None.
153. In case of an even number of observations which of the following is median ?
- (a) Any of the two middle-most value.
 - (b) The simple average of these two middle values.
 - (c) The weighted average of these two middle values.
 - (d) Any of these.
154. If the AM and GM for two numbers are 6.50 and 6 respectively then the two numbers are
- (a) 6 and 7
 - (b) 9 and 4
 - (c) 10 and 3
 - (d) 8 and 5
155. If all the observations are increased by 10, then
- (a) SD would be increased by 10.

- (b) Mean deviation would be increased by 10.
 - (c) Quartile deviation would be increased by 10.
 - (d) All these three remain unchanged.
156. Mode of 0,3,5,6,7,9,12,0,2 is
- (a) 6
 - (b) 0
 - (c) 3
 - (d) 5
157. What is spurious correlation?
- (a) It is a bad relation between two variables.
 - (b) It is very low correlation between two variables.
 - (c) It is the correlation between two variables having no causal relation.
 - (d) It is a negative correlation.
158. The line $x = a + by$ represents the regression equation of
- (a) y on x
 - (b) x on y
 - (c) Both of above.
 - (d) None of above.
159. When 'p' = 0.5, the binomial distribution is
- (a) Asymmetrical.
 - (b) Symmetrical.
 - (c) Both of above.
 - (d) None of above.
160. A population comprises 5 members. The number of all possible samples of size 2 that can be drawn from it with replacement is
- (a) 100
 - (b) 15
 - (c) 125
 - (d) 25

PART II

161. Tally marks determines _____ .
- (a) Class width

- (b) Class boundary
 - (c) Class limit
 - (d) Class frequency
162. _____ always lies in between the arithmetic mean & mode.
- (a) G.M.
 - (b) H.M.
 - (c) Median
 - (d) G.M. and H.M.
163. In case 'The ages of husbands and wives' correlation is _____ .
- (a) Positive
 - (b) Negative
 - (c) Zero
 - (d) One
164. If $P(A \cap B) = 0$, then the two events A and B are _____ .
- (a) Mutually exclusive
 - (b) Exhaustive
 - (c) Equally likely
 - (d) Independent
165. In _____ distribution, mean = variance.
- (a) Normal
 - (b) Binomial
 - (c) Poisson
 - (d) None of above
166. A _____ distribution is a theoretical distribution that expresses the functional relation between each of the distinct values of the sample statistic and the corresponding probability.
- (a) Normal
 - (b) Binomial
 - (c) Poisson
 - (d) Sampling
167. If an investment of Rs.1000 and Rs.100 yield an income of Rs.90 and Rs.20 respectively, for earning Rs.50 investment of Rs._____ will be required.
- (a) Less than Rs.500

- (b) Over Rs.500
 - (c) Rs.485
 - (d) Rs.486
168. If ${}^{18}C_n = {}^{18}C_{n+2}$ then the value of n is _____ .
- (a) 0
 - (b) -2
 - (c) 8
 - (d) None of above
169. The sum of square of first n natural number is _____.
- (a) $(n/2)(n+1)$
 - (b) $(n/6)(n+1)(2n+1)$
 - (c) $[(n/2)(n+1)]^2$
 - (d) None of above.
170. If $b^2 - 4ac = 0$ the roots are _____ and _____.
- (a) Real, Unequal
 - (b) Real, Equal
 - (c) Irrational, Unequal
 - (d) Rational, Unequal

PART III

171. The index number of prices at a place in 1998 is 355 with 1991 as base. This means
- (a) There has been on the average a 255% increase in prices.
 - (b) There has been on the average a 355% increase in price.
 - (c) There has been on the average a 250% increase in price.
 - (d) None of these.
172. The sum of a series in A.P. is 72 the first term being 17 and the common difference -2. the number of terms is
- (a) 6
 - (b) 12
 - (c) 6 or 12
 - (d) 10

173. The mean proportional between 1.4 gms and 5.6 gms is
- 28 gms.
 - 2.8 gms.
 - 3.2 gms.
 - None of these.
174. Which is True ?
- $2^\circ > (1/2)^\circ$
 - $2^\circ < (1/2)^\circ$
 - $2^\circ = (1/2)^\circ$
 - None of these.
175. 8 is the solution of the equation
- $\frac{x+4}{4} + \frac{x-5}{3} = 11$
 - $\frac{x+4}{2} + \frac{x+10}{9} = 8$
 - $\frac{x+24}{5} = 4 + \frac{x}{4}$
 - $\frac{x-15}{10} + \frac{x+5}{5} = 4$
176. The sum of the digits of a two digit number is 10. If 18 be subtracted from it the digits in the resulting number will be equal. The number is
- 37
 - 73
 - 64
 - None of these.
177. The values of x for the equation $x^2+9x+18 = 6-4x$ are
- (1,12)
 - (-1,-12)
 - (1,-12)
 - (-1,12)
178. The effective rate of interest corresponding a nominal rate of 7% p.a convertible quarterly is
- 7%

- (b) 7.5%
 - (c) 7.10%
 - (d) None of these.
179. A person bought a house paying Rs. 20000 cash down and Rs. 4000 at the end of each year for 25 yrs. At 5% p.a. C.I. The cash down price is
- (a) Rs. 75000
 - (b) Rs. 76000
 - (c) Rs. 76392
 - (d) None of these.
180. The ways of selecting 4 letters from the word EXAMINATION is
- (a) 136
 - (b) 130
 - (c) 125
 - (d) None of these .
181. If there are 50 stations on a railway line how many different kinds of single first class tickets may be printed to enable a passenger to travel from one station to other?
- (a) 2500
 - (b) 2450
 - (c) 2400
 - (d) None of these.
182. The sum of 3 numbers of a G P is 39 and their product is 729. The numbers are
- (a) 3, 27, 9
 - (b) 9, 3, 27
 - (c) 3, 9, 27
 - (d) None of these.
183. Find the four numbers in A.P. with the sum of second and third being 22 and the product of the first and fourth being 85.
- (a) 3 5 7 9
 - (b) 2 4 6 8
 - (c) 5 9 13 17
 - (d) None of these.

184. The sum of n terms of the series $2 + 6 + 10 + \dots$ is
- $2n^2$
 - n^2
 - $n^2 / 2$
 - $4n^2$
185. If A has 32 elements, B has 42 elements and $A \cup B$ has 62 elements, the number of elements in $A \cap B$ is
- 12
 - 74
 - 10
 - None of these.
186. $\lim_{x \rightarrow 1} \frac{x^2 - 1}{\sqrt{3x+1} - \sqrt{5x-1}}$ is evaluated to be
- 4
 - $1/4$
 - 4
 - None of these.
187. $\lim_{x \rightarrow t} \frac{x^3 - t^3}{x^2 - t^2}$ is evaluated to be
- $3/2$
 - $2/3t$
 - $\left(\frac{3}{2}\right)t$
 - None of these.
188. If $f(x) = e^{ax^2+bx+c}$ the $f'(x)$ is
- e^{ax^2+bx+c}
 - $e^{ax^2+bx+c} (2ax + b)$
 - $2ax + b$
 - None of these.

189. If $y = e^{\sqrt{2x}}$, $\frac{dy}{dx}$ is calculated as

(a) $\frac{e^{\sqrt{2x}}}{\sqrt{2x}}$

(b) $e^{\sqrt{2x}}$

(c) $\frac{e^{\sqrt{2x}}}{\sqrt{2x}}$

(d) None of these.

190. Evaluate result of $\int (x^2 - 1) dx$ is

(a) $x^5/5 - 2/3 x^3 + x + k$

(b) $x^5/5 - 2/3 x^3 + x$

(c) $2x$

(d) None of these.

191. Evaluate $\int_1^4 (2x + 5) dx$ and the value is

(a) 3

(b) 10

(c) 30

(d) None of these.

192. The following data relate to the marks of a group of students:

Marks :	Below 10	Below 20	Below 30	Below 40	Below 50
No. of students :	15	38	65	84	100

How many students got marks more than 30?

(a) 65

(b) 50

(c) 35

(d) 43

193. The harmonic mean for the numbers 2, 3, 5 is

(a) 2.00

(b) 3.33

(c) 2.90

- (d) $\sqrt[3]{30}$
194. The coefficient of mean deviation about mean for the first 9 natural numbers is
- 200/9
 - 80
 - 400/9
 - 50
195. Maximum value of Rank Correlation coefficient is
- 1
 - +1
 - 0
 - None of these.
196. If two letters are taken at random from the word HOME, what is the Probability that none of the letters would be vowels?
- 1/6
 - 1/2
 - 1/3
 - 1/4
197. The chance of getting a sum of 6 in a single throw with two dice is
- 3/36
 - 4/36
 - 6/36
 - 5/36
198. What is the no. of trials of a binomial distribution having mean and SD as 3 and 1.5 respectively?
- 2
 - 4
 - 8
 - 12
199. If the price of all commodities in a place have increased 125 times in comparison to the base period prices, then the index number of prices for the place is now
- 100
 - 125

- (c) 225
 - (d) None of the above.
200. If the amount of an annuity for 25 years at 5% p.a C.I. is Rs. 50000 the annuity will be
- (a) Rs.1406.90
 - (b) Rs.1046.90
 - (c) Rs.1146.90
 - (d) None of these.



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-5/2006

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

Please follow the instructions given in each section carefully and answer the questions.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

- (i) Questions 1 to 10 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 11 to 20 are the fill in the blank based questions having four alternate answers and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 21 and 22 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Questions 23 to 60 are numerical based questions, which have answers as numerical values and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 1. Drawings account is in the nature of
 - (a) Personal account
 - (b) Real account
 - (c) Nominal account
 - (d) None of the above

2. Income tax paid by the sole-proprietor from business bank account is debited to
 - (a) Income tax account
 - (b) Bank account
 - (c) Capital account
 - (d) Not to be shown in the business books
3. Following is the example of internal users:
 - (a) Government.
 - (b) Investors.
 - (c) Creditors.
 - (d) Employees.
4. Recording of a transaction in a journal is called
 - (a) Posting.
 - (b) Entry.
 - (c) Transfer.
 - (d) Ruling.
5. Narrations are given at the end of
 - (a) Final accounts.
 - (b) Trial balance.
 - (c) Each ledger account.
 - (d) Each journal entry.
6. The concerned account debited in the journal should be
 - (a) Debited in the ledger but reference should be of the respective credit account.
 - (b) Credited in the ledger but reference should be of the respective debit account.
 - (c) Credited in the ledger and reference should also be of the respective credit account.
 - (d) Debited in the ledger and reference should also be of the respective debit account
7. The basic consideration(s) in distinction between capital and revenue expenditures is/are
 - (a) Nature of business.
 - (b) Effect on revenue generating capacity of business.
 - (c) Purpose of expenses.
 - (d) All of the above.

8. Unintentional omission or commission of amounts and accounts in the process of recording transactions are known as
- (a) Frauds.
 - (b) Misinterpretation.
 - (c) Errors.
 - (d) None of the above.
9. "Treating a revenue expense as a capital expenditure" is an example of
- (a) Compensating errors.
 - (b) Errors of principle.
 - (c) Errors of omission.
 - (d) Errors of commission.
10. Under bank reconciliation statement, while adjusting the cash book
- (a) All the errors and omissions in the cashbook are taken into consideration.
 - (b) All the errors and omissions in the passbook are taken into consideration.
 - (c) Delays in recording in the passbook due to difference in timing are taken into consideration.
 - (d) All of the above.

PART II

11. In ledger there are _____ columns
- (a) 4
 - (b) 6
 - (c) 8
 - (d) 10
12. In journal, transactions are recorded on _____.
- (a) Chronological order.
 - (b) Ascending order of amount.
 - (c) Descending order of amount
 - (d) None of the above
13. If an effect of an error is cancelled by the effect of some other error, it is commonly known as _____
- (a) Errors of principle.
 - (b) Compensating errors.

- (c) Errors of omission.
 - (d) Errors of commission.
14. When opening entry is overstated, net income for the accounting period will be _____.
- (a) Overstated.
 - (b) Not be affected.
 - (c) Understated.
 - (d) None of the above.
15. Inventories should be generally valued at lower of cost or _____
- (a) Fair market value.
 - (b) Replacement value.
 - (c) Present value.
 - (d) Net realisable value.
16. Memorandum Joint venture account is a _____
- (a) Personal account.
 - (b) Real account.
 - (c) Nominal account.
 - (d) None of the above.
17. At the time of admission of a new partner, if the value of goodwill is overstated in the books, it is written back by _____
- (a) Old partners in old profit/loss sharing ratio
 - (b) All the partners including the new partner in new profit/loss sharing ratio.
 - (c) Old partners in sacrificing ratio
 - (d) New partner in gaining ratio.
18. Commission provided by the consignor to the consignee to promote credit sale is known as _____
- (a) Ordinary commission
 - (b) Del-credere commission
 - (c) Over riding commission
 - (d) Special commission
19. _____ is unavoidable and should be spread over the entire consignment while valuing consignment stock.
- (a) Abnormal loss

- (b) Normal loss
 - (c) Extra-ordinary loss
 - (d) None of the three
20. Generally, when the size of the venture is _____, the co-venturers keep separate set of books of account for the joint venture.
- (a) Small
 - (b) Medium
 - (c) Big
 - (d) All of the above

PART III

21. Mohit, the acceptor of the bill has to honour a bill on 31st March 2006. Due to financial crisis, he is unable to pay the amount of bill of Rs. 20,000. Therefore, he approaches Rohit on 20th March 2006 for extension of bill for further 3 months. Rohit agrees to extend the credit period by drawing a new bill for Rs. 20,500 together with interest of Rs. 1,000 in cash. In this case old bill of Rs. 20,000 will be considered as
- (a) Discounted
 - (b) Dishonoured
 - (c) Cancelled
 - (d) Retired
22. Sujal consigned goods costing Rs. 2,50,000 to Mridul on 1st January 2006 by incurring Rs. 20,000 on freight. Some goods were lost in transit. For remaining goods Mridul spend Rs. 15,000 to take the delivery including storage charges. During the quarter, Mridul sold 3/4 of the goods received by him for Rs. 3,00,000 and charged commission @10% on it to Sujal. At the end of the quarter, Sujal asked the details of goods lost, sold, expenses commission and balance due to him alongwith the consignment stock from Mridul. As desired, Mridul sent the periodical detail statement commonly known as
- (a) Account statement
 - (b) Account sales
 - (c) Statement of affairs
 - (d) Summary statement.

PART IV

23. The following information pertains to X Ltd.
- | | |
|--------------------------------|-------------|
| Equity share capital called up | Rs.5,00,000 |
| Calls in arrear | Rs. 40,000 |

Calls in advance Rs. 25,000

Proposed dividend 15%

The amount of dividend payable = ?

- (a) Rs.75,000
 - (b) Rs.72,750
 - (c) Rs.71,250
 - (d) Rs.69,000
24. E Ltd. had allotted 10,000 shares to the applicants of 14,000 shares on pro rata basis. The amount payable on application is Rs.2. F applied for 420 shares. The number of shares allotted and the amount carried forward for adjustment against allotment money due from F = ?
- (a) 60 shares; Rs.120
 - (b) 340 shares; Rs.160
 - (c) 320 shares; Rs.200
 - (d) 300 shares; Rs.240
25. X of Kolkata sent out 2000 boxes costing 100 each with the instruction that sales are to be made at cost + 45%. X draws a bill on Y for an amount equivalent to 60% of sales value. The amount of bill will be
- (a) Rs.1,74,000
 - (b) Rs.2,00,000
 - (c) Rs.2,90,000
 - (d) Rs.1,20,000
26. A purchase of Rs. 1,870 by cheques has been wrongly posted in the cashbook as Rs. 1,780. This has the effect of
- (a) Increasing the bank balance by Rs.90
 - (b) Decreasing the bank balance by Rs.90
 - (c) Increasing the bank balance by Rs.180
 - (d) Decreasing the bank balance by Rs.180
27. M/s Delhi Stationers purchase 1,000 pcs of cover file @ Rs. 275 per 100. The wholesaler offered 5% sales tax on net price. Transport charges were Rs. 50. The purchase price per piece of cover file will be
- (a) Rs.2,793.13
 - (b) Rs.279.31
 - (c) Rs.27.93

- (d) Rs.2.79
28. A consignee sold goods costing Rs. 50,000 at a profit of Rs. 10,000. Out of total sale 30% was credit sale. As per the agreement the consignee will get 5% ordinary commission, 2% del-credere commission on credit sale and 3% over-riding commission on amount in excess of cost price. The amount of commission will be
- (a) Rs. 3,540
(b) Rs.3,840
(c) Rs.4,500
(d) Rs.3,000
29. In a Joint venture between A and B, A spend Rs.2,000 on freight, Rs.1,000 as godown rent, and also raised a loan from bank of Rs.50,000 at 18% p.a. repayable after 1 month. B spend Rs. 5,000 as selling expenses and he also raised a loan from bank of Rs.1,50,000 at 18% repayable after 2 months. The total expenses of Joint venture will be
- (a) Rs. 8,000
(b) Rs.8,250
(c) Rs. 5,250
(d) Rs.13,250
30. The bill of Rs. 10,000 accepted by Ritesh on 1 July 2006, was discounted by Hitesh on 15 July 2006 for Rs. 9,600. On 4th October 2006, the bill was dishonoured and bank notified it for Rs. 200. The amount to be received from Ritesh would be
- (a) Rs.10,600
(b) Rs.10,000
(c) Rs.10,200
(d) Rs.10,400
31. Y Ltd. sends out its goods Rs. 1,20,000 to one of its dealer on Sale or Return basis. On 31st March he received an approval letter for goods of Rs. 80,000. Y Ltd. charge 25% profit on cost. The cost price of the un-approved goods with the dealer will be
- (a) Rs.32,000
(b) Rs.40,000
(c) Rs.80,000
(d) Rs. 64,000
32. A, B and C are in partnership with no partnership deed. A brought Rs.80,000, B Rs.60,000 and C Rs.40,000 as capital. A does not take part in day to day activities, B

acts as general manger and C acts as a sales manager. The profit during the year was Rs. 1,50,000. The share of each partner in profit will respectively be

- (a) Rs.66,667: Rs.50,000: Rs.33,333
 - (b) Rs.50,000: Rs.50,000: Rs.50,000
 - (c) Nil: Rs. 75,000: Rs.75,000
 - (d) None of the above.
33. A second hand car is purchased for Rs. 2,00,000, the amount of Rs. 25,000 is spent on its repairs, Rs. 5,000 is incurred to get the car registered in owner's name and Rs. 2,000 is paid as dealer's commission. The amount debited to car account will be
- (a) Rs. 2,32,000
 - (b) Rs. 2,25,000
 - (c) Rs. 2,30,000
 - (d) Rs. 2,05,000
34. Atul, Vipul and Prafful are partners in a firm with no partnership agreement. They invested Rs.1,00,000, Rs.75,000 and Rs.50,000 as capital in the firm. The profit for the year was Rs.2,50,000. Prafful demands interest on loan of Rs.20,000 advanced by him at the market rate of interest which is 12% p.a. The amount of interest received by him will be
- (a) Rs.2,400
 - (b) Nil
 - (c) Rs.1,200
 - (d) Rs.3,600
35. Ansh purchased goods costing 2,40,000. Vansh sold goods costing Rs 1,60,000 at Rs 2,40,000. Balance goods were taken over by Ansh at same gross profit percentage as in case of sale. The amount of goods taken over will be:
- (a) Rs. 1,20,000
 - (b) Rs. 80,000
 - (c) Rs. 40,000
 - (d) Rs. 1,00,000
36. Brave Ltd. issued 60,000 shares of Rs. 10 each at a discount of Re. 1 per share. The application money was Rs. 2, allotment money was Rs. 4, and first call was of Re.1. The amount of final call will be
- (a) Rs. 3
 - (b) Rs. 2
 - (c) Re.1

- (d) Nil
37. A partnership firm maintains its accounts on calendar year basis. B, one of its partner died on 31st March 2006. The profit for the year 2005 was Rs. 75,000, which was distributed among all the three partners equally. The share of profit of B for the year 2006 on the basis of the year 2005 will be
- (a) Rs.18,750
(b) Rs.25,000
(c) Rs.Nil
(d) Rs.6,250
38. Asha Ltd. issued shares of Rs. 100 each at a premium of 25%. Mamta, who has 2,000 shares of Asha Ltd., failed to pay first and final call totalling Rs.5. Premium was taken by Asha Ltd. at the time of allotment. On forfeiture of Mamta's shares, the amount to be debited to Share premium account will be
- (a) Rs.5,000
(b) Rs.10,000
(c) Rs.15,000
(d) Nil
39. As per Section 37 of the Indian Partnership Act, 1932, the executors would be entitled at their choice to the interest calculated from the date of death till the date of payment on the final amount due to the dead partner at _____ percentage per annum.
- (a) 7.
(b) 4.
(c) 6.
(d) 12.
40. Fena sent out certain goods to Kena of Delhi. 1/10 of the goods were lost in transit. Invoice value of goods lost Rs 25,000. Invoice value of goods sent out on consignment will be:
- (a) Rs.2,50,000
(b) Rs.25,000
(c) Rs.2,500
(d) Rs.1,25,000
41. Taksh Ltd. purchased land and building from Daksh Ltd. for a book value of Rs.5,00,000. The consideration was paid by issue of 10% Debentures of Rs.100 each at a discount of 20%. The debentures account will be credited with
- (a) Rs.6,00,000

- (b) Rs.6,25,000
 - (c) Rs.5,00,000
 - (d) Rs.5,50,000
42. Jadu Ltd. reissued 2,000 shares, which were forfeited by debiting Share forfeiture account by Rs.3,000. These shares were reissued Rs. 9 per share. The amount to be transferred to Capital Reserve account will be
- (a) Rs.3,000
 - (b) Rs.2,000
 - (c) Rs.1,000
 - (d) Nil
43. A machine purchased on 1st April 2004 for Rs. 10,000 is showing a balance of Rs. 6,000 as on 1st April 2006 when depreciation is charged on S.L.M. basis. Now a company wants to switch over to W.D.V method charging depreciation @ 20%. The amount of excess/ short depreciation of last two years will be
- (a) Excess depreciation Rs.400
 - (b) Short depreciation Rs.400
 - (c) Excess depreciation Rs.1,600
 - (d) Short depreciation Rs.1,600
44. Sundry debtors of M/s Santosh amounts to Rs. 25,000 and bad debts Rs.3,000. M/s Santosh provides for Doubtful debts @ 2% and for discount @ 1%. The amount of net debtors to be shown in the balance sheet will be
- (a) Rs. 21,560
 - (b) Rs. 22,000
 - (c) Rs. 21,780
 - (d) Rs. 21,344
45. A, B and C shares profit and loss in the ratio of 4:4:2. They have a joint life insurance policy of Rs.1,00,000, whose premium is paid by the firm. Surrender value of the policy at the beginning of the year 2006 is Rs. 80,000. On the death of A on 2nd January 2006, the amount to be credited in C's account will be
- (a) Rs. 40,000.
 - (b) Rs. 20,000.
 - (c) Rs. 16,000.
 - (d) Nil
46. X, Y and Z are partners in a firm. At the time of division of profit for the year there was dispute between the partners. Profits before salary of partners capital was Rs. 60,000

and Y claimed salary for his extra services to the firm @ 2,000 p.m. There was no agreement on this point. Calculate the amount payable to X, Y and Z respectively.

- (a) Rs. 20,000 to each partner
 - (b) Rs. 12,000 to each partner
 - (c) Rs.12,000 to X and Z and Rs.36,000 to Y
 - (d) Rs. 24,000 to Y and Rs.18,000 to X and Z
47. Deepak consigned 100 sets of TVs to Sudeep @ Rs.10,000 each. 5 TVs were damaged in transit due to unavoidable reason whose price was adjusted in the remaining TVs. The new price of each TV will be
- (a) Rs.10,000.
 - (b) Rs. 10,200
 - (c) Rs. 15,000.
 - (d) Rs.10,526
48. A draws a bill on B for Rs 30,000 for mutual accommodation. A discounted that bill for Rs.28,000 from bank and remitted Rs.14,000 to B. On due date A will send to B
- (a) Rs. 14,000
 - (b) Rs.14,500
 - (c) Rs.15,000
 - (d) Rs.15,500
49. A and B enter into a joint venture for purchase and sale of Type-writer. A purchased Typewriter costing Rs 1,00,000. Repairing expenses Rs 10,000, printing expenses Rs 10,000. B sold it at 20% margin on selling price. The sales value will be:
- (a) Rs. 1,25,000
 - (b) Rs. 1,50,000
 - (c) Rs. 1,00,000
 - (d) Rs. 1,40,000
50. Sure Ltd. issued 5,000, 15% Debentures of Rs.100 each at a premium of Rs.10 each. These debentures were to be redeemed at a premium of Rs.4 each after 5 years. The amount to be credited to the debenture premium account will be
- (a) Rs.25,000
 - (b) Rs.50,000
 - (c) Rs.40,000
 - (d) Rs.60,000

51. Light Ltd. has 10,000 5% preference shares of Rs. 10 each to be redeemed after 5 years. The company forfeited 500 preference shares on which final call of Rs 2 has not been received. after due notice and cancelled these shares on account of redemption. Remaining shares were redeemed out of reserves of the company. The amount to be credited to capital redemption reserve will be
- (a) Rs.1,00,000
 - (b) Rs. 95,000
 - (c) Rs. 99,000
 - (d) Rs. 99,500
52. Bajaj Ltd. issued 25,000 equity shares of Rs. 10 each payable as Rs. 2 on application, Rs 3 on allotment, Rs. 2 on first call and the balance in the final call. Archit, who has 1,000 shares paid full value of shares with allotment money. The amount to be debited to bank account at the time of receipt of first call money will be
- (a) Rs.50,000
 - (b) Rs.47,000
 - (c) Rs.49,000
 - (d) Rs.48,000.
53. Books of Ekta, shows on 1st January 2006 furniture Rs. 20,000. During the year a part of the furniture whose book value on 1st January 2006 is Rs. 1,200 has been exchanged with another furniture by paying additional Rs. 500. Ekta charge depreciation @ 10% p.a. The net amount of the furniture to be shown in the balance sheet will be
- (a) Rs 18,508
 - (b) Rs 20,440
 - (c) Rs 18,396
 - (d) Rs 18,478.
54. In the bank reconciliation statement, when balance as per the cashbook is taken as the starting point, then direct deposits from the customer of Rs. 2,500 in the bank will be
- (a) Added
 - (b) Subtracted
 - (c) Ignored
 - (d) None of the above
55. Debit balance as per Cash Book of Topsy Enterprise as on 31.3.2006 is Rs. 1,500. Cheques deposited but not cleared amounts to Rs. 100 and Cheques issued but not presented of Rs. 150. The bank allowed interest amounting Rs. 50 and collected

dividend Rs. 50 on behalf of Topsy Enterprise Enterprises. Balance as per pass book should be

- (a) 1,600.
 - (b) 1,450.
 - (c) 1,650.
 - (d) 1,850.
56. If a sales return of Rs.1,500 has been wrongly posted to the credit of the purchase returns account, but has been correctly entered in the debtors' account, the total of the
- (a) trial balance would show the debit side to be Rs.3,000 more than the credit
 - (b) trial balance would show the credit side to be Rs.3,000 more than the debit.
 - (c) the debit side of the trial balance will be Rs.1,500 more than the credit side.
 - (d) the credit side of the trial balance will be Rs.1,500 more than the debit side.
57. The total cost of goods available for sale with a company during the current year is Rs.12,00,000 and the total sales during the period are Rs.13,00,000. If the gross profit margin of the company is $33\frac{1}{3}\%$ on cost, the closing inventory during the current year is
- (a) Rs.4,00,000
 - (b) Rs.3,00,000
 - (c) Rs.2,25,000
 - (d) Rs.2,60,000.
58. On 31st March 2005, Suraj has to pay to M/s Chandra Rs.7,000 on account of credit purchase from the later. He paid Rs.1,800 on 30th June 2006 after availing a cash discount of 10%. On 30th September 2006, he paid Rs. 2,850 after availing 5% cash discount. On account of final settlement, the amount to be paid by Suraj without any discount will be
- (a) Rs. 2,350
 - (b) Rs. 2,000
 - (c) Rs.2,200
 - (d) Rs.2,150
59. The profit of the M/s ABC, a partnership firm before charging managerial commission is Rs. 44,000. The managerial commission is charged @ 10% on profit after charging such commission. The amount of managerial commission will be
- (a) Rs.4,400
 - (b) Rs.40,000
 - (c) Rs.4,000

- (d) Rs.39,600.
60. A bad debt recovered during the year is a
- (a) Capital expenditures
 - (b) Revenue expenditures
 - (c) Capital receipt
 - (d) Revenue receipt

SECTION – B : MERCANTILE LAWS (40 MARKS)

- (i) Questions 61 to 79 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 80 to 98 are the fill in the blank based questions having four alternate answers and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 99 and 100 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 61. The following conditions must exist so that a promise to pay for the past voluntary services is binding:
 - (a) The services should have been rendered voluntarily.
 - (b) The services must have been rendered for the promisor.
 - (c) They must be in existence at the time when the services were rendered and must have intended to compensate the promise.
 - (d) All of the above.
- 62. In case of a firm carrying on the business of banking
 - (a) There should be at least seven members and maximum number of members should not exceed fifty.
 - (b) There should be at least two members and maximum number of members should not exceed ten.
 - (c) There should be at least ten members and maximum number of members should not exceed twenty.
 - (d) There should be at least two members and maximum number of members should not exceed fifty.
- 63. Champerty means
 - (a) An agreement to trade with the enemy owing allegiance to a government at war with India.
 - (b) An agreement whereby a person promises to maintain a suit, by money or otherwise, in which he has no interest.
 - (c) An agreement whereby a person agrees to help another in a litigation in exchange of a share of the result of the litigation.
 - (d) An agreement to stifle criminal prosecutions tend to be a perversion or an abuse of justice.

64. A collateral event is an event
- (a) The performance for which is neither directly promised nor it is the entire consideration for the promise.
 - (b) The performance for which is directly promised.
 - (c) It is the entire consideration for the promise.
 - (d) The performance which is agreed upon by the parties in a Court of Law.
65. A person who has been induced to enter into a contract by misrepresentation has the following remedies:
- (a) Affirm the contract and insist on the misrepresentation being made good, if possible.
 - (b) Rescind the contract.
 - (c) Rely upon the misrepresentation as a defence to an action on the contract.
 - (d) All of the above.
66. The rights of a principal are the following:
- (a) Right to recover damages.
 - (b) Right to obtain an account of secret profits and recover them and resist a claim for remuneration.
 - (c) Right to resist agent's claim for indemnity against incurred liability.
 - (d) All of the above.
67. Following conditions are implied in a contract of sale of goods unless the circumstances of the contract show a different intention:
- (a) Condition as to non – existence of encumbrances.
 - (b) Condition as to undisturbed possession.
 - (c) All of the above.
 - (d) None of the above.
68. A person to whom money has been paid, or anything delivered by mistake
- (a) Becomes the owner of such money or those goods.
 - (b) Must repay the money or return those goods.
 - (c) Is allowed to sell the goods and retain the money realized from such sale.
 - (d) Has no obligation to return the money, he may do so only a good gesture.
69. Which one of the offers is a valid offer?
- (a) A garment store gave the following advertisement in a newspaper – “Special sale for tomorrow only. Men's night suits reduced from Rs.200 to Rs.100.”

- (b) P says to Q, "I will sell you a digital camera." P owns three different types of digital cameras of various prices.
 - (c) An auctioneer displays a refrigerator before a gathering in an auction sale.
 - (d) A advertises in a leading daily newspaper that he would pay Rs. 2000 to anyone who finds and returns his lost dog.
70. A promises to paint a picture for B at a certain price. Which of the following is not correct?
- (a) A is not bound to perform the promise himself.
 - (b) A can appoint some other painter to paint the picture on his behalf.
 - (c) A dies before painting the picture, the contract can be enforced either by representatives of A or by B.
 - (d) All of the above are incorrect.
71. An agreement of partnership may be
- (a) Expressed or implied from the act done by partners.
 - (b) Oral or in writing.
 - (c) Both of the above.
 - (d) None of the above.
72. Dissolution of a firm may take place
- (a) By the adjudication of all the partners or of all the partners but one as insolvent.
 - (b) As a result of any agreement between all the partners.
 - (c) By the business of the firm becoming unlawful.
 - (d) All of the above.
73. In case of a sale the buyer
- (a) Can pass a goods title to a bonafide purchaser.
 - (b) Cannot pass a goods title to a bonafide purchaser.
 - (c) Both of the above.
 - (d) None of the above.
74. The following persons can enter into contracts as per the provisions of The Indian Contract Act, 1872:
- (a) Alien Enemy
 - (b) Foreign Sovereigns or accredited representatives of a foreign state
 - (c) Insolvents and convicts
 - (d) None of the above

75. Which of the following is correct?
- (a) Free consent is not important, if consideration is preset, even if the consideration is inadequate.
 - (b) Anticipatory breach and anticipatory bail are actually the same thing
 - (c) The concept of damage allows one to make some gain out of it.
 - (d) All of the above are incorrect.
76. Remedies available for breach of contract are:
- (a) Dissolution of the firm.
 - (b) Charging extra fees from the party committing the breach.
 - (c) Suit for Specific Performance.
 - (d) None of the above.
77. A person to whom money has been paid, or anything delivered under coercion
- (a) Becomes the owner of such money or those goods.
 - (b) Is allowed to sell the goods and retain the money realized from such sale.
 - (c) Has no obligation to return the money, he may do so only a good gesture.
 - (d) Must repay the money or return those goods.
78. Which of the following case laws relate to the definition of contract of sale?
- (a) Rajlikhee Devi v. Bhoot Nath, 1900.
 - (b) State of Madras v. Gannon Dunkerly and Co. Limited, 1958.
 - (c) Khawaja Md. Khan v. Hussaini Begum, 1910.
 - (d) Suppu Ammal v. Subramanian, 1910.
79. A sale implies an agreement
- (a) Plus conveyance of property and creates jus in personam.
 - (b) Plus conveyance of property and creates jus in rem.
 - (c) No conveyance of property and creates jus in rem.
 - (d) No conveyance of property and creates jus in personam.

PART II

80. If the terms of a contract are expressly agreed upon (whether by words spoken or written) at the time of formation of the contract, the contract is said to be an _____.
- (a) Express Contracts
 - (b) Implied Contracts
 - (c) Quasi Contracts

- (d) None of the above
81. According to Section 14 of The Indian Contract Act, 1872, Consent is said to be free when it is not caused by _____.
(a) Misrepresentation
(b) Undue Influence
(c) Coercion
(d) All of the above
82. Where both parties to a contract of sale are under a mistake as to a matter of fact, essential to such contract, then the contract is _____.
(a) Illegal
(b) Void
(c) Still enforceable
(d) None of the above
83. In India the age of majority is regulated by _____.
(a) The Indian Majority Act, 1875
(b) The Indian Minority Act, 1875
(c) The Indian Contract Act, 1872
(d) The Constitution of India
84. Agreement entered into by a minor is _____.
(a) Void as against the minor
(b) Illegal
(c) Unlawful
(d) Unenforceable by the minor
85. 'Partner by holding out' is governed by Section of _____ The Indian Partnership Act, 1932.
(a) 28
(b) 17
(c) 30
(d) 11
86. If the offeree offers to qualified acceptance of the offer subject to modifications and variations in the terms of original offer, he is said to have made a _____.
(a) Special Offer
(b) Counter Offer

- (c) Continuing Offer
 - (d) Cross Offer
87. Sale is an_____.
- (a) Executed contract
 - (b) Executory contract
 - (c) Both of the above
 - (d) None of the above
88. Interest on advances by a partner to his firm may be payable _____.
- (a) @ 6% per annum
 - (b) @ 8% per annum
 - (c) @ 8.5% per annum
 - (d) At any rate
89. The law dealing with the partnerships is contained in _____.
- (a) The Indian Partnership Act, 1932
 - (b) The Indian Partnership Act, 1930
 - (c) The Indian Partnership Act , 1872
 - (d) The Indian Partnership Act, 2006
90. Conditions and warranties _____.
- (a) Must be expressed
 - (b) Must be implied if not expressed
 - (c) May either be expressed or implied
 - (d) None of the above
91. 'Seller' means a person who_____.
- (a) Sells goods
 - (b) Agrees to sell goods
 - (c) Sells or agrees to sell goods
 - (d) Has sold goods
92. Delivery of a thing in token of a transfer of something else is known as_____.
- (a) Actual Delivery
 - (b) Constructive Delivery
 - (c) Delivery by acknowledgment
 - (d) None of the above

93. A is not a minor. A agrees to B for Rs.1,00,000/- that A will never marry. Promise of A is _____.
(a) Binding.
(b) Not binding.
(c) Enforceable.
(d) Illegal.
94. The rule of caveat emptor does not apply in the case of _____.
(a) Fitness for buyer's purpose
(b) Sale under a patent or trade name
(c) Usage of trade or consent by fraud
(d) All of the above
95. _____ is/are the exception(s) to the general rule, no consideration no contract.
(a) Natural love and affection
(b) Compensation for past voluntary services
(c) Promise to pay a time barred debt
(d) All of the above
96. An offer should be distinguished from _____.
(a) Invitation to treat an offer
(b) Mere communication of information in the course of negotiation
(c) Statement of intention
(d) All of the above
97. _____ is/are the 'document of title to goods'
(a) Railway receipt or Multimodal transport document
(b) Warrant or order for delivery of goods
(c) Warehouse keeper's certificate
(d) All the above
98. A agrees to pay B Rs.500/- if a particular ship does not return to the port. The ship was sunk. The contract _____.
(a) Can be enforced by B.
(b) Cannot be enforced by B.
(c) Is a wagering contract
(d) Is unlawful, illegal and against public policy.

PART III

99. D believes blue colour to be black colour, for any reason whatsoever. He has a garment shop. He sells one blue colour shirt to M, representing it to be black colour. M knows nothing about colours. M believes D and accepts the blue colour to be black colour. Later on M's mother explains M that the colour of the shirt is actually blue and not black. It is a clear case of
- (a) Misrepresentation.
 - (b) Fraud.
 - (c) Unintentional fraud.
 - (d) Cheating.
100. A & B are the only two partners in a firm. B was murdered by C, who wanted to become a partner of the firm, but B has raised objections to it. A now wants to take D as a partner in the said firm. D is father of C. In light of the situation answer, which of the following is correct?
- (a) The original partnership is dissolved.
 - (b) The original partnership is not dissolved and A & D can continue.
 - (c) A & D has to enter into a fresh agreement and create a new partnership.
 - (d) Both (a) & (c).

SECTION – C : GENERAL ECONOMICS (50 MARKS)

- (i) Questions 101 to 116 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 117 to 132 are Fill in the blanks type and carry +1 mark for each correct answer and -0.25 mark for each wrong answer.
- (iii) Questions 133 to 137 contain small paragraph / table followed by a question having only one correct answer and carries + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Question 138 to 150 are numerical based which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

101. In a typical demand schedule, quantity demanded:
- (a) varies directly with price.
 - (b) varies proportionately with price.
 - (c) varies inversely with price.
 - (d) is independent of price.
102. When the perfectly competitive firm and industry are in long run equilibrium then:
- (a) $P=MR=SAC=LAC$.
 - (b) $D=MR=SMC=LMC$.
 - (c) $P=MR$ =Lowest point on the LAC curve.
 - (d) All of the above.
103. In monopoly, the relationship between average and marginal revenue curves is as follows:
- (a) AR curve lies above the MR curve.
 - (b) AR curve coincides with the MR curve.
 - (c) AR curve lies below the MR curve.
 - (d) AR curve is parallel to the MR curve.
104. All of the following are U shaped curves except the:
- (a) AVC curve.
 - (b) AFC curve.
 - (c) AC curve.
 - (d) MC curve.

105. From the national point of view which of the following indicates micro approach?
- (a) Per capita income of India.
 - (b) Underemployment in agricultural sector.
 - (c) Lock out in TELCO.
 - (d) Total savings in India.
106. The total effect of a price change of a commodity is
- (a) substitution effect plus price effect.
 - (b) substitution effect plus income effect.
 - (c) substitution effect plus demonstration effect.
 - (d) substitution effect minus income effect.
107. Which of the following is not a part of Fiscal policy?
- (a) Subsidy under public distribution system.
 - (b) Control of population.
 - (c) Imposition of taxation.
 - (d) Issue of bonds by government.
108. The following are some of the costs of a clothing manufacturer. State which among them will you consider as fixed cost?
- (a) Cost of cloth.
 - (b) Piece wages paid to workers.
 - (c) Depreciation on machines owing to time.
 - (d) Cost of electricity for running machines.
109. The difference between GNP and NNP equals:
- (a) consumer expenditure on durable goods.
 - (b) indirect business taxes.
 - (c) a statistical discrepancy.
 - (d) depreciation.
110. National income at market prices, plus subsidies, but less indirect taxes is equal to which one of the following?
- (a) Gross national income.
 - (b) National income at factor cost.
 - (c) Private income before cost.
 - (d) Net consumer income.

111. All but one of the following statements are incorrect. Find the correct statement.
- (a) Balance of payments is a narrow concept than balance of trade.
 - (b) India is facing severe foreign exchange reserves crunch.
 - (c) Devaluation is panacea for BOP problem.
 - (d) The RBI is the lender of last resort for Indian public sector banks.
112. Who first raised the fears of a world food shortage?
- (a) David Ricardo.
 - (b) T.R. Malthus.
 - (c) J.S. Mill.
 - (d) J.B. Say.
113. An underdeveloped economy is generally characterized by a:
- (a) high ratio of commercial farming to subsistence farming.
 - (b) high ratio of industrial output to total output.
 - (c) high utilization of existing capital in the economy.
 - (d) coexistence of underutilized labour with unexploited national and other resources.
114. Which institution is known as the “soft loan window” of World Bank?
- (a) IFC
 - (b) IDA
 - (c) IMF
 - (d) Indian Development Forum
115. In order to encourage investment in the country, the RBI may:
- (a). decrease Bank Rate.
 - (b). increase CRR.
 - (c). sell securities in the open market.
 - (d). increase Bank rate.
116. A strategy of heavy industry is sometimes preferred for a developing economy because it can :
- (a) generate employment opportunity on a large scale.
 - (b) provide a strong base for rapid industrialization.
 - (c) contain inflationary pressures.
 - (d) meet the deficits in Balance of Payments in the short run.

PART II

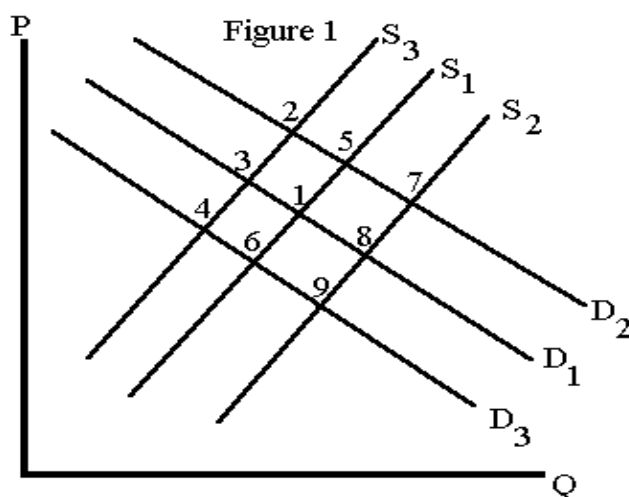
117. The branch of economic theory that deals with the problem of allocation of resources is -----
- (a) Microeconomic theory.
 - (b) Macroeconomic theory.
 - (c) Econometrics.
 - (d) None of the above.
118. Production may be defined as an act of -----.
- (a) creating utility.
 - (b) earning profit.
 - (c) destroying utility.
 - (d) providing services.
119. The sale of branded articles is common in a situation of -----.
- (a) excess capacity.
 - (b) monopolistic competition.
 - (c) monopoly.
 - (d) pure competition.
120. If GNP is 15% higher than last year's and the rate of inflation is 7%, production in the economy has grown by -----.
- (a) 8%.
 - (b) 7%.
 - (c) 15%.
 - (d) 2.1%.
121. ----- concept of Budget deficit has become practically redundant in India.
- (a) Fiscal deficit
 - (b) Budgetary deficit
 - (c) Primary deficit
 - (d) Revenue deficit
122. Demand for electricity is elastic because -----.
- (a) it is very expensive.
 - (b) it has a number of close substitutes.
 - (c) it has alternative uses.

- (d) none of the above.
123. The cost that firm incurs in hiring or purchasing any factor of production is referred to as -----.
- explicit cost
 - implicit cost
 - variable cost
 - fixed cost
124. The main security guard for International Trade is -----.
- IMF
 - World Bank
 - WTO
 - RBI
126. -----is the most liquid measure of money supply.
- M_1
 - M_2
 - M_3
 - M_4
127. Population density means -----.
- number of persons living per sq. km.
 - number of persons living per kilometer.
 - ratio of population living below poverty line to total population.
 - number of persons in a village.
128. NABARD is a -----.
- bank.
 - board.
 - exchange programme for consumer goods.
 - department.
129. ----- RRBs working in the Indian economy.
- 125
 - 196
 - 216
 - 324

130. The telephone penetration rate in India is----- per 100 population.
- 11.32
 - 15.34
 - 25.56
 - 19.22.
131. According to 2004 data, there are -----cases of leprosy per 10000 population in India.
- 38.1
 - 57.3
 - 1.17
 - 25.1
132. TRAI stands for-----.
- Trade Regulatory Authority of India
 - Transport Regulatory Authority of India
 - Training Registrar Authority of India
 - Telecom Regulatory Authority of India

PART III

Questions 133 to 137 are based on the demand and supply diagrams in Figure 1. S_1 and D_1 are the original demand and supply curves. D_2 , D_3 , S_2 and S_3 are possible new demand and supply curves. Starting from initial equilibrium point (1) what point on the graph is most likely to result from each change?



133. Suppose wage rate of coal miners increases and price of natural gas decreases. (Coal and natural gas are substitutes). What point in Figure 1 is most likely to be the new equilibrium price and quantity?
- (a) Point 6.
 - (b) Point 4.
 - (c) Point 3.
 - (d) Point 2.
134. Assume that consumer income has increased. Given that Y is an inferior good, which point in Figure is most likely to be the new equilibrium price and quantity?
- (a) Point 4.
 - (b) Point 6.
 - (c) Point 5.
 - (d) Point 8.
135. Assume that the government has just removed the 10% excise duty on good X. What point in Figure 1 is most likely to be the new equilibrium price and quantity?
- (a) Point 6.
 - (b) Point 4.
 - (c) Point 7.
 - (d) Point 8.
136. A government research agency has published outcome of studies which say that the consumption of good X could cause cancer. In addition, assume that a powerful lobby has persuaded the government to give subsidy to the manufacturers of good X. What point in Figure is most likely to be the new equilibrium price and quantity?
- (a) Point 6.
 - (b) Point 5.
 - (c) Point 3.
 - (d) Point 9.
137. An increase in demand and an increase in supply will:
- (a) affect equilibrium quantity in an indeterminate way and price will decrease.
 - (b) affect price in an indeterminate way and quantity will decrease.
 - (c) affect price in an indeterminate way and quantity will increase.
 - (d) affect equilibrium quantity in an indeterminate way and price will increase.

PART IV

Use Table 1 to answer questions 138-142

The following table provides cost and price information for an individual firm. The first two columns represent the demand curve that the firm faces. The firm has a fixed amount of capital equipment, but can change the level of other inputs such as labour and materials. Calculate the missing values in the table, and use the table to answer questions 138 to 142. (Make sure you answer each question using the production level specified.)

Table 1

Production (Q)	Price per unit (P)	Total Cost (TC)	Variable Cost (VC)	Marginal Cost (per unit) (MC)	Total Revenue (TR)	Marginal Revenue (per unit) (MR)
0	130	45	0	–		–
1	124	88				
2	118	125				
3	112	159				
4	106	193				
5	100	230				
6	94	273				
7	88	325				
8	82	389				
9	76	465				

138. When production equals 4 units, the firm's:
- (a) fixed cost is 100 and its variable cost is 93.
 - (b) fixed cost is 193 and its variable cost is 0.
 - (c) fixed cost is 0 and its variable cost is 193.
 - (d) fixed cost is 45 and its variable cost is 148.
139. When production equals 5 units, the firm's *total* revenue is:
- (a) Rs 100
 - (b) Rs 270
 - (c) Rs 324
 - (d) Rs 500

140 When production equals 6 units, the firm's *marginal* revenue is:

- (a) Rs 384
- (b) Rs 94
- (c) Rs 64
- (d) Rs 2.

141 When production equals 7 units, the firm's profit is:

- (a) Rs 0
- (b) Rs 41.57
- (c) Rs 291
- (d) Rs 336

142 To maximize its profit, the firm should produce:

- (a) 0 units.
- (b) 3 units.
- (c) 5 units.
- (d) 7 units.

Read table 2 and answer Questions number 143-149

Table 2						
	Production Possibilities (alternatives)					
	A	B	C	D	E	F
Hot Pockets	15	12	9	6	3	0
Eggos	0	6	11	15	18	20

143. According to the production possibilities curve in Table 2, a combination of 12 Hot Pockets and 11 Eggos:

- (a) is attainable and it involves an efficient use of society's resources.
- (b) is attainable but involves the unemployment or inefficient use of some of society's resources.
- (c) is not attainable given society's current resources and technology.
- (d) may be produced only if the production possibilities curve shifts inward.

144. According to the production possibilities curve in Table 2, a combination of 3 Hot Pockets and 15 Eggos:

- (a) is attainable and it involves an efficient use of society's resources.

- (b) is attainable but involves the unemployment or inefficient use of some of society's resources.
 - (c) is not attainable given society's current resources and technology.
 - (d) may be produced only if the production possibilities curve shifts inward.
145. Referring to Table 2, in moving from point D to point C, the opportunity cost of 1 more Hot Pocket is:
- (a) 4 eggos.
 - (b) $\frac{3}{4}$ eggos.
 - (c) 1 egg.
 - (d) $\frac{4}{3}$ eggos.
146. Given the data in Table 2, as one moves successively from point A to points B, C, D, E, and F the opportunity cost of eggos:
- (a) increases as more Eggos are produced.
 - (b) decreases as more Eggos are produced.
 - (c) remains constant as more Eggos are produced.
 - (d) cannot be measured.
147. Given the data in Table 2, as one moves successively from point F to points E, D, C, B, and A, the opportunity cost of Hot Pockets:
- (a) increases as more Hot potatoes are produced.
 - (b) decreases as more Hot potatoes are produced.
 - (c) remains constant as more Hot potatoes are produced.
 - (d) cannot be measured.
148. Which of the following would not cause an economy's production possibilities curve to shift to the right?
- (a) The discovery of new superconductivity materials which makes manufacturing more efficient.
 - (b) A decrease in unemployment.
 - (c) Improvements in technology.
 - (d) Widespread application of irrigation to agricultural land.
149. In drawing a production possibilities curve, which of the following is (are) held constant?
- (a) The supply of natural resources and the supply of labor.
 - (b) Technology and the educational attainment of the work force.
 - (c) Both (a) and (b).
 - (d) None of the above.

150. The following table provides a breakdown of a country's population (millions):

Table 3

Total population	114	Children (below the working age)	18
Unemployed people looking for a job	9	Full-time students (not looking for a job)	2
Retired people	14	Employed people	63
People confined to correctional institutions	1	Other adults not in the labour force	7

Based on the information in the table, the country's unemployment rate is

- (a) 7.9%
- (b) 12.5%
- (c) 20.2%
- (d) 22.2%

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

- (i) Questions 151 to 160 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 161 to 170 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 171 to 200 are numerical based questions, which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 151. Which of the following measures of central tendency is based on only fifty percent of the central values?
 - (a) Mean
 - (b) Median
 - (c) Mode
 - (d) Both (i) and (ii)
- 152. The unit of measurement in tabulation is shown in
 - (a) Box head.
 - (b) Body.
 - (c) Caption.
 - (d) Stub.
- 153. Most extreme values which would ever be included in a class interval are called
 - (a) Class limits.
 - (b) Class interval.
 - (c) Class boundaries.
 - (d) None of these.
- 154. The method applied for deriving the regression equations is known as
 - (a) Least squares.
 - (b) Concurrent deviation.
 - (c) Product moment.
 - (d) Normal equation.
- 155. A binomial distribution is
 - (a) Never symmetrical.

- (b) Never positively skewed.
 - (c) Never negatively skewed.
 - (d) Symmetrical when $p = 0.5$.
156. If A denotes that a student reads in a school and B denotes that he plays cricket, then
- (a) $P(A \cap B) = 1$
 - (b) $P(A \cup B) = 1$
 - (c) $P(A \cap B) = 0$
 - (d) $P(A) = P(B)$
157. Probability mass function is always
- (a) 0
 - (b) Greater than 0
 - (c) Greater than equal to 0
 - (d) Less than 0
158. The sampling distribution is
- (a) The distribution of sample observations.
 - (b) The distribution of random samples.
 - (c) The distribution of a parameter.
 - (d) The probability distribution of a statistic.
159. If now the prices of all the commodities in a place have been decreased by 85% over the base period prices, then the index number of prices for the place is now (index number of prices of base period = 100)
- (a) 100
 - (b) 135
 - (c) 65
 - (d) None of these.
160. The ratio between the speeds of two trains is 7 : 8. If the second train runs 400 Kms. in 5 hours, the speed of the first train is
- (a) 10 Km/hr.
 - (b) 50 Km/hr.
 - (c) 71 Km/hr.
 - (d) None of these.

PART II

161. If α , β be the roots of the equation $2x^2 - 4x - 3 = 0$, the value of $\alpha^2 + \beta^2$ is _____.
(a) 5
(b) 7
(c) 3
(d) -4
162. In _____ first payment/receipt takes place at the end of first period.
(a) Annuity immediate
(b) Annuity regular
(c) Annuity due
(d) Annuity special
163. Difference between the maximum & minimum value of a given data is called _____.
(a) Width
(b) Size
(c) Range
(d) Class
164. _____ is used when distribution pattern has to be studied at varying levels.
(a) A.M
(b) Median
(c) G.M
(d) Mode
165. _____ is extremely sensitive to the size of the sample.
(a) Range
(b) Mean
(c) Median
(d) Mode
166. Under Algebraic Method we get _____ linear equations.
(a) One
(b) Two
(c) Three
(d) Five
167. If the probability of a horse A winning a race is $1/6$ and the probability of a horse B

winning the same race is $\frac{1}{4}$, _____ is the probability that one of the horses will win.

- (a) $\frac{5}{12}$
 - (b) $\frac{7}{12}$
 - (c) $\frac{1}{12}$
 - (d) $\frac{1}{7}$
168. _____ distribution is sometimes known as the “distribution of rare events” .
- (a) Poisson
 - (b) Normal
 - (c) Binomial
 - (d) t
169. The Standard deviation of the _____ distribution is called standard error.
- (a) Normal
 - (b) Poisson
 - (c) Binomial
 - (d) Sampling
170. For 5 sample values, we have _____ degree of freedom.
- (a) 5
 - (b) 3
 - (c) 4
 - (d) 6

PART III

171. Solve for y in the equation $\frac{y+11}{6} - \frac{y+1}{9} = \frac{y+7}{4}$ and the value of y is
- (a) -1
 - (b) 7
 - (c) 1
 - (d) $-\frac{1}{7}$
172. If ${}^5P_r = 60$, then the value of r is
- (a) 3
 - (b) 2
 - (c) 4

- (d) None of these.
173. A question paper contains 6 questions, each having an alternative. The number of ways an examiner can answer one or more questions is
- (a) 720
(b) 728
(c) 729
(d) None of these.
174. $\lim_{x \rightarrow 2} \frac{2x^2 - 7x + 6}{5x^2 - 11x + 2}$ is equal to
- (a) $1/9$
(b) 9
(c) $-1/9$
(d) None of these.
175. If $y = x^{-1/2}$ then dy/dx is
- (a) $(-1/2)x^{-3/2}$
(b) $(1/2)x^{-3/2}$
(c) $(1/2)x^{3/2}$
(d) None of these.
176. Integrate w.r.t x , $(3 - 2x - x^4)$
- (a) $3x - x^2 - x^5 / 5$
(b) $3x + x^2 - x^5 / 5$
(c) $3x + x^2 + x^5 / 5$
(d) None of these.
177. $\int_0^2 3x^2 dx$ is
- (a) 7
(b) -8
(c) 8
(d) None of these.
178. If there are two groups containing 30 and 20 observations and having 50 and 60 as arithmetic means, then the combined arithmetic mean is

- (a) 55
 - (b) 56
 - (c) 54
 - (d) 52
179. If all the observations are multiplied by 2, then
- (a) New SD would be also multiplied by 2.
 - (b) New SD would be half of the previous SD.
 - (c) New SD would be increased by 2.
 - (d) New SD would be decreased by 2.
180. The median of 27,30,26,44,42,51,37 is
- (a) 30
 - (b) 42
 - (c) 44
 - (d) 37
181. The minimum value of correlation coefficient is
- (a) 0
 - (b) -2
 - (c) 1
 - (d) -1
182. The two lines of regression become identical when
- (a) $r = 1$
 - (b) $r = -1$
 - (c) $r = 0$
 - (d) (a) or (b)
183. If an unbiased coin is tossed twice, the probability of obtaining at least one tail is
- (a) 0.25
 - (b) 0.50
 - (c) 0.75
 - (d) 1.00
184. In a single throw with two dice the probability of getting a sum of five on the two dice is
- (a) $1/9$
 - (b) $5/36$

- (c) $\frac{5}{9}$
 (d) None of these.
185. A card is drawn from each of two well-shuffled packs of cards. The probability that at least one of them is an ace is
 (a) $\frac{1}{169}$
 (b) $\frac{25}{169}$
 (c) $\frac{2}{13}$
 (d) None of these.
186. In Binomial distribution if $n = 4$ and $p = \frac{1}{3}$ then the value of variance is
 (a) $\frac{8}{3}$
 (b) $\frac{8}{9}$
 (c) $\frac{4}{3}$
 (d) None of these.
187. A die was thrown 400 times and 'six' resulted 80 times then observed value of proportion is
 (a) 0.4
 (b) 0.2
 (c) 5
 (d) None of these.
188. If the prices of all commodities in a place have increased 1.25 times in comparison to the base period, the index number of prices of that place is now
 (a) 125
 (b) 150
 (c) 225
 (d) None of these.
189. The solution of the equation $(p+2)(p-3) + (p+3)(p-4) = p(2p-5)$ is
 (a) 6
 (b) 7
 (c) 5
 (d) None of these.

190. The effective rate of interest corresponding to a nominal rate 3% p.a payable half yearly is
- 3.2% p.a.
 - 3.25% p.a
 - 3.0225% p.a
 - None of these.
191. The present value of annuity of Rs. 5000 per annum for 12 years at 4% p.a C.I. annually is
- Rs. 46000
 - Rs. 46850
 - RS. 15000
 - None of these.
192. A person has 8 friends. The number of ways in which he may invite one or more of them to a dinner are
- 250
 - 255
 - 200
 - None of these.
193. The sum of n terms of the series $2 + 6 + 10 + \dots$ is
- $2n^2$
 - n^2
 - $n^2 / 2$
 - $4n^2$
194. If A has 32 elements B has 42 elements and $A \cup B$ has 62 elements. Find the number of elements in $A \cap B$.
- 74
 - 62
 - 12
 - None of these.
195. $\lim_{x \rightarrow 1/2} \left(\frac{8x^3 - 1}{6x^2 - 5x + 1} \right)$ is equal to
- 5

- (b) -6
 (c) 6
 (d) None of these.
196. If $a : b = 3 : 4$, the value of $(2a+3b) : (3a+4b)$ is
 (a) $18 : 25$
 (b) $8 : 25$
 (c) $17 : 24$
 (d) None of these.
197. The value of $8^{1/3}$ is
 (a) $3\sqrt{2}$
 (b) 4
 (c) 2
 (d) None of these.
198. $\log(1 \times 2 \times 3)$ is equal to
 (a) $\log 1 + \log 2 + \log 3$
 (b) $\log 3$
 (c) $\log 2$
 (d) None of these.
199. The three numbers in A.P. whose sum is 27 and the sum of their squares is 341 are
 (a) $2 \ 9 \ 16$
 (b) $16 \ 9 \ 2$
 (c) Both (a) and (b)
 (d) $-2 \ -9 \ -16$
200. $\int_0^4 \sqrt{3x+4} \, dx$ is equal to
 (a) $9/112$
 (b) $112/9$
 (c) $11/9$
 (d) None of these.



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-6/2006

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

Please follow the instructions given in each section carefully and answer the questions.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

- (i) Questions 1 to 10 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 11 to 20 are the fill in the blank based questions having four alternate options and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 21 and 22 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Questions 23 to 60 are numerical based questions, which have answers as numerical values and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 1. Transactions between owner and business are recorded as per
 - (a) Periodicity.
 - (b) Going concern.
 - (c) Prudence
 - (d) Business Entity.
- 2. Which of the following items is not an asset?
 - (a) Salary paid to manager.

- (b) Accounts payable.
 - (c) Sales.
 - (d) Debtors.
3. The information provided in the annual financial statements of an enterprise pertain to
- (a) Business Industry.
 - (b) Economy.
 - (c) Individual business entity.
 - (d) None of the three.
4. Which of the following is not a transaction?
- (a) Goods are purchased on cash basis for Rs.1,000.
 - (b) Salaries paid for the month of May, 2006.
 - (c) Land is purchased for Rs.10 lacs.
 - (d) An employee dismissed from the job.
5. All the following statements are objectives of accounting except
- (a) Providing information about the assets, liabilities and capital of business entity.
 - (b) Maintaining records of business.
 - (c) Providing information about the performance of business entity.
 - (d) Providing details about the personal assets and liabilities of the owner.
6. Payment of personal expenses of the owners of the business need to be recorded as
- (a) Drawings.
 - (b) Liabilities.
 - (c) Expenses.
 - (d) None of the three.
7. The purchases Journal records
- (a) All purchases.
 - (b) All purchases of goods dealt in by the firm.
 - (c) Credit purchases of goods dealt in by firm.
 - (d) Cash purchase of goods dealt in by firm.
8. Which of the following lists the balance and the title of accounts in the ledger on a given date?
- (a) P & L Account.
 - (b) Balance sheet.

- (c) Earnings Statement
 - (d) Trial balance.
9. Under straight line method, depreciation is calculated on
- (a) Written down value.
 - (b) Scrap value.
 - (c) Original cost.
 - (d) None of the three.
10. If the date of maturity of a bill is a holiday, then the bill will mature on
- (a) Next working day.
 - (b) Preceding working day.
 - (c) Holiday itself.
 - (d) Other agreed day.

PART II

11. A promissory note is drawn by _____ in favour of his _____.
- (a) Drawer, Drawee.
 - (b) Maker, Payee.
 - (c) Payer, Payee.
 - (d) Drawer, Payee.
12. _____ principle requires that the same accounting method should be used from one accounting period to the next.
- (a) Conservatism.
 - (b) Consistency.
 - (c) Business entity.
 - (d) Money measurement.
13. The left side of an account is known as _____ and the right side as _____.
- (a) Debit, credit.
 - (b) Credit, debit.
 - (c) Liability, asset.
 - (d) None of the three.
14. In double entity book keeping system, every transaction affects at least _____ account(s).
- (a) One.

- (b) Two.
 - (c) Three.
 - (d) Four.
15. All expense and _____ accounts appearing in the trial balance are transferred to the trading and profit and loss account.
- (a) Loss.
 - (b) Revenue
 - (c) Asset.
 - (d) Liability.
16. Scrap value of an asset means the amount that it can fetch on sale at the _____ of its useful life.
- (a) Beginning.
 - (b) End
 - (c) Middle.
 - (d) None of the three.
17. The petty cashier generally work on _____ system.
- (a) Accrual.
 - (b) Balancing.
 - (c) Imprest.
 - (d) None of the three.
18. Proforma invoice is a statement of information in the form of invoice prepared by the _____ to appraise the _____ about certain essential particulars of the goods.
- (a) Consignee, Consignor.
 - (b) Buyer/Seller.
 - (c) Consignor, consignee.
 - (d) None of the three.
19. Carriage charges paid for a new plant purchased if debited to carriage account would affect
- (a) Plant account.
 - (b) Carriage account.
 - (c) Plant and carriage accounts.
 - (d) None of the three.

20. The amount due to the retiring partner on account of goodwill is debited to the continuing partners in their _____.
- (a) Profit sharing ratio.
 - (b) Sacrificing ratio.
 - (c) Capital ratio.
 - (d) Gaining ratio.

PART III

21. Mr. A, the owner of M/s Apex Ltd. withdrew some goods from the business for his personal use. The accountant of the firm recorded this transaction on the basis of selling price of goods. He justifies his contention on the basis that business and the proprietor are two different entities as per business entity concept and therefore drawings should be charged at the same price on which the goods are sold to the outside customers. However, Mr. A emphasizes that he should be charged with only the cost price of the goods withdrawn by him.

At which price, the drawings should be recorded?

- (a) Fair value.
 - (b) Selling price.
 - (c) Cost price.
 - (d) None of the three.
22. The substance of the transactions gets preference over legal position. The transactions and events recorded in the books of account and presented in the financial statements, should be governed by the substance of such transactions and not merely by their legal form as per
- (a) Faithful representation.
 - (b) Substance over form.
 - (c) Neutrality.
 - (d) Fair disclosure.

PART IV

23. A and B are partners sharing profits in the ratio of 3:2. They admit C as a new partner for $\frac{3}{10}$ th share, which he acquires $\frac{2}{10}$ from A and $\frac{1}{10}$ from B. The new profit sharing ratio of A, B and C is
- (a) 3:4:3.
 - (b) 4:3:3.
 - (c) 3:3:4.
 - (d) None of the three.

24. The profits for the last four years are given as follows:

Year	Rs.
2000	40,000
2001	50,000
2002	60,000
2003	50,000

The value of goodwill on the basis of three years' purchase of average profits based on the last four years will be

- (a) Rs.1,00,000.
 - (b) Rs.1,50,000.
 - (c) Rs.2,00,000
 - (d) None of the three.
25. G Ltd. acquired assets worth Rs.75,000 from H Ltd. by issue of shares of Rs.10 at a premium of Rs. 5. The number of shares to be issued by G Ltd. to settle the purchase consideration will be
- (a) 6,000 shares
 - (b) 7,500 shares
 - (c) 9,375 shares
 - (d) 5,000 shares
26. A and B are partners in a firm sharing profits in the ratio of 3:2. They admit C as the new partner for $\frac{1}{6}$ th share in the profits. The firm goodwill was valued at Rs.1,50,000/-. For adjustment of goodwill, C's account will be debited by
- (a) Rs.20,000.
 - (b) Rs.15,000.
 - (c) Rs.25,000.
 - (d) None of the three.
27. Following figures have been taken from the trial balance of a trader;
- | | |
|------------------|-----------|
| Purchases | Rs.30,000 |
| Purchase Returns | Rs. 5,000 |
| Sales | Rs.40,000 |
| Sales Returns | Rs. 5,000 |
- The amount of profit will be
- (a) Rs.10,000.

- (b) Rs.5,000.
 - (c) Rs.7,500.
 - (d) None of the three.
28. The balance of furniture and fixtures as on 1st April, 2005 was Rs.10,000. Furniture of Rs.5,000 was purchased on 1st October, 2005. Depreciation is charged @ 10% on W.D.V. method. The depreciation for the year ended 31st March, 2006 will be
- (a) Rs.1,500.
 - (b) Rs.1,250.
 - (c) Rs.1,750.
 - (d) None of the above.
29. Mr. Yatharth consigned to Mr. Ramesh 100 cases of tea costing Rs.100 per case. He paid Rs.1,000/- as freight and cartage. Mr. Ramesh could take delivery of only 90 cases since 10 cases were loss in transit. The amount of abnormal loss will be
- (a) Rs.1,000/-.
 - (b) Rs.1,100/-.
 - (c) Rs.1,050/-.
 - (d) None of the three.
30. Mr. Sharma holding 1000 equity shares of Rs.10/- each issued at a discount of 10% could pay Rs.3.50 on application, but could not paid the allotment money of Rs.2.5 per share and his shares were forfeited. In the books of the company, shares forfeited account will be credited by
- (a) Rs. 2,500.
 - (b) Rs. 1,500.
 - (c) Rs. 3,500.
 - (d) Rs.2,000.
31. Omega Ltd. purchased assets of Alfa Ltd. for purchase consideration of Rs.60 lacs. It was decided that the purchase consideration will be discharged by issue of 10% debentures of Rs.10/- each at a premium of 20%. The number of debentures issued will be
- (a) 6000.
 - (b) 10000.
 - (c) 5,000.
 - (d) None of the above.

32. Asha Deep Company Ltd. issued 1,00,000, 7% debentures of Rs.100 each at a discount of 4% redeemable after 5 years at a premium of 6%. Loss on issue of debentures is
- Rs.10,00,000
 - Rs.6,00,000.
 - Rs. 16,00,000.
 - Rs.4,00,000.
33. Om, Jai and Jagdish are partners sharing profits and losses in the ratio of 5: 3 :2. Om retires and goodwill is valued at Rs.50,000. New profit sharing ratio of Jai and Jagdish will be equal. For the adjustment of goodwill, Jai and Jagdish's capital accounts will be debited by:
- Rs. 15,000 and Rs.10,000 respectively.
 - Rs.10,000 and Rs.15,000 respectively.
 - Rs.20,000 and Rs.5,000 respectively.
 - Rs.5,000 and Rs.20,000 respectively.
34. The date of maturity of bill is 10th October, 2006. The Government of India declares 10th October, 2006 as the holiday under the Negotiable Instruments Act, then the bill will mature on
- 9th October, 2006
 - 10th October, 2006.
 - 12th October, 2006.
 - 11th October, 2006.
35. A Ltd. Company purchase machinery on 1st April, 2004 for Rs.1,00,000. The depreciation on this machinery is charged @ 10% per annum on straight line method. On 30th October, 2006 machinery is sold for Rs.89,000. The profit or loss on sale of such machinery is:
- Profit of Rs.12,000.
 - Loss of Rs.12,000.
 - Profit of Rs.14,000.
 - Loss of Rs.6,000.
36. The following are the details regarding purchases of a certain item during the month of January.
- | | | | | |
|-----------|-----------|-----------|-------|-----------|
| January 1 | Purchases | 200 units | @Rs.7 | Rs. 1,400 |
| January 8 | Purchases | 900 units | @Rs.8 | Rs. 7,200 |

January 25	Purchases	300 units	@Rs.9	Rs. 2,700
January 30	Purchases	400 units	@Rs.10	<u>Rs. 4,000</u>
				<u>Rs.15,300</u>

A physical inventory of the items taken on January 31 shows that there are 700 units in hand. The valuation of inventory as per FIFO method is:

- (a) Rs.5,400.
 - (b) Rs.6,700.
 - (c) Rs.8,600
 - (d) Rs.5,000.
37. Our promissory note for Rs.5,000 in favour of Mohan settled by sending him Tania's acceptance for Rs.5,000. The required Journal entry will be
- (a) Mohan Dr. Rs.5,000
To Tania Rs.5,000
 - (b) Tania Dr. Rs.5,000
To Mohan Rs.5,000
 - (c) Bill receivable Dr. Rs.5,000
To Bills payable Rs.5,000
 - (d) Bill payable Dr. Rs.5,000
To Bills receivable Rs.5,000
38. Shyam prepared a trial balance for his factory on 31st March, 2006. The debit total of the trial balance was short by Rs.500. He transferred the deficiency to a suspense account. In April, 2006 after a close examination, he found that the purchases day book for September, 2005 was under casted by Rs.500. The necessary Journal entry to rectify the error will be
- (a) Purchases A/c Dr. Rs.500
To Cash A/c Rs.500
 - (b) Suspense A/c Dr. Rs.500
To Purchases A/c Rs.500
 - (c) Purchases A/c Dr. Rs.500
To Suspense A/c Rs.500
 - (d) None of the above.
39. The following particulars relate to the business of Mohan on March 31, 2006.
- Balance as shown by the cash book Rs.10,000

Cheques issued but not presented for payment Rs. 4,000

Cheque deposited but not yet collected Rs. 3,000

Balance as shown by the Bank pass book will be

- (a) Rs.9,000.
 - (b) Rs.10,000.
 - (c) Rs.11,000
 - (d) None of the above.
40. Which of the following errors will affect the trial balance?
- (a) Repairs to building wrongly debited to Building A/c
 - (b) Total of Purchase Journal by Rs.1,000 short.
 - (c) Freight paid on new machinery debited to Freight A/c
 - (d) None of the three.
41. A's acceptance to B for Rs 10,000 renewed at 2 months on the condition that Rs 4,000 be paid in cash immediately and the remaining amount will carry interest @ 12% p.a. The amount of interest will be
- (a) 120
 - (b) 80
 - (c) 90
 - (d) 160
42. On 1.1.2005, a machine costing Rs.10,000 and a piece of furniture costing Rs.20,000 was purchased. Depreciation is provided @ 5% on furniture and 10% per annum on machine. The depreciation for the year ended 31st March, 2005 should be:
- (a) Rs.1,000.
 - (b) Rs.300
 - (c) Rs.1,250
 - (d) None of the three.
43. On 1st February, 2005, a loan of Rs.10,000 was given @ 12% per annum. Interest was received for 3 months from February to April in April, 2005. In the financial statements of the year ended 31st March, 2005 amount of accrued interest should be:
- (a) Rs.100.
 - (b) Rs.200
 - (c) Rs.300
 - (d) Rs.1200

44. Goods costing Rs.4,80,000 were sent on consignment basis. Goods are invoiced at 125% of the cost price. The invoice price and the loading will be:
- (a) Rs.6,00,000 and Rs.1,00,000.
 - (b) Rs.5,00,000 and Rs.1,00,000.
 - (c) Rs.6,00,000 and Rs.1,20,000.
 - (d) Rs.5,00,000 and Rs.1,20,000.
45. Mr. A sent 250 units costing Rs.10,000 each to Mr. B. The goods were to be sold as to yield a gross profit of 20% on sales. Mr. B sold 150 units @ Rs.14,200 per unit on credit and 75 units @ Rs.14,000 for cash. Mr. B is entitled to a commission Rs.500 per unit. The amount of commission will be:
- (a) Rs.75,000
 - (b) Rs.37,500
 - (c) Rs.1,12,500
 - (d) Rs.85,000
46. Ram and Shyam enter into a joint venture. Both of them deposited Rs.65,000 and Rs.32,500 respectively into a joint venture. Goods were purchased for Rs.75,000 and expenses amounting Rs.10,950 were incurred. Goods sold for Rs.90,000 and goods unsold were taken over by Ram at an agreed value of Rs.2,700. The profit on joint venture is:
- (a) Rs. 17,700
 - (b) Rs. 4,500
 - (c) Rs. 4,050
 - (d) Rs.6,750
47. On 1st January Shilpa owes Rs.10,000 and accepts a 3 months bill for the amount. On the date of maturity Shilpa, not being able to meet the bill of first Rs.4,000 and asks to draw another bill for three months for the balance amount with interest @ 15% per annum. The amount of interest should be
- (a) Rs.200
 - (b) Rs.225
 - (c) Rs.500
 - (d) Rs.900
48. A draws a bill of Rs.10,000 on B on 23rd December, 2005 for one month. The bill is accepted on 25th December, 2005 by B. The due date of the bill will be:
- (a) 26th January, 2006.
 - (b) 28th January, 2006.

- (c) 27th January, 2006.
- (d) 25th January, 2006.
49. On 1st January, 2006, Vimal sold goods worth Rs.20,000 to Renu and drew a bill on Renu for 3 months. Renu accepted the bill and returned it to Vimal who discounted the bill with bank on 4th February, 2006 @ 15% per annum. The discounted charges will be:
- (a) Rs.3,000
- (b) Rs.750
- (c) Rs.500
- (d) None of the three.
50. X and Y are partners sharing profit and losses in the ratio of 2:1. On 1st January, 2006, Z is admitted with $\frac{1}{4}$ th share in profits with guaranteed amount of Rs.25,000. The profits for the year ended 31st December, 2006 amounting to Rs.76,000. The share of Y in the profits should be:
- (a) Rs.19,000
- (b) Rs.38,000
- (c) Rs.17,000
- (d) None of the above.
51. Dheeraj and Gopal are partners in a firm with capitals of Rs. 5,00,000 each. They admit Deepak as a partner with $\frac{1}{4}$ th share in the profits of the firm. Deepak bring Rs. 8,00,000 as his share of capital. The profit and loss account showed a credit balance of Rs. 4,00,000 as on the date of his admission. The value of hidden goodwill will be
- (a) Rs.14,00,000.
- (b) Rs. 18,00,000.
- (c) Rs. 10,00,000.
- (d) None of the above.
52. X and Y are partners sharing profits and losses in the ratio of 2: 1. They admit Z into partnership and the profit sharing ratio of the three partners is agreed at 2:2:1. The gaining or sacrificing ratio among X and Y will be:
- (a) Gaining ratio of 4:1.
- (b) Gaining ratio of 1:4.
- (c) Sacrificing ratio of 1:4.
- (d) Sacrificing ratio of 4:1.

53. Alfa Ltd. issued 20,000, 8% debentures of Rs.10 each at par. The debentures are redeemable at a premium of 20% after 5 years. The amount of loss on redemption of debentures should be:
- (a) Rs. 50,000
 - (b) Rs. 40,000
 - (c) Rs. 30,000
 - (d) None of the above.
54. Gama Ltd. issued 10,000, 10% debentures of Rs.100 each at a discount of 10%. The entire amount is payable on application. Application were received for 12000 debentures. The allotment of debentures was made on 10th October, 2006. The amount which should be credited to the debentures account on 10th October, 2006 will be:
- (a) Rs.12,00,000.
 - (b) Rs.10,80,000.
 - (c) Rs.9,00,000
 - (d) Rs.10,00,000
55. Indigo Ltd. had 9000, 10% redeemable preference shares of Rs.10 each, fully paid up. The company decided to redeem these preference shares at par by the issue of sufficient number of equity shares of Rs.10 each fully paid up at a discount of 10%. The number of equity shares issued should be:
- (a) 9,000
 - (b) 11,000
 - (c) 10,000
 - (d) None of the above.
56. A firm dealing in cloth has 15000 meters of cloth on April 1, 2005 valued at Rs.1,50,000 according to LIFO. The firm purchased 20000 meters @ Rs.12 per meter during the year ending 31st March, 2006 and sold 30000 meters @ Rs.25 per meter during the same period. As per LIFO, the closing stock will be valued at:
- (a) Rs.60,000
 - (b) Rs.1,25,000
 - (c) Rs.50,000
 - (d) None of the above.
57. On January 1, 2006 Victory Ltd., purchased a second hand machinery for Rs.50,000 and spend Rs.2,000 as shipping and forwarding charges, Rs.1,000 as import duty, Rs.1,000 as carriage inwards, Rs.500 is repair charges, Rs.200 as installation charges,

Rs.400 as brokerage of the middle man and Rs.100 for an iron pad. Total cost of machinery is

- (a) Rs.55,100
 - (b) Rs.55,000
 - (c) Rs.54,600
 - (d) Rs.55,200.
58. On 1-4-2005, Ram invested Rs.1,00,000 in a business. Interest of capital is to be allowed @ 12% per annum. Accounting year is financial year. Amount of interest to be charged to P & L Account for the year 2005-2006 is:
- (a) Rs.9,000.
 - (b) Rs.10,000
 - (c) Rs.12,000
 - (d) None of the above.
59. Goods costing Rs.1,20,000 were sent on consignment basis. These goods are invoiced to give a gross margin of 20% on invoice price. The amount of loading is:
- (a) Rs.24,000.
 - (b) Rs.30,000.
 - (c) Rs.20,000.
 - (d) None of the above.
60. Mohan's trial balance contains the following information:
- | | |
|-------------------------------------|----------|
| Discount received | Rs.1,000 |
| Provision for discount on creditors | Rs.1,600 |
- It is desired to maintain a provision for discount on creditors at Rs.1,100. The amount to be credited to P & L Account is
- (a) Rs.1,500
 - (b) Rs.3,500.
 - (c) Rs.1,000.
 - (d) Rs.500.

SECTION – B : MERCANTILE LAWS (40 MARKS)

- (i) Questions 61 to 79 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 80 to 98 are the fill in the blank based questions having four alternate answers and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 99 and 100 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 61. A mate's receipt
 - (a) Is a document of title to goods.
 - (b) Is an acknowledgement for the receipt of goods.
 - (c) Both the above.
 - (d) None of the above.
- 62. Each partner is a principal as well as an agent of other partners.
 - (a) The above statement is correct.
 - (b) The above statement is not correct in case of unregistered partnerships.
 - (c) The above statement is incorrect.
 - (d) The above statement is correct only in case of registered partnerships.
- 63. A contract was entered before 1st September, 1872 is governed by The Indian Contract Act, 1872
 - (a) Yes if the contract was entered in Indian soil.
 - (b) Yes if there was performance of the contract on or after 1st September 1872.
 - (c) No as the act does not apply retrospectively.
 - (d) No as there was no performance on or after 1st September 1872.
- 64. A share in a partnership:
 - (a) Can be transferred in accordance with the terms and conditions contained in the partnership deed.
 - (b) Can be transferred only if all the partners agree for such transfer
 - (c) Cannot be transferred at all.
 - (d) Can be transferred through the recognized stock exchanges.

65. Which of the following is not correct?
- (a) Joint Hindu Family is governed by law relating to registration of agreements.
 - (b) Joint Hindu Family is governed by Hindu Law.
 - (c) Joint Hindu Family is governed by the Civil Procedure Code.
 - (d) Both (a) & (c)
66. In case of sale
- (a) Property in goods passes to the buyer.
 - (b) Risk in the goods passes to the buyer.
 - (c) Both the above.
 - (d) None of the above.
67. Which one of the following is not a contract?
- (a) A engages B for a certain work and promises to pay such remuneration as shall be fixed by C. B does the work.
 - (b) A and B promise to marry each other.
 - (c) A takes a seat in a public vehicle.
 - (d) A invites B to a card party. B accepts the invitation.
68. Which of the statement is incorrect?
- (a) All illegal agreements are void but all void agreements are not necessary illegal.
 - (b) A voidable contract is not voidable at the option of the aggrieved party.
 - (c) Contracts that are immoral or opposed to public policy are illegal in nature.
 - (d) All of the above.
69. The difference between contingent contract and wagering agreements are as follows:
- (a) A wagering agreement consists of reciprocal promises whereas a contingent contract may not contain reciprocal promises.
 - (b) In a wagering agreement the uncertain event is the sole determining factor while in a contingent contract the event is only collateral.
 - (c) A wagering agreement is void whereas a contingent contract is valid.
 - (d) All of the above.
70. An agreement made without consideration is valid under Section 25 of The Indian Contract Act, 1872 if
- (a) The agreement is expressed in writing.
 - (b) The agreement is made on account of natural love and affection or the parties to the agreement stand in a near relation to each other.

- (c) The document is registered under the law for the time being in force for registration of such document.
 - (d) All of the above.
71. Which of the following is not correct?
- (a) Minor can always plead minority.
 - (b) Minor is liable for necessities supplied to him.
 - (c) Minor is a person who has not completed 18 years of age.
 - (d) Minor can be a beneficiary.
72. Which of the following is not correct?
- (a) Consideration must be at the desire of the promisor.
 - (b) Consideration may be past, present or future.
 - (c) Consideration need not be adequate, but should be real and supported by free consent.
 - (d) Consideration should be always monetary.
73. Novation means
- (a) Substituting a new contract for the old one.
 - (b) Cancellation of the old contract.
 - (c) Modifying or altering the terms of contract such that it has the effect of substituting a new contract for the old one.
 - (d) Dispensing away the performance of the promise made by the other party.
74. The following may be treated as a breach of warranty:
- (a) Breach of warranty.
 - (b) Breach of condition.
 - (c) Both the above.
 - (d) None of the above.
75. Registration of a partnership is complete
- (a) Only after the issue of certificate of Registration by the Registrar of Firms.
 - (b) As soon as an application in the prescribed form with the prescribed fee and other relevant details is delivered to the Registrar of Firms.
 - (c) Only after the Registrar of Firms records an entry of the statement in the Register of Firms to this effect.
 - (d) After giving the information to the Central Government in this regard.

76. A company may be in the form of
- (a) An unincorporated association.
 - (b) Incorporated association.
 - (c) Both the above.
 - (d) None of the above.
77. A student was motivated by his teacher to sell his car (value being Rs.10,00,000/-) for Rs.5,00,000/-. The student sold the same at the desired price of the teacher. The student can sue the teacher on the ground of
- (a) Undue Influence.
 - (b) Fraud.
 - (c) Misrepresentation.
 - (d) Coercion.
78. Types of partners includes
- (a) Active Partner.
 - (b) Sleeping Partner.
 - (c) Nominal Partner.
 - (d) All of the above.
79. 'Price' under Section 2(10) of The Sale of Goods Act, 1930 means
- (a) Money or money's worth.
 - (b) Monetary consideration for the sale of goods.
 - (c) Any consideration that can be expressed in terms of money.
 - (d) None of the above.

PART II

80. Goods that are identified and agreed upon at the time of contract of sale are known as_____.
- (a) Specific Goods
 - (b) Existing Goods
 - (c) Future Goods
 - (d) Generic Goods
81. A contract in which only one party has to fulfill his obligation at the time of the formation of the contract, the other party having fulfilled his obligation at the time of the contract or before the contract comes into existence is known as_____.
- (a) Unilateral Contract

- (b) Bilateral Contract
 - (c) Quasi Contract
 - (d) Express Contract
82. An offer made to the public in general which anyone can accept and do the desired act is_____.
- (a) General Offer
 - (b) Special Offer
 - (c) Cross Offer
 - (d) Counter Offer
83. In case of an agreement to sell, subsequent loss or destruction of the goods is the liability of _____ .
- (a) The buyer
 - (b) The seller
 - (c) Both the buyer and the seller
 - (d) The insurance company
84. An auction sale is an example of _____.
- (a) Invitation to treat an offer
 - (b) Mere communication of information in the course of negotiation
 - (c) Statement of intention
 - (d) Offer
85. Agreement for the creation of monopolies_____.
- (a) Is allowed in the interest of economy
 - (b) Is opposed to public policy and hence void
 - (c) Is not detrimental to any nation
 - (d) Is impossible because of perfect competition in today's scenario
86. Quasi – contracts arise _____.
- (a) Where obligations are created without a contract
 - (b) Where obligations are created under a contract
 - (c) Out of natural causes
 - (d) Out of man-made causes
87. In case of a contract of guarantee_____.
- (a) There are two parties to the contract

- (b) There are three parties to the contract
 - (c) There should be at least two parties to the contract
 - (d) There should be at least five parties to the contract
88. The relationship of principal and agent may arise by_____.
- (a) Express or implied agreement
 - (b) Ratification
 - (c) Operation of law
 - (d) All of the above
89. Goods that are defined only by description and not identified and agreed upon at the time of contract of sale are known as_____.
- (a) Specific Goods
 - (b) Existing Goods
 - (c) Future Goods
 - (d) Unascertained Goods
90. Delivery by acknowledgment is_____.
- (a) Actual Delivery
 - (b) Constructive Delivery
 - (c) Symbolic Delivery
 - (d) None of the above
91. In case of a sale the position of a buyer is that of _____.
- (a) Owner of the goods
 - (b) Bailee of the goods
 - (c) Hirer of the goods
 - (d) None of the above
92. Rights of an unpaid seller include_____.
- (a) Right against the goods
 - (b) Right of stoppage in transit
 - (c) Right of re-sale
 - (d) All of the above
93. Registration of a partnership firm is _____.
- (a) Compulsory from the beginning
 - (b) Not compulsory till first five years of beginning of the partnership

- (c) Not compulsory at all
 - (d) Compulsory only if the Registrar of Firms gives an order in this regard
94. Death of a partner ordinarily leads to _____.
- (a) Dissolution of the partnership.
 - (b) Revision of the partnership.
 - (c) Reconsidering of the partnership.
 - (d) Induction of a new partner to carry on the partnership.
95. A new partner is held liable for all acts of the firm done _____.
- (a) Before he became a partner
 - (b) After he became a partner.
 - (c) Any time after even he ceases to be a partner and upto his death.
 - (d) Before or after he became a partner
96. One of the essential elements of a partnership is agreement _____.
- (a) Which is enforceable
 - (b) Which is legal
 - (c) Between two or more persons
 - (d) The object of which is not prohibited by law.
97. A person is deemed to be in a position to dominate the will of the other when he _____.
- (a) Holds real authority over the other
 - (b) Holds apparent authority over the other
 - (c) Stands in a fiduciary relation to the other
 - (d) All of the above
98. As per Section 29 of the Indian Partnership Act, 1932 a partner may transfer his interest in the firm _____.
- (a) By sale
 - (b) By mortgage
 - (c) By charge
 - (d) All of the above

PART III

99. D P Tyre Co. Ltd sold tyres to a dealer S, who sold those to D, a sub-dealer on the condition that those tyres would not be sold at a price lower than the list price fixed by D P Tyre Co. Ltd. and if the tyres were sold at a price lower than the list price, a penalty

of \$ 2 for every tyre sold below the list price would be recovered as damages. D sold five tyres below the list price. D P Tyre Co. Ltd filed a suit against S. Is D P Tyre Co. Ltd entitled to maintain the suit?

- (a) No since D P Tyre Co. Ltd was not a party to the contract.
 - (b) No since only 5 tyres are involved and the amount is insignificant.
 - (c) Yes as D P Tyre Co. Ltd is the producer of the tyres.
 - (d) Yes as D P Tyre Co. Ltd sold the tyres to S who in turn sold to D.
100. A, B and C are partners in a firm. B was murdered by D, who wanted to become a partner of the firm, but B has raised objections to it. The Partnership Deed contains a provision that the firm would not be dissolved after the death of any partner. Which of the following is correct?
- (a) Estate of B is liable for the act of the firm done after the death of B.
 - (b) Estate of B is not liable for the act of the firm done after the death of B.
 - (c) Estate of D is liable for the act of the firm done after the death of B.
 - (d) D is liable for the act of the firm done after the death of B.

SECTION – C : GENERAL ECONOMICS(50 MARKS)

- (i) Questions 101 to 116 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 117 to 132 are Fill in the blanks type and carry + 1 mark for each correct answer and -0.25 mark for each wrong answer.
- (iii) Questions 133 to 137 contain small paragraph / table followed by a question having only one correct answer and carries + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Question 138 to 150 are numerical based which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 101. The law of consumer surplus is based on
 - (a) Indifference curve analysis
 - (b) Revealed preference theory.
 - (c) Law of substitution
 - (d) The law of diminishing marginal utility.
- 102. Supply of a commodity is a
 - (a) Stock concept
 - (b) A flow concept
 - (c) Both stock and flow concept.
 - (d) None of these.
- 103. If two goods were perfect substitutes of each other, it necessarily follows that
 - (a) An indifference curve relating the two goods will be curvilinear.
 - (b) An indifference curve relating the two goods will be linear.
 - (c) An indifference curve relating the two goods will be divided into two segments which meet at a right angle.
 - (d) An indifference curve relating the two goods will be convex to the origin.
- 104. The MC curve cuts the AVC and ATC curves
 - (a) At the falling part of each.
 - (b) At different points.
 - (c) At their respective minimas.
 - (d) At the rising part of each.

105. In general, most of the production functions measure
- (a) The productivity of factors of production.
 - (b) The relation between the factors of production.
 - (c) The economies of scale.
 - (d) The relations between change in physical inputs and physical output.
106. Which of the following market situations explains marginal cost equal to price for attaining equilibrium?
- (a) Perfect competition.
 - (b) Monopoly
 - (c) Oligopoly.
 - (d) Monopolistic competition.
107. The period of time in which the plant capacity can be varied is known as
- (a) The short period
 - (b) The market period
 - (c) The long period
 - (d) All of the above.
108. A monopolist who is selling in two markets in which demand is not identical will be unable to maximize his profits unless he
- (a) Sells below costs of production in both markets.
 - (b) Practices price discrimination.
 - (c) Equates the volume of sales in both markets.
 - (d) Equates marginal costs with marginal revenue in one market only.
109. Which of the following is not microeconomic subject matter?
- (a) The price of apples.
 - (b) The cost of producing a fire truck for the fire department of Delhi, India
 - (c) The quantity of apples produced for the apple market.
 - (d) The national economy's annual rate of growth.
110. Which of the following is a reason for the negative slope of the PPF?
- (a) The inverse relationship between the use of technology and the use of natural resources.
 - (b) Scarcity; at any point in time we have limited amounts of productive resources.
 - (c) Resource specialisation.
 - (d) Increasing opportunity costs.

111. SJSRY stands for
- (a) Swaran Jayanti Shahari Rozgar Yojana
 - (b) Shahari Jeewan Sudhar Rashtriya Yojana
 - (c) Sampoorna Jeewan Shahari Rozgar Yojana
 - (d) None of the above.
112. Who is regulatory authority for telecom in India?
- (a) SEBI
 - (b) TRAI
 - (c) MTNL
 - (d) BSNL
113. Which of the following has resulted in failure to achieve targets of industrial production?
- (a) Poor planning
 - (b) Power, finance and labour problems
 - (c) Technical complications
 - (d) All of the above.
114. Oil and Natural Gas Corporation Indian Oil Corporation, Steel Authority of India, and Bharat Heavy Electricals are all examples of
- (a) small scale units.
 - (b) private sector units
 - (c) public sector units
 - (d) sick units
115. Which of the following statements is correct with regard to external sector in the pre-reform period?
- (a) The foreign trade policy was very liberal; it allowed import of all types of goods.
 - (b) Import of food grains was strictly prohibited
 - (c) The balance of payments situation was quite comfortable
 - (d) None of the above.
116. In the present context, money stock in India refers to
- (a) M_1
 - (b) M_2
 - (c) M_3
 - (d) M_4

PART II

117. Giffen goods are those goods -----.
- (a) For which demand increases as price increases
 - (b) Which have a high income elasticity of demand
 - (c) Which are in short supply
 - (d) None of these
118. Three methods of computing national income are -----.
- (a) Production, outlay and income methods.
 - (b) Balance of payments, income and consumption methods.
 - (c) Saving, investment and income methods.
 - (d) Outlay, depreciation and production methods.
119. When $AR = \text{Rs } 10$ and $AC = \text{Rs } 8$ the firm makes -----.
- (a) Normal profit
 - (b) Net profit
 - (c) Gross profit
 - (d) Supernormal normal profit
120. If two goods are complements, this means that a rise in the price of one commodity will induce -----.
- (a) An upward shift in demand for the other commodity.
 - (b) A rise in the price of the other commodity.
 - (c) A downward shift in demand for the other commodity.
 - (d) No shift in the demand for the other commodity.
121. ----- controls affect indiscriminately all sectors of the economy.
- (a) Selective credit
 - (b) Quantitative
 - (c) Margin requirements.
 - (d) Optional.
122. 'The lender of last resort' means -----.
- (a) the government coming to the rescue of poor farmers.
 - (b) central bank coming to the rescue of other banks in times of financial crisis.
 - (c) commercial banks coming to the rescue of small industrial units.

- (d) people coming to the rescue of commercial banks in times of their financial crisis.
123. ----- is the custodian of monetary reserves in India
- SBI
 - SIDBI
 - NABARD
 - RBI
124. Demand for final consumption arises in -----.
- household sector only.
 - government sector only.
 - both household and government sectors.
 - neither household nor movement sector.
126. At present, the marginal rate of income tax(i.e. tax for the highest slab) is -----
- 10%.
 - 20%
 - 30%
 - 40%
127. About _____ percent of the external assistance has been in the form of loans.
- 40
 - 30
 - 10
 - 90
128. _____ is a systematic record of all the economic transactions between one country and rest of the world
- Balance of trade
 - Balance of transactions
 - Budget
 - Balance of payments.
129. If borrowings and other liabilities are added to the budget deficit we get _____.
- revenue deficit.
 - capital deficit.

- (c) primary deficit.
(d) fiscal deficit.
130. -----program facilitates the construction and upgradation of dwelling units for the slum dwellers.
(a) DPAP
(b) VAMBAY
(c) TRYSUM
(d) IRDP
131. According to National Sample Survey 2004-05, -----percent of the population of India lives below poverty line.
(a) 22
(b) 26
(c) 15
(d) 25
132. In terms of deposit mobilization, ----- leads other states.
(a) U.P
(b) Maharashtra
(c) Kerala
(d) Bihar

PART III

Questions 133 to 137 are based on the Figure 1.

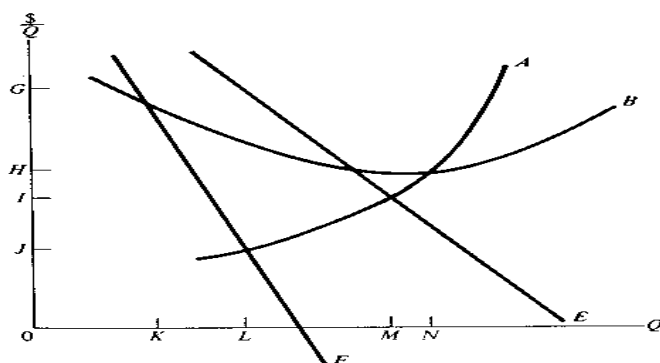


Figure 1

133. Figure 1 represents a
- (a) Perfectly competitive firm.
 - (b) Perfectly competitive industry.
 - (c) Monopolist
 - (d) None of the above.
134. In figure 1, the firm's marginal revenue curve is curve
- (a) E.
 - (b) A
 - (c) F
 - (d) B
135. In Figure 1, curve E is the firm's:
- (a) Marginal cost curve
 - (b) Average cost curve
 - (c) Demand curve.
 - (d) Marginal revenue curve
136. In figure 1, the firm's most efficient output is:
- (a) K
 - (b) L
 - (c) M
 - (d) N
137. In figure1, the firm's most profitable output is:
- (a) K
 - (b) L
 - (c) M
 - (d) N

PART IV

Consider Sumit's production data given in the table 1. Use Table 1 to answer questions 138-142

Table 1

Number of Workers	Total Output
1	10
2	22

3	31
4	40
5	47
6	52
7	56
8	58
9	60
10	61

138. Suppose Sumit has to pay his workers Rs 20 per hour, and further suppose there are no other production costs at all. What is the marginal product of the 5th worker?
- 12
 - 9
 - 7
 - 8
139. In Table 1, Sumit's Average Total Cost when 40 units are produced is:
- Rs 2
 - Rs 80
 - Rs 5
 - Rs 20
140. Using data in Table 1, we know that the approximate marginal cost of the 52nd unit of output is:
- Rs.0.25
 - Rs 1.25
 - Rs. 2.50
 - Rs. 4.00
141. Suppose Sumit decides to purchase fire insurance which costs Rs. 87,600 a year.(As it happens, it works out to be Rs 10 per hour) The approximate marginal cost of the 52nd unit now is:
- Rs.0.25
 - Rs 1.25
 - Rs. 2.50

(d) Rs. 4.00

142. Sumit's marginal product of the 9th worker:

- (a) 2 units.
- (b) 3 units.
- (c) 5 units.
- (d) 7 units.

Read table 2 and answer Questions number 143-145

	% change in price	% change in quantity demanded(quantity supplied)	Elasticity
Demand for salt	20	-1	x
Demand for bananas	15	y	3
Supply of chicken	z	14	1

143. Refer Table 2 and find the value of x.

- (a) -20.
- (b) -0.05.
- (c) -1.
- (d) Can not be determine(d)

144. Refer Table 2 and find the value of y.

- (a) -5
- (b) 15.
- (c) -45.
- (d) -3.

145. Refer table 2 and find the value of z.

- (a) 14
- (b) 1
- (c) 0.07.
- (d) 5.

Read table 3 and answer Questions number 146-147

With the same amount of resources, a farmer can feed the following combinations of sheep and cows:

Table 3

	Sheep	Cows
Option I	84	22
Option II	75	25

146. Given the options available to him, what is the opportunity cost to the farmer of feeding one cow?
- (a) 1 sheep
 - (b) 3 sheep
 - (c) 9 cows.
 - (d) 9 sheep.
147. Given the options available to him, what is the opportunity cost to the farmer of feeding one sheep?
- (a) 9 sheep.
 - (b) 3 cows.
 - (c) 1/3 sheep.
 - (d) 1/3 cow.
148. If the quantity of CD demanded increases from 260 to 290 in response to an increase in income from Rs 9000 to Rs 9800, the income elasticity of demand is approximately:
- (a) 3.4
 - (b) 0.01.
 - (c) 1.3
 - (d) 2.3.
149. If the quantity of good X demanded increases from 8 to 12 in response to an increase in the price of good Y from Rs 23 to Rs 27, the cross elasticity of demand for X with respect to the price of Y is approximately:
- (a) 0.35 and X and Y are complements.
 - (b) 0.35 and X and Y are substitutes.
 - (c) 2.5 and X and Y are complements.
 - (d) 2.5 and X and Y are substitutes.

150. The following table provides a breakdown of a country's population(millions):

Table 4

Total population	224	Children(below the working age)	36
Unemployed people looking for a job	18	Full-time students(not looking for a job)	4
Retired people	28	Employed people	126
People confined to correctional institutions	2	Other adults not in the labour force	14

Based on the information in table4, the country's unemployment rate is

- (a) 7.9%
- (b) 12.5%
- (c) 20.2%
- (d) 22.2%

SECTION – D : QUANTITATIVE APTITUDE(50 MARKS)

- (i) Questions 151 to 160 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 161 to 170 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 171 to 200 are numerical based questions, which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

151. Standard deviation of binomial distribution is

- (a) $(npq)^2$
- (b) $\sqrt{npq}$
- (c) $(np)^2$
- (d) $\sqrt{np}$

152. $A \cup A'$ is equal to

- (a) A.
- (b) Sample Space.
- (c) ϕ .
- (d) None of these.

153. The integral of $\frac{x^3}{x^2 + 1}$ is equal to

- (a) $\frac{1 + 2x^2}{4(x^2 + 1)^2} + c$
- (b) $\frac{1 - 2x^2}{4(x^2 + 1)^2} + c$
- (c) $\frac{-(1 + 2x^2)}{4(x^2 + 1)}$
- (d) None of these.

154. Find $f \circ g$ for the functions $f(x) = x^8$, $g(x) = 2x^2 + 1$

- (a) $x^8 (2x^2 + 1)$

- (b) x^8
 - (c) $2x^2+1$
 - (d) $(2x^2+1)^8$
155. A sample survey is prone to
- (a) Sampling error.
 - (b) Non-sampling error.
 - (c) Either (a) or (b).
 - (d) Both (a) and (b).
156. Simple Aggregative Method is used for computing a
- (a) Relative index.
 - (b) Price index.
 - (c) Value index.
 - (d) None of these.
157. The algebraic sum of deviations of a set of observations from their AM is
- (a) Negative.
 - (b) Positive.
 - (c) Zero.
 - (d) None of these.
158. Number of petals in a flower is an example of
- (a) A continuous variable.
 - (b) A discrete variable.
 - (c) An attribute.
 - (d) All of these.
159. A Qualitative characteristic is known as
- (a) An attribute.
 - (b) A variable.
 - (c) A discrete variable.
 - (d) A continuous variable.
160. Methods that are employed for the collection of primary data –
- (a) Interview method.
 - (b) Questionnaire method.
 - (c) Observation method.

- (d) All of these.

PART II

161. The normal curve is _____.
(a) Bell-shaped
(b) U-shaped
(c) J-shaped
(d) Inverted J-shaped
162. The _____ is satisfied when $P_{ab} \times P_{bc} \times P_{ca} = 1$.
(a) Time reversal test
(b) Factor reversal test
(c) Circular test
(d) Unit test
163. _____ is an extension of time reversal test.
(a) Factor reversal test
(b) Circular test
(c) Unit test
(d) None of above
164. For a set of observations, the sum of absolute deviations is _____ when the deviations are taken from the median.
(a) Zero
(b) Maximum
(c) Minimum
(d) None of these
165. The triplicate ratio of 4:5 is _____.
(a) 125:64
(b) 16:25
(c) 64:125
(d) None of these
166. When we want to divide the given set of observations into two equal parts, we consider _____.
(a) Mean
(b) Median

- (c) Mode
(d) None of these
167. If $y = x^{2x}$ then $\frac{dy}{dx}$ is _____.
 (a) $2x^{2x}(1+\log x)$
 (b) $2(1+\log x)$
 (c) $x^{2x}(1+\log x)$
 (d) None of these
168. The value of $\lim_{x \rightarrow 1} \frac{2x^2 + x - 3}{x^3 + 9}$ is _____.
 (a) 1
 (b) 2
 (c) 0
 (d) 3
169. The two variables are known to be _____ if the movement on the part of one variable does not produce any movement of other variable in a particular direction.
 (a) Correlated
 (b) Uncorrelated
 (c) Positive correlated
 (d) Negative correlated
170. The correlation between demand and price (for normal goods) is _____.
 (a) Zero
 (b) Positive
 (c) Negative
 (d) None of these

PART III

171. Differentiate $\sqrt{1+x^2}$ w.r.t. x , we get
 (a) $\frac{2x}{\sqrt{1-x^2}}$
 (b) $\frac{x}{\sqrt{1+x^2}}$

- (c) $\frac{x^2}{\sqrt{1+x^2}}$
- (d) None of these.
172. If $\lim_{x \rightarrow a} \frac{x^9 - a^9}{x - a} = 9$, the value of a is
- (a) 9, -9
- (b) 1, -1
- (c) 8, -8
- (d) None of these.
173. If the coefficient of correlation between two variables is -0.3 , then the coefficient of determination is
- (a) 0.3
- (b) 0.09
- (c) 0.7
- (d) 0.9
174. If the coefficient of correlation between two variables is 0.6 , then the percentage of variation accounted for is
- (a) 60%
- (b) 40%
- (c) 64%
- (d) 36%
175. What is the chance of picking a heart or a queen not of heart from a pack of 52 cards?
- (a) $17/52$
- (b) $1/3$
- (c) $4/13$
- (d) $3/13$
176. In a single throw with two dice, chance of throwing 8 is
- (a) $1/9$
- (b) $5/36$
- (c) $5/18$
- (d) $2/9$

177. A bag contains 10 red and 10 green balls. A ball is drawn from it. The probability that it will be green is
- (a) $1/10$
 - (b) $1/3$
 - (c) $1/2$
 - (d) None of these.
178. If an event cannot take place, probability will be
- (a) 1
 - (b) -1
 - (c) 0
 - (d) None of these.
179. The mean of binomial distribution is 4 and standard deviation $\sqrt{3}$. What is the value of n ?
- (a) 14
 - (b) 16
 - (c) 18
 - (d) 20
180. Two variables x and y are related by $5x + 6y + 9 = 0$ and $\bar{x} = 6$, then $\bar{y}$ is
- (a) 6.50
 - (b) 6.66
 - (c) -6.50
 - (d) -6.66
181. The mean weight for a group of 40 female students is 42 kg and that for a group of 60 male students is 52 kg. What is the combined mean weight?
- (a) 46
 - (b) 47
 - (c) 48
 - (d) 49
182. The wages of 8 workers expressed in rupees are 42,45,49,38,56,54,55,47. Find median wage.
- (a) 47
 - (b) 48

(c) 49

(d) 50

183. Refer following table:

Frequency distribution of weights of 16 students

Weight in kg. (Class interval)	No. of students (Frequency)
44 – 48	4
49 – 53	5
54 – 58	7
Total	16

Find class mark for the first class interval.

(a) 4

(b) 46

(c) 44

(d) 48

184. Find the sum of 10 terms G.P with first term and common ratio being 8 and 3 respectively

(a) 2,63,291

(b) – 2,36,192

(c) 2,19,631

(d) 2,36,192

185. If compounding is done quarterly what will be the amount Mr. Ravi will receive for Rs.4000 @10% rate of interest for 4 years.

(a) Rs.5893.02

(b) Rs.5938.02

(c) Rs.5000

(d) None of these.

186. The equation of a line passing through (3, 4) and slope 2 is

(a) $y-2x+2=0$

(b) $y-3x+4=0$

(c) $y-4x+3=0$

(d) $y-2x+4=0$

187. Find the logarithmic of 58,564 to the base $11\sqrt{2}$
- (a) 3
 - (b) 4
 - (c) 2
 - (d) None of these.
188. Find the sum of progression $1, \frac{1}{2}, \frac{1}{4}, \frac{1}{8}, \dots$, 10 terms.
- (a) 1.9
 - (b) 1.989
 - (c) 1.998
 - (d) 1.89
189. Eleven students are participating in a race. In how many ways the first 5 prizes can be won?
- (a) 44550
 - (b) 55440
 - (c) 120
 - (d) 90
190. Solve for x, $4^x - 3 \cdot 2^{x+2} + 2^5 = 0$
- (a) 4, 8
 - (b) -2, -3
 - (c) 2, 6
 - (d) 2, 3
191. A sum of money doubles itself in 25 years. The number of years it would trebles itself is
- (a) 50 years.
 - (b) 37.5 years.
 - (c) 75 years.
 - (d) None of these.
192. The ratio compound of two ratios 4:3 and 7:3 is
- (a) 12:21
 - (b) 28:9
 - (c) 9:28
 - (d) None of these.

193. Evaluate the value of $\int_0^3 (3x^2 + 5x + 2) dx$
- (a) 55
 - (b) 55.5
 - (c) 57
 - (d) 56
194. The ratio of two quantities is 5:9. If the antecedent is 25, the consequent is
- (a) 9
 - (b) 45
 - (c) 40
 - (d) None of these.
195. The sum of two numbers is 38 and their difference is 2. Find them.
- (a) 20, 18
 - (b) 10, 12
 - (c) 17, 15
 - (d) None of these.
196. Mr. A plans to invest upto Rs.50,000 in two stocks X and Y. Stock X(x) is priced at Rs.175 and Stock Y(y) at Rs.95 per share. This can be shown by
- (a) $175x + 95y \leq 30,000$
 - (b) $175x + 95y \geq 30,000$
 - (c) $175x + 95y = 30,000$
 - (d) None of these.
197. Find the value of n if $(n+1)! = 42 (n-1)!$
- (a) 6
 - (b) -7
 - (c) 7
 - (d) -6
198. The number of subsets of the set {1,2,3,4} is
- (a) 13
 - (b) 12
 - (c) 16
 - (d) 15

199. The derivative of $8x^2-2x+5$ is
- (a) $16x+2$
 - (b) $16x-2$
 - (c) $16x-2+5$
 - (d) $16x+7$
200. A box contains 7 red, 6 white and 4 blue balls. How many selections of three balls can be made so that none is red?
- (a) 90
 - (b) 120
 - (c) 48
 - (d) 24



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-7/2006

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

Please follow the instructions given in each section carefully and answer the questions.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

- (1) Questions 1 to 10 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 11 to 20 are the fill in the blank based questions having four alternate answers and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 21 and 22 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Questions 23 to 60 are numerical based questions, which have answers as numerical values and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 1. “Assets should be valued at the price paid to acquire them” is based on
 - (a) Accrual concept.
 - (b) Cost concept.
 - (c) Money measurement concept.
 - (d) Realisation concept.
- 2. Cash book is a form of
 - (a) Trial Balance.

- (b) Journal.
 - (c) Ledger.
 - (d) All of the above.
3. If bank balance as per cashbook differs from that appearing in the current account statement, then the balance considered for finalizing the accounts is of
- (a) Adjusted cash book.
 - (b) Cash book before any adjustments.
 - (c) Pass book.
 - (d) Not taken to final accounts in case of difference in the balance.
4. Material costing Rs.700 in the erection of the machinery and the wages paid for it amounting to Rs. 400 should be debited to
- (a) Material account.
 - (b) Wages account.
 - (c) Purchases account.
 - (d) Machinery account.
5. Difference of totals of both debit and credit side of the trial balance is transferred to
- (a) Difference account.
 - (b) Trading account.
 - (c) Miscellaneous account.
 - (d) Suspense account.
6. "Inventories should be out of godown in the sequence in which they arrive" is based on
- (a) FIFO.
 - (b) LIFO.
 - (c) FIFO.
 - (b) Weighted average.
7. The value of an asset after deducting depreciation from the historical cost is known as
- (a) Fair value.
 - (b) Book value.
 - (c) Market value.
 - (d) Net realisable value.
8. Expenses incurred to retain the title of a building is a
- (a) Revenue expenditure.

- (b) Capital expenditure.
 - (c) Deferred revenue expenditure.
 - (d) None of the above.
9. Carriage inwards is debited to
- (a) Trading account.
 - (b) Profit and loss account
 - (c) Profit and loss appropriation account
 - (d) Balance sheet
10. A bill has been drawn on 26.2.2006 payable after 90 days. The due date of the bill will be
- (a) 30.5.2006.
 - (b) 29.5.2006.
 - (c) 28.5.2006.
 - (d) 27.5.2006.

PART II

11. If total of all debits of a ledger account is more than the total of all credits of the same account, then the balancing figure is placed at the _____
- (a) Debit side of that ledger account.
 - (b) Credit side of that ledger account.
 - (c) End of that ledger account as a footnote.
 - (d) None of the above.
12. The cost of a small calculator is accounted as an expense and not shown as an asset in a financial statement of a business entity due to _____
- (a) Materiality concept.
 - (b) Matching concept.
 - (c) Periodicity concept.
 - (d) Conservatism concept.
13. A minimum quantity of stock always held as precaution against out of stock situation is called _____
- (a) Zero stock.
 - (b) Risk stock.
 - (c) Base stock.

- (d) None of the above.
14. M/s Bhaskaran & Co. drew a three months' bill of Rs. 6,000 on M/s Patel & Co. on 1.1.2006 payable to M/s Surendran & Co. or bearer. Here the payee will be
- (a) M/s Bhaskaran & Co.
 - (b) M/s Patel & Co.
 - (c) M/s Surendran & Co. or bearer.
 - (d) All of the above.
15. Fluctuating capital account is credited with _____
- (a) Interest on capital.
 - (b) Profits of the year.
 - (c) Salaries or remuneration of the partners.
 - (d) All of the above.
16. If the incoming partner brings any additional amount in cash other than his capital contributions then it is termed as _____
- (a) Capital.
 - (b) Reserves.
 - (c) Profits.
 - (d) Premium for goodwill.
17. Memorandum joint venture account is prepared _____
- (a) When separate set of joint venture books is prepared.
 - (b) When each co-venturer keeps records of all the the joint venture transactions himself.
 - (c) When each co-venturer keeps records of their own joint venturer transactions.
 - (d) None of the above.
18. In case of del-credere commission provided by consignor to consignee, bad debts is a loss of _____
- (a) Consignee.
 - (b) Consignor.
 - (c) Both consignor and consignee.
 - (d) Neither of the two.
19. The party who sends the goods for sale on fixed commission basis is _____
- (a) Consignee.

- (b) Consignor.
 - (c) Drawee.
 - (d) Drawer.
20. Discounting of bill by the drawer is done with_____
- (a) Creditor.
 - (b) Drawee.
 - (c) Bank.
 - (d) Notary public.

PART III

21. Under this method, the annual charge for depreciation decreases from year to year, so that the burden and benefits of later years are shared by the earlier years. Also, under this method, the value of asset can never be completely extinguished. The other advantage of this method is that the total charge to revenue is uniform when the depreciation is high, repairs are negligible; and as the repairs increase, the burden of depreciation gets lesser and lesser. This method of depreciation is
- (a) Straight Line Method.
 - (b) Written Down Value Method.
 - (c) Annuity Method.
 - (d) Sinking Fund Method.
22. M/s Mittal & Sen & Co. sends goods costing Rs. 50,000 to M/s Suneja & Jadeja & Co. for sale at invoice price. The invoice price of the goods was Rs. 60,000. Former spends Rs. 2,000 on freight for sending the delivery and later spends Rs.1,500 for receiving the delivery. M/s Suneja & Jadeja & Co sold 90% of goods at invoice price and earned a commission of Rs.5,400. In the due course he made some credit sales also out of which some amount were proved to be bad and was borne by him only. Remaining goods were taken back by M/s Mittal & Sen & Co. The balance due was paid by M/s Suneja & Jadeja & Co. through a demand draft. The above transaction is in the nature of
- (a) Consignment.
 - (b) Joint venture.
 - (c) Sale of goods on sale or return basis
 - (d) Credit sales.

PART IV

23. It is decided to form a partnership with a total capital of Rs. 6,00,000. Three partners Ajay, Vijay and Sanjay who will share profits and losses in the ratio of 5:3:2, agreed to contribute proportionate capital. Their capital contribution will be
- (a) Rs.3,00,000: Rs.1,80,000: Rs.1,20,000.
 - (b) Rs.2,00,000: Rs.2,00,000: Rs.2,00,000.
 - (c) Rs.3,00,000: Rs.2,00,000: Rs.1,00,000.
 - (d) Rs.1,00,000: Rs.2,00,000: Rs.3,00,000.
24. Aditya Ltd. issued equity shares of 50,000 shares of Rs. 10 each for subscription. 40,000 shares were subscribed by the public by paying Rs. 3 as application money. Number of shares allotted to public by Aditya Ltd. will be
- (a) 50,000 shares.
 - (b) 40,000 shares.
 - (c) 30,000 shares.
 - (d) 10,000 shares.
25. A company issued 1,00,000 equity shares of Rs.10 each at a premium of Rs.2 and 5,000 10% Debentures of Rs.100 each at 10% discount. All the shares and debentures were subscribed and allotted by crediting 10% Debentures account with
- (a) Rs. 10,00,000.
 - (b) Rs. 12,00,000.
 - (c) Rs. 5,00,000.
 - (d) Rs. 4,50,000.
26. Preference shares amounting to Rs.1,00,000 are redeemed at a premium of 5% by issue of shares amounting to Rs.50,000 at a premium of 10%. The amount to be transferred to capital redemption reserve account will be
- (a) Rs.55,000.
 - (b) Rs.50,000.
 - (c) Rs.45,000.
 - (d) Rs.57,500.
27. On 1st June 2005, Harsh Ltd. issued 4,000 9% convertible debentures of Rs.100 each at a premium of 10%. Interest is payable on September 30 and March 31, every year. Assuming that the interest runs from the date of issue, the amount of interest expenditure debited to profit and loss account for the year ended 31st March 2006 will be
- (a) Rs.12,000.

- (b) Rs.18,000.
 - (c) Rs.36,000.
 - (d) Rs.30,000.
28. Followings are the information related to Great Ltd.:
- (i) Equity share capital called up Rs. 3,00,000, (ii) Call-in advance Rs. 10,000, (iii) Call in arrears Rs. 15,000 and (iv) Proposed dividend 20%. The amount of dividend payable by Great Ltd. will be
- (a) Rs.57,000
 - (b) Rs.59,000.
 - (c) Rs.60,000.
 - (d) Rs.58,000.
29. 3,000 shares of Rs. 10 each of Krishna were forfeited by crediting Rs. 5,000 to share forfeiture account. Out of these, 1,800 shares were re-issued to Radhe for Rs. 9 per share. The amount to be transferred to capital reserve account will be
- (a) Rs. 3,200.
 - (b) Rs.2,000.
 - (c) Rs.1,800.
 - (d) Rs.1,200.
30. Bittu Ltd. issued 10,000 shares of Rs.10 each to public. Applications were received for 12,000 shares by paying Rs.2 per share. Shares were allotted on pro-rata basis to the public and excess money was kept to be used in allotment and further calls. Kittu failed to pay the money of Rs.3 per share and her 1,000 shares were forfeited after due notice. No further calls were made to her. Her call in arrears was
- (a) Rs.3,000.
 - (b) Rs.2,800.
 - (c) Rs.2,600.
 - (d) Rs.2,400.
31. He, She and Me are partners in a firm sharing profits and losses in the ratio of 5:3:2. They took Joint Life Policy of Rs. 50,000, Rs.1,00,000 and Rs.1,50,000 for He, She and Me respectively. The share of C in the policy will be
- (a) Rs.1,50,000.
 - (b) Rs.90,000.
 - (c) Rs.60,000.
 - (d) Rs.3,00,000.

32. Vijay, Vineet and Vivek are partners in a firm sharing profits or losses in 3:2:1. Vijay retires and Rs. 18,000 was debited to goodwill account of the firm. If new profit sharing ratio is 2:1, then the amount of goodwill debited respectively to Vineet and Vivek's capital account will be
- Rs.6,000: Rs.3,000.
 - Rs.9,000: Rs.9,000.
 - Rs.4,500: Rs.4,500.
 - Nothing is to be debited to their account.
33. Amit, Rohit and Sumit are partners sharing profits and losses in the ratio of 5:4:3. Sumit retires and if Amit and Rohit shares profits of Sumit in 4:3, then new profit sharing ratio will be
- 4:3.
 - 47:37.
 - 5:4.
 - 5:3.
34. Rachna and Sapna are partners sharing profits equally. They admitted Ashana for 1/3 share in the firm. The new profit sharing ratio will be
- 3:2:1.
 - 2:2:1.
 - 1:1:1.
 - Cannot be calculated.
35. Find the goodwill of the firm using capitalization method from the following information:
- | | |
|------------------------------------|---------------|
| Total capital employed in the firm | Rs. 80,00,000 |
| Reasonable rate of return | 15% |
| Profits for the year | Rs. 12,00,000 |
- Rs. 68,00,000.
 - Rs. 12,00,000.
 - Rs. 11,88,000.
 - Nil.
36. A trader has credited certain items of sales on approval aggregating Rs.60,000 to Sales Account. Of these, goods of the value of Rs.16,000 have been returned and taken into stock at cost Rs.8,000 though the record of return was omitted in the accounts. In respect of another parcel of Rs.12,000 (cost being Rs.6,000) the period of approval did

not expire on the closing date. Cost of goods lying with customers should be

- (a) Rs. 12,000.
 - (b) Rs. 54,000.
 - (c) Rs. 6,000.
 - (d) None of the above.
37. On 1st January 2006 Nisha draws a bill for Rs.5,000 on Disha for 3 months for mutual accommodation. On the same day, Disha draws a bill for Rs. 6,000 on Nisha for 4 months. Both the bills were discounted with the bank for Rs. 4,850 and Rs. 5,700 respectively. 50% of the receipt was sent to the other party. First bill was met on its due date. On the maturity date of Nisha's acceptance, Disha will send
- (a) Rs.3,000.
 - (b) Rs.2,850.
 - (c) Rs.2,425.
 - (d) Rs.2,500.
38. Gaurav has to pay Rs. 10,000 to Saurabh on account of Bill accepted by him for credit purchases. Due to financial crisis, Gaurav was unable to pay the bill and was declared insolvent and his estate realized only 30 paise in a rupee. The amount to be debited to bad debts account of Saurabh will be
- (a) Rs.3,000.
 - (b) Rs.7,000.
 - (c) Rs.10,000.
 - (d) None of the above.
39. Ram in a joint venture with Shyam purchased goods costing Rs. 20,000 and sends to Shyam for sale incurring Rs.1,000 on freight. Shyam took the delivery and paid Rs.500 as carriage. He sold the goods costing Rs.18,000 for Rs. 25,000 and kept the remaining goods at cost price. Sharing equal profits of the venture, amount to be paid by Shyam to Ram will be
- (a) Rs.25,000.
 - (b) Rs.22,250.
 - (c) Rs.23,750.
 - (d) Rs.24,500.
40. Expenses incurred by the consignor on sending the goods to the consignee is Rs.1,000 for insurance, Rs.1,500 on freight and Rs.500 on packing the goods. While expenses incurred by the consignee on behalf of the consignment are Rs.800 on octroi, Rs.600 as godown charges and Rs. 1,200 as selling expenses. The amount to be excluded

while calculating consignment stock will be

- (a) Rs.2,600.
 - (b) Rs.600.
 - (c) Rs.1,200.
 - (d) Rs.1,800
41. Goods costing Rs. 80,000 are consigned by Manjari & Co. to Anjali & Co. for Rs.1,00,000. Expenses of the consignor in this respect was Rs. 5,000. Consignee spends Rs. 6,000 for taking the delivery. Some of the goods were returned by the consignee costing Rs.10,000. The amount to be credited to consignment account for goods returned will be
- (a) Rs.12,500.
 - (b) Rs.11,100.
 - (c) Rs.11,375.
 - (d) Rs.13,875.
42. Opening stock of the year is Rs.20,000, Goods purchased during the year is Rs.1,00,000, Carriage Rs.2,000 and Selling expenses Rs.2,000. Sales during the year is Rs.1,50,000 and closing stock is Rs.25,000. The gross profit will be
- (a) Rs.53,000.
 - (b) Rs.55,000.
 - (c) Rs.80,000.
 - (d) Rs.51,000.
43. Following errors have been rectified at the end of the year:
- (i) The return inward book was undercast by Rs. 150.
 - (ii) The return outward book was overcast by Rs. 1,000.
 - (iii) A payment of Rs.1,500 on account of salaries has been posted twice in the salaries account although entered correctly in the cashbook.
- The above errors if rectified, will give correct trial balance. Before rectification, balance of suspense account was
- (a) Rs. 150 (Dr.)
 - (b) Rs. 1,150 (Dr.).
 - (c) Rs. Rs.350 (Cr.).
 - (d) Rs. 1,500 (Cr.).

44. Given below are the ledger balances of a management consultancy firm:
 Capital Rs.4,00,000, Computer Rs. 25,000, Air conditioner and furniture Rs. 1,00,000, Fixed Deposits Rs.2,00,000, Salaries Rs.8,00,000, Fees received Rs. 12,00,000, Travelling expenses Rs.1,50,000, Rent and office expenses Rs.2,40,000, Cash balances Rs. 1,80,000. Bank overdraft Rs. 95,000. The total of trial balance will be
- Rs. 16,00,000.
 - Rs. 16,95,000.
 - Rs. 14,50,000.
 - Rs. 15,00,000.
45. M/s Delhi Stationers purchase goods from the manufacturers, do packaging and labelling and sell to their customers. At the year-end they had 1,000 pieces of toilet soaps in hand, purchase price of which is Rs.3.25 per piece. These are yet not packed and labelled. The packaging cost per unit is Re. 0.35 per piece and selling price is Rs. 4.25 per piece. The historical cost and selling price of the closing stock will be
- Rs. 3,250 and Rs.3,900 respectively.
 - Rs. 3,600 and Rs. 4,250 respectively.
 - Rs. 3,250 and Rs. 4,250 respectively.
 - Rs. 3,600 and Rs.3,900 respectively.
46. Depreciable amount of the machinery is Rs.11,00,000. The machine is expected to produce 30 lakhs units in its 10 year life and expected distribution of production units is as follows:
- | | |
|-----------|---------------------------|
| 1-3 year | 5 lacs units each year |
| 4-6 year | 3 lacs units each year |
| 7-10 year | 1.5 lacs units each year. |
- Annual depreciation for 1-3 year, using production units method will be
- Rs.1,10,000.
 - Rs.55,000.
 - Rs. 65,000.
 - Rs. 1,83,333.
47. The cashbook showed an overdraft of Rs. 2,000 as cash at bank, but the pass book made up to the same date showed that cheques of Rs. 200, Rs. 150 and Rs. 175 respectively had not been presented for payments; and the cheque of Rs. 600 paid into account had not been cleared. The balance as per the cash book will be
- Rs. 2,150.

- (b) Rs. 2,175.
 - (c) Rs. 1,475.
 - (d) Rs. 1,925.
48. If cost of physical stock on 31.3.2006 is Rs.2,80,000 and out of which stock of Rs. 1,20,000 is held as consignee. Goods costing Rs. 25,000 were damaged beyond repair and were expected to realize Rs.5,000 only. The value of own stock on 31.3.2006 will be
- (a) Rs.2,60,000
 - (b) Rs.1,60,000
 - (c) Rs.1,35,000
 - (d) Rs.1,40,000
49. A lease is purchased on 1st January, 2005 for 4 years at a cost of Rs. 1,00,000. Lease is to be depreciated by the annuity method charging 5% interest. Annuity of Re.1 over 4 years charging 5% interest is Re. 0.282012. The amount of annual depreciation will be
- (a) Rs. 28,201.
 - (b) Rs. 20,000.
 - (c) Rs.25,000.
 - (d) None of the above.
50. 18% investment of Rs. 1,00,000 and interest received on investment Rs. 15,000 have been given in the trial balance for the period ended on 31.3.2006. The amount of interest outstanding in the final accounts will be
- (a) Rs.18,000
 - (b) Rs.15,000
 - (c) Rs.3,000.
 - (d) Nil
51. Bank overdraft as per trial balance is Rs.1,60,000. Bank has allowed the customer to overdraw 80% of the hypothecated value of the stock. Hypothecation of stock has been done by the bank at 80% of the original closing stock value. The amount of closing stock is
- (a) Rs. 2,00,000.
 - (b) Rs. 2,50,000.
 - (c) Rs. 1,02,400.
 - (d) Rs. 1,28,000.
52. Net profit before commission has been Rs. 1,20,000. Manager's commission is 20% of net profit before charging such commission. The amount of manager's commission is

- (a) Rs.22,000.
 - (b) Rs.25,000.
 - (c) Rs.24,000.
 - (d) Rs.20,000.
53. Out of four floors of a building, ground floor is used as a store house for trading goods, first and second floor is used for office purpose and third floor is used for residential purposes. Total depreciation of a building amounts to Rs. 80,000.. The depreciation amount of building to be shown in the business books will be
- (a) Rs. 80,000.
 - (b) Rs. 60,000.
 - (c) Rs. 40,000.
 - (d) Rs. 20,000.
54. Closing stock was not taken on 31.3.2006 but only on 7.4.2006. Following transactions had taken place during the period from 1.4.2006 to 7.4.2006. Sales Rs.2,50,000, purchases Rs.1,50,000, stock on 7.4.2006 was Rs.1,80,000 and the rate of gross profit on sales was 20%. Closing stock on 31.3.2006 will be
- (a) Rs.3,80,000.
 - (b) Rs.4,00,000.
 - (c) Rs.2,30,000.
 - (d) Rs.1,50,000.
55. Ravi Ltd. issued 1,40,00,000, 9% debentures of Rs.100 each at a discount of 6%, redeemable at a premium of 5% after 3 years payable as Rs.50 on application and Rs.44 on allotment. Total amount of discount/loss on issue of debenture will be
- (a) Rs.8,40,00,000.
 - (b) Rs.7,00,00,000.
 - (c) Rs.15,40,00,000.
 - (d) Rs.1,40,00,000.
56. Kena Ltd. issued 10,000 12% Debentures of Rs.100 each at a discount of 10%payable in full on application by 31st March, 2006. Applications were received for 12,000 debentures. Debentures were allotted on 9th June, 2006. The amount of excess money refunded on the same date will be
- (a) Rs.1,80,000.
 - (b) Rs.1,00,000.
 - (c) Rs.1,20,000.
 - (d) Rs.1,50,000.

57. Ankush Ltd. had issued 10,000, 10% Redeemable Preference Shares of Rs.100 each, fully paid up. The company decided to redeem these preference shares at par, by issue of sufficient number of equity shares of Rs. 10 each at a premium of Rs.2 per share as fully paid up. The amount to be transferred to capital redemption reserve account will be
- (a) Rs. 10,00,000.
 - (b) Rs. 12,00,000.
 - (c) Rs. 8,00,000.
 - (d) Nil.
58. Bill of Rs.10,000 accepted by Rajesh was endorsed by Ritesh to Dinesh on account of final settlement of Rs.10,500. The benefit of Rs.500 earned by Ritesh was:
- (a) Credited to discount allowed account by Rs. 500.
 - (b) Credited to discount received account by Rs.500.
 - (c) Credited to rebate account by Rs.500.
 - (d) Not shown in the books of Ritesh at all.
59. A company on non-receipt of First Call money of Rs.2 per share and Final Call money of Rs.3 per share from Rahul, debited Call-in-Arrears account by Rs. 2,000 and Rs.3,000 respectively. After due notice 1,000 shares of Rs.10 each were forfeited from Rahul. The amount to be credited to First Call Account at the time of entry for forfeiture will be
- (a) Rs.2,000.
 - (b) Rs.3,000.
 - (c) Nil.
 - (d) Rs.10,000.
60. 1,000 shares of Rs.100 each were issued to a promoter of the company for their legal services, rendered in the formation of the company. For this, company credited Share Capital Account and debited
- (a) Goodwill account by Rs. 1,00,000.
 - (b) Legal services account by Rs.1,00,000.
 - (c) Promoter's account by Rs.1,00,000.
 - (d) Formation expenses account by Rs.1,00,000.

SECTION – B : MERCANTILE LAWS (40 MARKS)

- (i) Questions 61 to 79 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 80 to 98 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 99 and 100 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

61. Which of the following is correct :
- (a) A minor can be admitted as a partner provided the partnership deed is signed by the guardian of the minor on behalf of and in the best interest of such minor.
 - (b) A minor can enter into a contract of partnership provided it is a 'necessity' and not a 'luxury'.
 - (c) A minor cannot be admitted as a partner unless all the partners agree to it.
 - (d) A minor can be admitted to the benefits of partnership.
62. As per Section 11 of The Indian Contract Act, 1872 every person is competent to contract provided he:
- (a) Is of the age of majority according to the law to which he is subject.
 - (b) Is of sound mind.
 - (c) Is not disqualified from contracting by any law to which he is subject.
 - (d) All of the above.
63. Necessary condition for existing goods is
- (a) They should be in existence at the time of the contract of sale.
 - (b) They should be owned or possessed by the seller.
 - (c) Both of the above.
 - (d) None of the above.
64. The action of goods being physically delivered to the buyer is known as:
- (a) Actual Delivery.
 - (b) Constructive Delivery.
 - (c) Symbolic Delivery.
 - (d) All of the above.

65. A tells his wife that he would commit suicide, if she did not transfer her personal assets to him. She does so under his threat.
- (a) The wife can avoid the contract.
 - (b) The wife cannot avoid the contract.
 - (c) The husband can enforce the contract.
 - (d) Both (b) & (c).
66. In case of a hire – purchase the hirer
- (a) Can pass a goods title to a bonafide purchaser.
 - (b) Cannot pass a goods title to a bonafide purchaser.
 - (c) Can choose whether to pass or not to pass the goods title to a bonafide purchaser.
 - (d) All of the above.
67. Which of the following are the characteristics of a contingent contract:
- (a) The performance of a contingent contract depends upon the happening or non-happening of a certain event in future.
 - (b) The event must be uncertain.
 - (c) The event must be collateral to the main contract.
 - (d) All of the above.
68. Agency by ostensible authority may happen in the following ways:
- (a) By estoppel.
 - (b) By a legal presumption.
 - (c) By holding-out.
 - (d) All of the above.
69. A sold some land to B. At the time of sale both the parties believed to be in good faith that the area of the land sold was 10 hectares. It however, turned out that the area was 7 hectares only. How is the contract of sale affected?
- (a) The agreement is void.
 - (b) The agreement is illegal.
 - (c) The agreement is impossible.
 - (d) All of the above.
70. Which one of the following is a legal requirement regarding consideration:
- (a) Consideration should move at the desire of the promise.
 - (b) Consideration may move from promisee or any other person.
 - (c) Consideration may be past, present or future.

- (d) All of the above.
71. Exceptions to the statement “No consideration no contract” are the following:
- (a) No consideration is required to create an agency as also in the case of completed gifts.
 - (b) A promise made without consideration is valid if it is a promise, made in writing and signed by the person to be charged therewith, or by his agent generally or specially authorized in that behalf, to pay wholly or in part a debt, which is barred by the Law of Limitation.
 - (c) A promise made without any consideration is valid if it is a promise to compensate wholly or in part a person who has already voluntarily done something for the promisor or something which the promisor was legally compellable to do.
 - (d) All of the above.
72. In case of a firm carrying on the business other than banking
- (a) There should be at least seven members and maximum number of members should not exceed fifty.
 - (b) There should be at least two members and maximum number of members should not exceed ten.
 - (c) There should be at least two members and maximum number of members should not exceed twenty.
 - (d) There should be at least two members and maximum number of members should not exceed fifty.
73. Which of the following agreements are void:
- (a) An agreement to share the salary of a public officer.
 - (b) An agreement to sell a religious office.
 - (c) An agreement with the objective of procuring a public post.
 - (d) All of the above.
74. Following conditions are implied in a contract of sale of goods unless the circumstances of the contract show a different intention:
- (a) Condition as to title.
 - (b) Sale by description.
 - (c) Sale by sample.
 - (d) All of the above.
75. The distinction between fraud and misrepresentation are the following:
- (a) Misrepresentation is innocent whereas fraud is deliberate or willful.

- (b) In misrepresentation the person making the suggestion believes it to be true while in case of a fraud he does not believe it to be true.
 - (c) In misrepresentation there can be no suit for damages whereas in fraud there can be a suit for damages.
 - (d) All of the above.
76. The following are the essential elements which need to co-exist in order to make a valid contract:
- (a) Lawful Consideration.
 - (b) Lawful Agreement.
 - (c) Free Consent.
 - (d) All of the above.
77. The test of good faith as required under Section 33(1) includes the following:
- (a) That the expulsion must be in the interest of the partnership.
 - (b) That the partner to be expelled is served with a notice.
 - (c) That the partner to be expelled is given an opportunity of being heard.
 - (d) All of the above.
78. Delivery which is effected without any change in the custody or actual possession of the thing is known as:
- (a) Actual Delivery.
 - (b) Symbolic Delivery.
 - (c) Constructive Delivery.
 - (d) None of the above.
79. The essential elements of a partnership at will are:
- (a) No period has been fixed by the partners for its duration.
 - (b) There is no provision in the partnership agreement for its determination.
 - (c) Both of the above.
 - (d) None of the above.

PART II

80. True test of partnership is _____.
- (a) Sharing of profits
 - (b) Sharing of profits and losses
 - (c) Mutual agency
 - (d) Existence of an agreement to share profits of the business

81. Where a person asserts something which is not true, though he believes it to be true, his assertion amounts to _____.
(a) Coercion
(b) Undue Influence
(c) Fraud
(d) Misrepresentation
82. _____ does not exist.
(a) Liability for special damages
(b) Liability for exemplary damages
(c) Liability for nominal damages
(d) Liability for disciplinary damages
83. The communication of an acceptance is complete as against the acceptor, _____.
(a) When it is put in course of transmission to him so as to be out of reach of the acceptor
(b) When it comes to the knowledge of the proposer
(c) When both the proposer and the acceptor declare the acceptance
(d) When the acceptor accepts his acceptance in a court of law
84. Total substitution of new contract in place of the old contract takes place in case of _____.
(a) Remission
(b) Rescission
(c) Novation
(d) Alteration
85. Profits of a partnership firm must be distributed among the partners as per the partnership deed while the profits of a company _____.
(a) Must be distributed to its shareholders
(b) May or may not be distributed to its shareholders
(c) May or may not be distributed to its board of directors, shareholders and other stakeholders
(d) Are not distributable at all
86. The principle evolved in the case of *Garner v. Murray* (1904) is _____.

- (a) Deficiencies in the capital of the insolvent partner are distributed among the solvent partners in the ratio of their capital
 - (b) Partners have a fiduciary relationship with each other
 - (c) Partners liability is unlimited
 - (d) Partners can make supernatural profits, provided proper disclosures are made in this regard
87. A intending to deceive B falsely represents that 750 tons of sugar is produced per annum at the factory of A and hereby induces B to buy the factory. The contract is avoidable at the option of_____.
- (a) B
 - (b) A
 - (c) Congruence of A & B
 - (d) Either party cannot avoid the contract
88. An agency coupled with interest does not come to an end in case of_____.
- (a) Death of the principal
 - (b) Insanity of the principal
 - (c) Insolvency of the principal
 - (d) Death or Insanity or Insolvency of the principal
89. A contract to do or not to do something if some event, collateral to such contract does or does not happen is _____.
- (a) A contingent contract
 - (b) A wagering contract
 - (c) Illegal
 - (d) Void
90. A contracts to pay B Rs.5,00,000/- if B's house is destroyed by fire. It is _____.
- (a) A wagering contract
 - (b) A contingent contract
 - (c) A wagering contract plus a contingent contract
 - (d) Neither a contingent contract nor a wagering contract
91. The rule stated under Section 26 of The Sale of Goods Act, 1930 is subject to _____ exceptions.
- (a) 1
 - (b) 2

- (c) 3
 - (d) 4
92. The latin maxim "Nemo dat quod non habet" means _____.
- (a) An eye for an eye and a tooth for a tooth
 - (b) Never dare to quarrel with a good seller
 - (c) No one can give what he has not got
 - (d) Let the buyer beware.
93. Rules regarding delivery of goods are dealt in the _____ of The Sale of Goods Act, 1930.
- (a) Sections 33-39
 - (b) Sections 20-24.
 - (c) Sections 18-24
 - (d) Sections 33-32
94. Right of lien is to _____.
- (a) Retain possession
 - (b) Regain possession
 - (c) Remove possession
 - (d) Recharge possession
95. Non - Registration of a partnership firm _____.
- (a) Is a Criminal offence
 - (b) Renders the partnership illegal
 - (c) Is compulsory to activate the partnership
 - (d) Is not compulsory but desirable
96. A person who finds goods belonging to another and takes them into his custody _____.
- (a) Becomes the owner of those goods thereafter
 - (b) Is subject to the same responsibility as a bailee
 - (c) Is allowed to sell them and retain the money realized from such sale
 - (d) Has no obligation to return those goods, he may do so only a good gesture
97. Quasi – contracts arise _____.
- (a) Where obligations are created without a contract
 - (b) Where obligations are created under a contract

- (c) Out of natural causes
 - (d) Out of man-made causes
98. Discharge by mutual agreement may involve _____.
- (a) Novation
 - (b) Recission
 - (c) Alteration
 - (d) Novation, Recission and alteration

PART III

99. A & B are partners in a partnership firm. A introduced C, a former partner, as his partner to D. C remained silent at that moment, but later on informed D that he is actually a former partner of the firm. C had also issued public notice in the year of his retirement from the partnership firm. D, a trader supplied 500 refrigerators to the firm on credit. The credit period expired and D did not get the price of his supplies. D filed a suit against A & C for the recovery of price. In light of the above circumstances answer which of the following is correct:
- (a) C is liable for the price to D.
 - (b) C is liable for the price to D, irrespective of the fact, whether C remained silent or not.
 - (c) C is not liable for the price to D.
 - (d) None of the above.
100. H contracted with NIC Corporation for the erection of a number of houses. In calculating his price for the houses, H by mistake deducted a particular sum twice over. The corporation affixed its seal to the contract, which correctly represented its intention.
- (a) The contract is now binding.
 - (b) The contract can be avoided by H.
 - (c) There is no contract at all, since there is no consensus ad idem.
 - (d) The contract is not binding.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

- (i) Questions 101 to 116 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 117 to 132 are Fill in the blanks type and carry + 1 mark for each correct answer and -0.25 mark for each wrong answer.
- (iii) Questions 133 to 137 contain small paragraph / table followed by a question having only one correct answer and carries + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Question 138 to 150 are numerical based which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

101. An increase in the demand can result from:
- (a) a decline in market price.
 - (b) an increase in income.
 - (c) a reduction in the price of substitutes.
 - (d) an increase in the price of complements.
102. In the short run if a perfectly competitive firm finds itself operating at a loss, it will:
- (a) reduce the size of its plant to lower fixed costs.
 - (b) raise the price of its product.
 - (c) shut down.
 - (d) continue to operate as long as it covers its variable cost.
103. A competitive firm maximizes profit at the output level where:
- (a) price equals marginal cost.
 - (b) the slope of the firm's profit function is equal to zero.
 - (c) marginal revenue equals marginal cost.
 - (d) all of the above.
104. Which of the following is correct?
- (a) Normative economics is not concerned with value judgment.
 - (b) A market is a process that reconciles consumer decision, production decisions and labour decisions.
 - (c) A mixed economy has a certain level of government intervention in the economy along with private sector ownership of the economy.
 - (d) (b) and (c).

105. A necessity is defined as a good having:
- (a) a positive income elasticity of demand.
 - (b) a negative income elasticity of demand.
 - (c) an income elasticity of demand less than 1.
 - (d) an own price elasticity of demand less than 1.
106. In the long run any firm will eventually leave the industry if:
- (a) price does not at least cover average total cost.
 - (b) price does not equal marginal cost.
 - (c) economies of scale are being reaped.
 - (d) price is greater than long run average cost.
107. If a firm's average variable cost curve is rising, its marginal cost curve must be:
- (a) constant.
 - (b) above the total cost curve.
 - (c) above the average variable cost curve.
 - (d) all of the above.
108. You are given the following data:

Table 1

Output	Total Costs
0	0
1	15
2	30
3	45
4	60
5	75

The above data is an example of:

- (a) constant returns to scale.
 - (b) decreasing returns to scale.
 - (c) increasing returns to scale.
 - (d) globalization.
109. Which of the following is incorrect?
- (a) The central problem in economics is that of allocating scarce resources in such

- a manner that society's unlimited needs are satisfied as well as possible.
- (b) In mixed economy, the government and the private sector interact in solving the basic economic questions.
 - (c) Microeconomics best describes the study of the behaviour of individual agents.
 - (d) An important theme in economics is that market systems are better than command (socialistic) economies.
110. When a market is in equilibrium:
- (a) no shortages exist.
 - (b) quantity demanded equals quantity supplied.
 - (c) a price is established that clears the market.
 - (d) all of the above are correct.
111. Which among the following is incorrect?
- (a) India adopted planning as her way of life because she wanted to quicken industrialization and economic development with optimum utilization of resources and reduction of inequalities.
 - (b) Removal of poverty and the attainment of self reliance were two basic objectives of the fifth plan.
 - (c) India has never been able to achieve its targeted rate of growth.
 - (d) The Second plan was a very ambitious plan as seeds of industrialization were sowed.
112. Reserve Bank of India is the country's:
- (a) central bank.
 - (b) biggest commercial bank.
 - (c) biggest cooperative bank.
 - (d) all of the above.
113. In infrastructure of an economy we include:
- (a) power.
 - (b) transport.
 - (c) banking
 - (d) all of the above.
114. Find the odd one out:
- (a) State Bank of India.
 - (b) Reserve Bank of India.

- (c) Bank of Baroda.
 - (d) Bank of India.
115. Indian economy is mixed economy because:
- (a) agriculture and industry have both simultaneously developed in India.
 - (b) agriculture and industry have both developed in the public sector.
 - (c) private ownership and public ownership over means of production co-exist.
 - (d) any of the above.
116. What is the contribution of agriculture to National income in India?
- (a) 44%.
 - (b) 22%.
 - (c) 34%.
 - (d) 50%.

PART II

117. In a -----budget revenue equals expenditure.
- (a) balanced
 - (b) deficit
 - (c) surplus
 - (d) long term
118. Indian population registered a growth of 1.25% per annum during the decade -----.
- (a) 1941-51
 - (b) 1961-71
 - (c) 1971-81
 - (d) 1981-91
119. India's population recorded the maximum growth rate of 2.22 % per annum during the decade -----.
- (a) 1941-51
 - (b) 1961-71
 - (c) 1971-81
 - (d) 1981-91
120. Suppose India's GNP increased at an annual average rate of 6.6% during the Tenth plan, presuming that the growth rate of population is 2 per cent per annum; per capita income would increase at an annual average rate of-----.
- (a) 3.3%.

- (b) 4.6%.
 - (c) 6.6%.
 - (d) 2%.
121. About ----- area is rain fed in India.
- (a) one third
 - (b) one half
 - (c) two third
 - (d) three fourth
122. The industrial production has grown at an annual average rate of ----- during the planning period.
- (a) 10%
 - (b) 8%
 - (c) 3.5%
 - (d) 6.2%
123. After imposition of ceilings on the landholding in India, the total surplus area distributed has been of the order of -----.
- (a) 2.18 million hectares
 - (b) 2.98 million hectares.
 - (c) 5.58 million hectares.
 - (d) 10 million hectares.
124. Small scale sector contributes nearly _____ of the manufacturing exports in India.
- (a) 60%
 - (b) 35%
 - (c) 45%
 - (d) 20%
125. India's share in the world total services export in 2004 was -----%.
- (a) 5.2
 - (b) 1.9
 - (c) 8.2
 - (d) 3.5
126. Product method of calculating national income is also known as -----.
- (a) income method

- (b) value added method
 - (c) expenditure method
 - (d) distribution method
127. NDP is GDP minus _____.
- (a) depreciation.
 - (b) indirect taxes.
 - (c) subsidies
 - (d) NNP
128. At present direct taxes are around ----- % of GNP.
- (a) 10
 - (b) 15
 - (c) 12
 - (d) 5
129. Abolition of intermediaries and tenancy reforms are both parts of -----.
- (a) industrial reforms in India.
 - (b) external sector reforms in India.
 - (c) land reforms in India.
 - (d) banking reforms in India.
130. A sick industrial unit is one -----.
- (a) where most of the employees are sick.
 - (b) which is unable to perform its normal functions and activities of production of goods and services at a reasonable profit on a sustained basis.
 - (c) which is unable to make profits more than 10 percent of its capital employed.
 - (d) which borrows money from bank for its fixed assets.
131. BPO stands for -----.
- (a) Bharat Petro Organisation
 - (b) Business Process Outsourcing
 - (c) Big Portfolio Outsourcing
 - (d) Business Partners Organisation
132. India accommodates ----- percent of the world's population.
- (a) 16.7%
 - (b) 11.4%

- (c) 15.1%
- (d) 25.8%

PART III

Questions 133 to 135 are based on Figure 1 which shows production possibilities curve (PPC) for grape juice and wine.

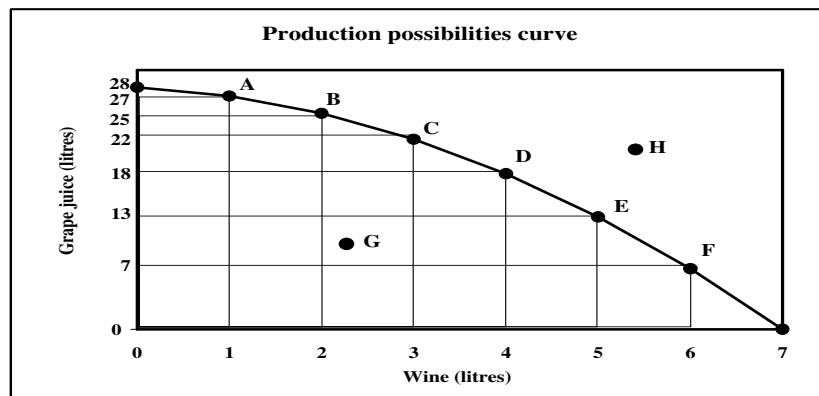


Figure 1

133. The opportunity cost of increasing wine production from D to E is:
 - (a) 0 litres of grape juice.
 - (b) 5 litres of grape juice.
 - (c) 1 litre of wine.
 - (d) 0.2 litres of wine.
134. Assuming that the PPC does not shift, which of the following is true?
 - (a) Point A is desirable but is inefficient.
 - (b) Point D represents a more efficient allocation of resources than points A and F.
 - (c) Point H is desirable but is not attainable.
 - (d) If wine production equals 7 litres, the maximum amount of grape juice that can be produced simultaneously is 28 litres.
135. The PPC in the diagram reflects:
 - (a) increasing opportunity cost of more wine production and constant opportunity cost of more grape juice production.
 - (b) increasing opportunity cost of more wine production and decreasing opportunity cost of more grape juice production.
 - (c) decreasing opportunity cost of more wine production and decreasing cost of more grape juice production.

- (d) increasing opportunity cost of more wine production and increasing cost of more grape juice production.

Read the following paragraph and answer questions 136 and 137.

John is Jacqueline's father. Both of them are unemployed. Jacqueline, a brilliant new Ph.D in Economics, has turned down many job offers because she hopes eventually to teach at one of the top ten universities in her field. John (now age 54) lost his job as a shipbuilder during the recession of 1991. His plant never reopened and he has very specialized skills that are no longer in demand.

136. The type of unemployment Jacqueline is experiencing is

- (a) frictional.
- (b) structural.
- (c) seasonal.
- (d) cyclical.

137. The type of unemployment John is experiencing is

- (a) frictional.
- (b) structural.
- (c) seasonal.
- (d) cyclical.

PART IV

138. In the table below what will be equilibrium market price?

Table 2

Price (Rs.)	Demand (tonnes per annum)	Supply (tonnes per annum)
1	1000	400
2	900	500
3	800	600
4	700	700
5	600	800
6	500	900
7	400	1000
8	300	1100

- (a) Rs.2
- (b) Rs.3

(c) Rs.4

(d) Rs.5

Read Table 3 and answer questions 139-143

Table 3

Labor Input	Output	Average Product	Marginal Product
0	0	---	---
2			25
4	90		
6	120		
8	140		
10		14	
12		10	

139. At a labor input of 2, output is:

(a) 25.

(b) 30.

(c) 50.

(d) 75.

140. At a labor input of 4, output per worker is:

(a) 20.

(b) 22.5.

(c) 45.

(d) 90.

141. At a labor input of 6, the marginal product of labor is:

(a) 120.

(b) 20.

(c) 15.

(d) 10.

142. Output per worker is maximized at a labour input of:

(a) 2

(b) 4

- (c) 6
(d) 8.
143. The firm's output is at a short run maximum at a labour input of :
- (a) 6
(b) 10
(c) 12
(d) 2

Table 4 provides cost and price information for a firm called Comfy Cushions (CC). The firm produces and sells cushions using a fixed amount of capital equipment but can change the level of inputs such as labour and materials. Read Table 4 and answer questions 144-150

Table 4

Production (Q)	Price per unit (P)	Total cost (TC)	Average total cost (ATC)	Marginal cost (MC)	Total revenue (TR)	Marginal Revenue per unit (MR)
0	250	500				
1	240	730				
2	230	870				
3	220	950				
4	210	1010				
5	200	1090				
6	190	1230				
7	180	1470				
8	170	1850				
9	160	2410				

144. What is the value of fixed cost incurred by CC?
- (a) Rs. 250
(b) Rs. 730
(c) Rs.500.
(d) can not be determined.

145. What is the average total cost when 5 units are produced?
- (a) Rs. 218.
 - (b) Rs.1090.
 - (c) Rs. 730.
 - (d) Rs.210.
146. What is the marginal revenue (per unit) when production increases from 7 units to 8 units?
- (a) 160.
 - (b) 140
 - (c) 120.
 - (d) 100.
147. What is the marginal cost when production increases from 3 to 4 units?
- (a) 140
 - (b) 80
 - (c) 60
 - (d) 240
148. To maximize its profit or minimize its loss, what level of production should CC choose?
- (a) 7 units.
 - (b) 6 units
 - (c) 4 units.
 - (d) 8 units.
149. At the profit maximizing level, what price should be charged?
- (a) Rs. 190
 - (b) Rs. 200
 - (c) Rs. 210
 - (d) Rs. 220
150. Calculate CC's maximum profit or minimum loss.
- (a) Loss of Rs. 100
 - (b) Loss of Rs 60
 - (c) Profit of Rs. 90
 - (d) Loss of Rs. 90

SECTION – D : QUANTITATIVE APTITUDE(50 MARKS)

- (i) Questions 151 to 160 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 161 to 170 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 171 to 200 are numerical based questions, which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

151. If $q : p$ is the sub duplicate ratio of $q - x^2 : p - x^2$ then x^2 is
- (a) $\frac{p + q}{pq}$
 - (b) $\frac{pq}{p - q}$
 - (c) $\frac{pq}{p + q}$
 - (d) None of these.
152. If $p : q = r : s$, implies $q : p = s : r$, then the process is called
- (a) Componendo.
 - (b) Invertendo.
 - (c) Alternendo.
 - (d) Dividendo.
153. The gender of a baby is an example of
- (a) A variable.
 - (b) A discrete variable.
 - (c) A continuous variable.
 - (d) An attribute.
154. The coefficient of correlation
- (a) Has no limits.
 - (b) Can be less than one.
 - (c) Can be more than one.

- (d) Varies between ± 1 .
155. If two events A and B are dependent, the conditional probability of B given A i.e., $P(B/A)$ is calculated as
- $P(AB)/P(B)$.
 - $P(A)/P(B)$.
 - $P(AB)/P(A)$.
 - $P(A)/P(AB)$.
156. Time reversal test is satisfied when
- $P_{01} \times P_{10} = 0$
 - $P_{01} \times P_{10} = 1$
 - $P_{01} \times P_{10} < 1$
 - $P_{01} \times P_{10} > 1$
157. The mean of binomial distribution is
- $(np)^2$
 - np
 - $\sqrt{np}$
 - None of these.
158. Standard deviation of poisson distribution is
- m
 - m^2
 - $\sqrt{m}$
 - $1/\sqrt{m}$
159. If A has 70 elements, B has 32 elements and $A \cap B$ has 22 elements then $A \cup B$ is
- 60
 - 124
 - 80
 - None of these.
160. Which of the following statements is not false?
- Scatter diagram fails to measure the extent of relationship between the variables.
 - Scatter diagram can measure correlation only when the variables are having a linear relationship.

- (c) Scatter diagram can measure correlation only when the variables are having a non-linear relationship.
- (d) None of these.

PART II

161. The value of the integral will be _____ for $\int \left(x - \frac{1}{x}\right)^2 dx$.
- (a) $\frac{x^3}{3} - 2x \frac{1}{x} + c$
 - (b) $\frac{x^3}{3} + 2x + \frac{1}{x} + c$
 - (c) $\frac{x^3}{3} - 2x - \frac{1}{x} + c$
 - (d) None of these.
162. The derivative of $\log x \cdot e^x$ is _____ .
- (a) $\frac{e^x}{x} + e^x (\log x)$
 - (b) $e^x \left(\frac{1}{x} - \log x \right)$
 - (c) $e^x (1 + \log x)$
 - (d) None of these.
163. The null set is given by _____.
- (a) ϕ
 - (b) $\{\phi\}$
 - (c) 0
 - (d) $\{0\}$
164. Quartiles are values dividing a given set of observations into _____ equal parts.
- (a) Two
 - (b) Four
 - (c) Six
 - (d) Ten
165. The data are known to be _____ if the data, as being already collected, are used by a different person or agency.

- (a) Primary
 - (b) Secondary
 - (c) Specialized
 - (d) Subsidiary
166. The amount of non responses is likely to be maximum in _____ method of collecting data.
- (a) Telephone interview method
 - (b) Personal interview method
 - (c) Mailed questionnaire method
 - (d) Observation method
167. If two variables x and y are independent then the correlation coefficient between x and y is _____.
- (a) Positive
 - (b) Negative
 - (c) Zero
 - (d) One
168. The slope of the equation $x - y + 5 = 0$ is _____.
- (a) 1
 - (b) -1
 - (c) 5
 - (d) -5
169. The correlation between height and intelligence is _____.
- (a) Zero
 - (b) Positive
 - (c) Negative
 - (d) None of these
170. The sixth term of a G.P with common ratio as 2 and first term being 5 is _____.
- (a) 160
 - (b) 32
 - (c) 800
 - (d) 64

PART III

171. The gradient of the curve $y=4x^2-2x$ at $x=1$ is
- (a) 4
 - (b) 6
 - (c) 8
 - (d) None of these.
172. Find the $f \circ g$ for the functions $f(x) = x^2$, $g(x) = x+1$
- (a) $x^2(x+1)$
 - (b) x^2
 - (c) $x+1$
 - (d) $(x+1)^2$
173. What is the annual rate of interest compounded annually doubles an investment in 2 years. Given that $\sqrt{2} = 1.4142135$.
- (a) 46.04125 %
 - (b) 14.142135
 - (c) 41.42135 %
 - (d) None of these .
174. $\log 8 + \log 9$ is expressed as
- (a) $\log 72$
 - (b) $\log 27$
 - (c) $\log 8/9$
 - (d) None of these.
175. The value of ${}^8C_4 + {}^5C_4$ is
- (a) 29
 - (b) 24
 - (c) 30
 - (d) 27
176. Determine the value of $\lim_{x \rightarrow 0} \left(\frac{10^x - 2^x}{x} \right)$
- (a) 2
 - (b) 10
 - (c) 5
 - (d) 8

177. Find the sum of progression 8,15,12 10 terms.
- (a) 40
 - (b) 45
 - (c) -45
 - (d) 42
178. In how many difference ways 3 letters can be formed using the letters of the words SPECIAL?
- (a) 5040
 - (b) 6
 - (c) 840
 - (d) 450
179. Determine the value of x for the equation $x^2 - 8x + 16 = 0$
- (a) 4, 4
 - (b) -4, -4
 - (c) 2, 6
 - (d) 6, 2
180. How much money should be invested to earn a monthly interest of Rs. 1800 at 9% per annum simple interest.
- (a) Rs. 120,000
 - (b) Rs. 240,000
 - (c) Rs. 200,000
 - (d) None of these.
181. Division of Rs. 1100 into 3 parts in the ratio of 4:5:6 is
- (a) 293.33, 366.67, 440
 - (b) 200 : 500 : 400
 - (c) 400 : 300 : 400
 - (d) None of these.
182. Evaluate $\int_{-3}^3 (x^3 + x) dx$
- (a) 0
 - (b) 3
 - (c) -3

- (d) 1
183. The denominator of a fraction exceeds the numerator by 7 and if the 2 is added to the denominator then the fraction becomes $\frac{4}{7}$. Find the fraction.
- (a) $\frac{12}{19}$
- (b) $\frac{7}{14}$
- (c) $\frac{9}{16}$
- (d) $\frac{11}{18}$
184. A firm plans purchase hens (x) for its canteen. There cannot be more than 20 hens. This can be shown by
- (a) $x \leq 20$
- (b) $x = 20$
- (c) $x \geq 20$
- (d) None of these.
185. Compute the value of 8!
- (a) 120
- (b) 362880
- (c) 720
- (d) 40320
186. The sum of progression (a+b), a, (a-b).....n term is
- (a) $\frac{n}{2} [2a+(n-1)b]$
- (b) $\frac{n}{2} [2a+(3-n)b]$
- (c) $\frac{n}{2} [2a+(3-n)]$
- (d) $\frac{n}{2} [2a+ (n-1)]$
187. The mean of binomial distribution is 4 and standard deviation $\sqrt{3}$. What is the value of

- p?
- (a) $\frac{1}{3}$
 - (b) $\frac{1}{4}$
 - (c) $\frac{1}{5}$
 - (d) $\frac{3}{4}$
188. If with a rise of 10% in prices the salaries are increased by 20%, the real salary increase is by
- (a) 10%
 - (b) More than 10%
 - (c) 20%
 - (d) Less than 10%
189. If A and B are mutually exclusive events and $P(A) = 0.3$ and $P(B) = 0.4$, find $P(A \cup B)$.
- (a) 0.12
 - (b) 0.7
 - (c) 0.3
 - (d) None of these.
190. Two variables x and y are related by $10x + 9y + 8 = 0$ and $\bar{x} = 5$, then $\bar{y}$ is
- (a) 6.33
 - (b) -6.33
 - (c) 6.44
 - (d) -6.44
191. The mean salary for a group of 20 female workers is Rs. 5000 per month and that for a group of 30 male workers is Rs. 6000 per month. What is combined mean salary?
- (a) Rs. 5400
 - (b) Rs. 5500
 - (c) Rs. 5600
 - (d) Rs. 5700
192. The weight of 8 students expressed in kg. are 40,35,50,45,46,39,41,42. Find median weight.
- (a) 40.5
 - (b) 41
 - (c) 41.5

- (d) 42
193. If the relationship between x and y is given by $4x - 6y = 13$ and if the median of x is 16. Find median of y .
- (a) 7.50
(b) 8.00
(c) 8.50
(d) None of these.
194. Refer following table:
Frequency distribution of weights of 16 students
- | Weight in kg.
(Class interval) | No. of students
(Frequency) |
|-----------------------------------|--------------------------------|
| 44 – 48 | 4 |
| 49 – 53 | 5 |
| 54 – 58 | 7 |
| Total | 16 |
- Find width of class interval for the second class interval.
- (a) 4
(b) 5
(c) 46
(d) 44 – 48
195. A bag contains 30 balls numbered from 1 to 30. One ball is drawn at random. The probability that the number of the drawn ball will be multiple of 5 or 7 is
- (a) $\frac{1}{2}$
(b) $\frac{1}{3}$
(c) $\frac{1}{4}$
(d) None of these.
196. A card is drawn from a pack of playing cards and then another card is drawn without the first being replaced. What is the probability of getting two kings?
- (a) $\frac{7}{52}$
(b) $\frac{1}{221}$
(c) $\frac{3}{221}$
(d) None of these.

197. A and B are two events such that $P(A) = 1/2$, $P(B) = 1/4$ and $P(A \cap B) = 1/5$. Find $P(A \cup B)$.
- (a) $4/5$
 - (b) $11/20$
 - (c) $3/5$
 - (d) None of these.
198. If $u = (x^3 + 1)^5$ and $y = (x^3 + 5x + 7)$ then $\frac{du}{dy}$ is
- (a) $\frac{10x(x^2 + 1)^4}{3x^2 + 5}$
 - (b) $\frac{10(x^2 + 1)^4}{3x^2 + 5}$
 - (c) $5x(x^2 + 1)^4$
 - (d) None of these.
199. Find Q_1 for the following observations.
14, 16, 13, 15, 20, 18, 19, 22
- (a) 14
 - (b) 14.25
 - (c) 15
 - (d) 15.25
200. If the coefficient of correlation between two variables is -0.2 , then the coefficient of determination is
- (a) 0.8
 - (b) 0.2
 - (c) 0.4
 - (d) 0.04



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-8/2006

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

Please follow the instructions given in each section carefully and answer the questions.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

- (i) Questions 1 to 10 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 11 to 20 are the fill in the blank based questions having four alternate answers and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 21 and 22 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Questions 23 to 60 are numerical based questions, which have answers as numerical values and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 1. It is generally assumed that the business will not liquidate in the near foreseeable future because of
 - (a) Periodicity.
 - (b) Materiality.
 - (c) Matching .
 - (d) Going concern.

2. Which of the following is correct?
 - (a) Capital is equal to assets plus liabilities.
 - (b) Assets is equal to liabilities minus capital.
 - (c) Liabilities is equal to capital plus assets.
 - (d) Capital is equal to assets minus liabilities.
3. Double column cash book records
 - (a) Only cash transactions.
 - (b) All transactions.
 - (c) Cash and bank transactions.
 - (d) Cash purchase and cash sale transactions.
4. Errors of commission do not permit:
 - (a) Correct totaling of the trial balance.
 - (b) Correct totaling of the Balance sheet.
 - (c) Trial balance to agree.
 - (d) None of the above.
5. All of the following have debit balance except one. That account is:
 - (a) Wages account.
 - (b) Debtors accounts.
 - (c) Bills payable account.
 - (d) Goodwill.
6. The term depletion is used for
 - (a) Fixed assets.
 - (b) Natural resources.
 - (c) Intangible assets.
 - (d) None of the three.
7. A bill of exchange requires
 - (a) Noting.
 - (b) Registration.
 - (c) Acceptance.
 - (d) None of the above

8. According to the provisions of Reserve Bank of India Act, a promissory note cannot be made payable to the:
- (a) Bank.
 - (b) Endorser
 - (c) Bearer.
 - (d) None of the above.
9. Rs.5,000 spent to remove a worn out part and replace it with a new one is
- (a) Capital expenditure.
 - (b) Revenue expenditure.
 - (c) Deferred revenue expenditure.
 - (d) None of the above
10. Outstanding salary account is:
- (a) Real account
 - (b) Personal account
 - (c) Nominal account
 - (d) None of the above

PART II

11. Drawings are deducted from _____
- (a) Sales
 - (b) Purchases.
 - (c) Expenses.
 - (d) Capital
12. The trail balance of Meghna shows the opening stock of Rs. 10,000, it will be _____
- (a) Debited to the trading account.
 - (b) Credited to the trading account.
 - (c) Deducted from closing stock in the balance sheet.
 - (d) Added to closing stock in the balance sheet.
13. Purchase returns appearing in the trial balance are deducted from _____
- (a) Sales returns.
 - (b) Capital.
 - (c) Sales.

- (d) Purchases.
14. _____ will generally show a debit balance.
- (a) Bank Loan.
 - (b) Bad debts recovered.
 - (c) Salary payable.
 - (d) Drawings.
15. Purchase of a fixed assets on credit basis is recorded in _____
- (a) Cash book.
 - (b) Purchases book.
 - (c) Journal proper.
 - (d) None of the above.
16. Accounting means recording of _____.
- (a) Transactions.
 - (b) Events.
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b).
17. Unless given otherwise, the ratio of sacrifice is the same as _____
- (a) New profit sharing ratio.
 - (b) Equal ratio
 - (c) Old profit sharing ratio.
 - (d) None of the above.
18. The ratio in which the continuing partners acquire the outgoing (retired or deceased) partner's share is called _____
- (a) Sacrificing ratio.
 - (b) Gaining ratio.
 - (c) New profit sharing ratio.
 - (d) Old profit sharing ratio.
19. A bill of exchange is called a _____ by one who is liable to pay it on the due date.
- (a) Bill receivable.
 - (b) Noted bill of exchange.
 - (c) Bill payable.
 - (d) None of the above.

20. The amount of calls in arrear is deducted from_____ to arrive at_____.
- (a) Issued capital, called up capital.
 - (b) Called up capital, issued capital.
 - (c) Paid up capital, called up capital.
 - (d) Called up capital, paid up capital

PART III

21. Smita places an order to Priya for supply of certain goods yet to be manufactured. On receipt of order, Priya purchases raw materials ,employs workers, produces the goods and delivers them to Smita. In this case, sale will be presumed to have been made at the time of
- (a) Receipt of order.
 - (b) Production of goods.
 - (c) Delivery of goods.
 - (d) Purchase of raw material.
22. If a machinery is purchased for Rs. 1,00,000, the asset would be recorded in the books at Rs. 1,00,000 even if its market value at that time happens to be Rs. 1,40,000. In case a year after, the market value of this asset comes down to Rs. 90,000, it will ordinarily continue to be shown at Rs 1,00,000 and not at Rs. 90,000 due to
- (a) Realization concept.
 - (b) Present value concept.
 - (c) Replacement concept.
 - (d) Cost concept.

PART IV

23. Mr. Shyam deposited a cheque on 28th March, 2006 for a sum of Rs.10,000. The cheque was collected on 4th April, 2006. If the bank balance as per cash book on 31st March, 2006 is Rs.1,00,000, balance as per pass book will be
- (a) Rs.1,10,000
 - (b) Rs.90,000
 - (c) Rs.1,00,000
 - (d) None of the above.
24. If cost of goods sold is Rs.1,00,000, sales is Rs.1,25,000, closing stock is Rs.20,000, the gross profit will be
- (a) Rs.45,000
 - (b) Rs. 5,000

- (c) Rs. 25,000
- (d) None of the three.
25. X enters into a joint venture with Y. The goods were purchased by X and Y amounting Rs.20,000 and Rs.40,000 respectively. Y incurred the expenses of Rs.5,000 and received cash of Rs.1,000. Goods were sold by X and Y amounting Rs.22,000 and Rs.39,000. Goods unsold were taken over by Y for Rs.2,000. The profit or loss on joint venture is
- (a) Profit of Rs. 2,000.
- (b) Loss of Rs. 2,000.
- (c) Profit of Rs. 1,000.
- (d) Loss of Rs.1,000
26. On 1st January, 2006, Mohan draws upon Sohan a bill of exchange at three months of Rs.2,000 for mutual accommodation. On 4th January, 2006 Mohan discounts the bill @ 6% per annum and sends half of the proceeds to Sohan. The amount of proceeds sent to Sohan will be
- (a) Rs.1,000
- (b) Rs.970
- (c) Rs.985
- (d) Rs.2,000.
27. ABC Ltd. sells goods to its approved customers on sale or return basis at a profit of 20% on sales, treating as actual sales. On 26th March, 2006 goods costing Rs.10,000 were sent to Annu Ltd. No confirmation has been received from Annu Ltd. till 31st March, 2006. The amount of stock with customers to be shown as closing stock in the balance sheet of ABC Ltd. as on 31st March, 2006 will be
- (a) Rs. 12,500
- (b) Rs. 8,000
- (c) Rs. 10,000
- (d) Nil
28. Somesh and Ramesh are equal partners. Their capitals are Rs.40,000 and Rs.80,000 respectively. The accounts of the year were closed before providing interest @ 5% per annum as per partnership agreement. To rectify this mistake they decided to pass an adjustment entry between the partners. Therefore, Somesh account need to be debited by
- (a) Rs.2,000
- (b) Nil
- (c) Rs.1,000

- (d) None of the above.
29. A,B and C are partners in the ratio of 3:2:1. D is admitted in the firm for $\frac{1}{6}$ th share in profits. C would retain his original share. The new profit sharing ratio between A,B,C and D will be
- (a) 12:8:5:5
 (b) 8:12:5:5
 (c) 5:5:12:8
 (d) 5:5:8:12.
30. Menu and Renu are partners sharing profits and losses in the ratio of 2:3 with capitals of Rs.20,000 and Rs.10,000. The partnership deed provides for interest on capital @ 6% per annum. Trading profits of the firm for the year ended 31st March, 2006 are Rs.1500. The amount of profit or loss apportioned between Menu and Renu are
- (a) Loss of Rs.300.
 (b) No profit no loss.
 (c) Profit of Rs.1,000.
 (d) Profit of Rs.1500.
31. A firm earns profit of Rs.1,10,000. The normal rate of return in a similar type of business is 10%. The value of total assets (excluding goodwill) and total outside liabilities are Rs.11,00,000 and Rs.1,00,000 respectively. The value of goodwill is
- (a) Rs.1,00,000
 (b) Rs.10,00,000
 (c) Nil.
 (d) None of the above.
32. The cost of stock as per physical verification of Bharat Ltd. on 10th April, 2006 was Rs.1,20,000. The following transactions took place between 1st April, 2006 to 10th April, 2006:
- | | |
|-------------------------|-----------|
| Cost of goods sold | Rs.10,000 |
| Cost of goods purchased | Rs.10,000 |
| Purchase returns | Rs.1,000 |
- The value of inventory as per books on 31st March, 2006 will be
- (a) Rs. 1,19,000.
 (b) Rs. 1,11,000.
 (c) Rs. 1,21,000.
 (d) Rs. 1,20,000.

33. The following data has been provided by Omega Ltd.:

Item No.	Units	Cost per unit	Realization value per unit
1	2	10	11
2	10	5	4
3	2	2	2

The value of inventory on item by item basis will be

- (a) Rs. 40.
(b) Rs.64.
(c) Rs.66.
(d) Rs.60.
34. Sushila's business disclosed the following profits for the last three years:
- | | |
|------|--|
| 2003 | Rs.40,000 (including an abnormal gain of Rs.5,000) |
| 2004 | Rs.50,000 (After charging an abnormal loss of Rs.10,000) |
- The value of goodwill on the basis of one year purchase of the average profit of last two years is:
- (a) Rs.45,000.
(b) Rs.37,500
(c) Rs.47,500
(d) None of the three.
35. Ram sells goods for Rs.1,00,000 to Hari on 1st January, 2006 and on the same day draws a bill on Hari at three months for the amount. Hari accepts it and returns it to Ram, who discounts it on 4th January, 2006 with his bank at 12% per annum. The discounting charges are:
- (a) Rs.12,000
(b) Rs.4,000
(c) Rs.3,000
(d) Nil
36. Nidhi started her business with capital of Rs.45,000 on 1st January, 2006. Interest on drawings Rs.5,000 and interest on capital Rs.2,000 were appearing in the Profit and Loss A/c for the year ended 31st December, 2006. Nidhi withdrew Rs.14,000 during the year and profit earned during the year amounted to Rs.15,000. Her capital on 31st December, 2006 is
- (a) Rs. 67,000.

- (b) Rs. 47,000.
 (c) Rs.45,000.
 (d) Rs. 43,000.
37. The accountant of M/s ABC & Bros. paid personal income tax for the proprietor amounting Rs.10,000. This income tax should be
- (a) To be added to capital.
 (b) To be credited to Profit & Loss Account.
 (c) To be debited to Trading Account.
 (d) To be deducted from capital.
38. Suresh's Trial balance provides you the following information:
- | | |
|------------------------------|-----------|
| Bad debts | Rs.10,000 |
| Provision for doubtful debts | Rs.15,000 |
- Suresh wants to make a provision of Rs.20,000 at the end of the year. The amount debited to the Profit & Loss Account is:
- (a) Rs. 45,000
 (b) Rs. 5,000
 (c) Rs. 15,000
 (d) None of the above.
39. Following are the extracts from the Trial Balance of a firm as at 31st March, 2006:
- | Name of Account | Debit Balance | Credit Balance |
|-----------------------------|---------------|----------------|
| | Rs. | Rs. |
| Salaries | 16,000 | |
| P.F. deducted from salaries | | 1,000 |
- Provide for employer's share of P.F. equivalent to employee's share to P.F. The amount at which salaries expense will be shown in the Profit and Loss A/c is
- (a) Rs.15,000
 (b) Rs.17,000
 (c) Rs.16,000
 (d) None of the above.
40. Dinesh Garments purchased a machine for Rs.50,000 and spent Rs.6,000 on its erection. On the date of purchase it was estimated that the effective life of the machine will be ten years and after ten years its scrap value will be Rs.6,000. The amount of depreciation for each year on straight line basis is

- (a) Rs.5,000.
 - (b) Rs. 5,600
 - (c) Rs.6,000
 - (d) None of the above.
41. Xeta Ltd. was formed as a Public Limited Company with an authorized capital of Rs.20,00,000 divided into shares of Rs.10 each. Xeta Ltd. issued fully paid up shares of Rs.10/- each in consideration of acquiring assets worth Rs.3,80,000 from M/s Rahim Bros. The shares are issued at a premium of 20%. To record this transaction, share capital need to be credited by
- (a) Rs.3,80,000
 - (b) Rs.76,000.
 - (c) Rs.2,00,000
 - (d) Rs.3,04,000
42. Mr. Rajiv was the holder of 200 shares of Rs.10 each in RPG Ltd. upon which Rs.5 per share had been called up but he had paid only Rs.2.5 per share thereon. The company forfeited his shares and afterwards sold them to Satbir, credited as Rs.5 per share paid for Rs.900. The amount to be transferred to capital reserve is:
- (a) Rs.300
 - (b) Rs.500
 - (c) Rs.400
 - (d) None of the above.
43. A Ltd. Company forfeited 1000 equity shares of Rs.10 each, issued at a discount of 10%, for non-payment of first call of Rs.2 and second call of Rs.3 per share. For recording this forfeiture, calls in arrear account will be credited by:
- (a) Rs. 4,000.
 - (b) Rs. 1,000.
 - (c) Rs. 5,000.
 - (d) Rs. 10,000.
44. A fire broke out on 30th March, 2006 in the godown of Mahesh stock of invoice value Rs.1,600 was destroyed. The goods are invoiced at 25% above cost. The insurance company admitted claim of 50% only. The insurance claim will be:
- (a) Rs. 640.
 - (b) Rs. 600.
 - (c) Rs. 800.
 - (d) None of the above.

45. Salary has been paid for 11 months from April 2005 to February, 2006 amounting Rs.22,000. The amount of outstanding salary shown in the balance sheet will be:
- (a) Rs.1833.
 - (b) Rs.2,000.
 - (c) Rs.1,000.
 - (d) None of the above.
46. On 1st April, 2005 Raghu invested capital of Rs.2,00,000. He withdrew Rs.50,000 during the year. Interest on drawings is provided @ 10% per annum. The amount of interest on drawings deducted from capital is:
- (a) Rs. 5,000
 - (b) Rs. 15,000
 - (c) Rs. 2,500
 - (d) Rs.7,500
47. The Bank Account of Mukesh was balanced on 31st March, 2006. It showed an overdraft of Rs.50,000. It was observed that one cheque amounting Rs.20,000 deposited but not collected by bank till 31st March. Bank charges of Rs.500 were also charged by the bank during March but accounted in the book of Mukesh on April 4, 2006. The bank statement of Mukesh shows balance of:
- (a) Rs.70,500
 - (b) Rs.69,500
 - (c) Rs.70,000
 - (d) Rs.50,000.
48. Rs.5,000 was spent by Mrs. Saroj for addition to machinery in order to increase the production capacity. The amount is:
- (a) Revenue in nature.
 - (b) Deferred revenue in nature.
 - (c) Capital in nature.
 - (d) Liability in nature.
49. Mr Prakash sells goods at 20% above cost. His sales were Rs.10,20,000 during the year. However, he sold damaged goods for Rs.20,000 costing Rs.30,000. This sale is included in Rs.10,20,000. The amount of gross profit is:
- (a) Rs. 1,90,000
 - (b) Rs.2,50,000
 - (c) Rs.2,40,000
 - (d) Rs.2,00,000.

50. The total of the debit and credit side of Mr. Rajiv as on 31st March, 2006 were Rs.20,000 and Rs.10,000 respectively. The difference was transferred to suspense account. On 4th April, 2006, it was found that the total of purchase returns book was carry forward as Rs.1,500 instead of Rs.1,400. The balance of the suspense account after the rectification of this error will be:
- (a) Rs.10,000.
 - (b) Rs. 9,900.
 - (c) Rs. 11,500.
 - (d) Rs.10,100.
51. Capital introduced by Mr. A on 1.4.2006 Rs. 3,00,000; further capital introduced during the year was Rs. 50,000 in the mid of the year. Mr. A withdrew Rs. 2,000 per month and the profit earned during the year was Rs. 20,000. Capital as on 31.3.2006 was
- (a) Rs. 3,94,000.
 - (b) Rs. 3,46,000.
 - (c) Rs. 2,94,000.
 - (d) None of the three.
52. Goods costing Rs10,000 sent out to consignee at Cost + 25%. Invoice value of the goods will be
- (a) Rs.12,500.
 - (b) Rs.12,000.
 - (c) Rs.10,000.
 - (d) None of the above.
53. A, B and C are the partners sharing profits in the ratio 1:1:2. C died on 30th June 2006 and profits for the accounting year ended on 31st December, 2006 were Rs. 24,000. How much share in profits for the period 1st January,2006 to 30th June,2006 will be credited to C's Account.
- (a) Rs. 12,000.
 - (b) Rs. 6,000.
 - (c) Nil.
 - (d) Rs. 3,000.
54. A purchased a car for Rs. 5,00,000, making a down payment of Rs. 1,00,000 and signing a bill payable of Rs. 4,00,000. As a result of this transaction
- (a) Assets will increase by Rs. 5,00,000.
 - (b) Liabilities will increase by Rs. 4,00,000.
 - (c) Assets will increase by Rs. 4,00,000.

- (d) Both (a) and (b).
55. Rekha purchased a machinery for Rs. 50,000 on 1.4.2006. She paid electricity and salary amounting Rs. 1,000 and Rs. 2,000 respectively. Telephone bill amounting Rs. 200 was outstanding on 31.3.2006. The amount of expenses for the year ended 31st March, 2006 will be
- (a) Rs. 53,200.
(b) Rs. 3,000.
(c) Rs. 53,000.
(d) Rs. 3,200.
56. Goods costing Rs. 10,000 is supplied to Ram at an invoice price of 10% above cost and a trade discount of 5%. The amount of sales is
- (a) Rs. 11,000.
(b) Rs. 10,450.
(c) Rs. 10,500.
(d) None of the above.
57. Gauri paid Rs. 1,000 towards a debt of Rs. 1,050, which was written off as bad debt in the previous year. Gauri's account should be credited with
- (a) 1,000.
(b) 1,050.
(c) Nil
(d) None of the three.
58. Ramesh, an employee of salary Rs. 10,000 per month withdrew goods worth Rs. 1,500 for personal use and got salary of Rs. 9,000 in cash in the month of March, 2006. The excess payment of Rs. 500 should be debited to
- (a) Salaries account.
(b) Goods account.
(c) Drawing account.
(d) Salaries paid in advance account.
59. An old furniture was purchased for Rs. 10,000 , it was repaired for Rs. 100. The repairs account should be debited by
- (a) Rs.10,000
(b) Rs.10,100
(c) Rs.100.
(d) Nil.

60. Rs. 1,000 paid as rent to Krishna, the landlord, was debited to Krishan's personal account. This error will
- (a) Affect the trial balance.
 - (b) Not affect the trial balance.
 - (c) Affect the suspense account.
 - (d) None of the three.

SECTION – B : MERCANTILE LAWS (40 MARKS)

- (i) Questions 61 to 79 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 80 to 98 are the fill in the blank based questions having four alternate answers and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 99 and 100 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

61. A wager means:
- (a) A promise to give money or money's worth upon the determination or ascertainment of an uncertain future event.
 - (b) A promise to give money or money's worth upon the determination or ascertainment of a certain future event.
 - (c) A promise to give money or money's worth upon the happening of future event the outcome if which is pre determined.
 - (d) A promise to give money or money's worth upon the non-happening of certain future events the outcome if which is pre determined.
62. Following conditions are implied in a contract of sale of goods unless the circumstances of the contract show a different intention:-
- (a) Condition as to wholesomeness.
 - (b) Sale by description as well as by sample.
 - (c) Condition as to quality or fitness.
 - (d) All of the above.
63. Jus in personam means:
- (a) A right against or in respect of a thing.
 - (b) A right against or in respect of a person.
 - (c) Both (a) and (b).
 - (d) None of the above.
64. Which of the following is not correct:
- (a) Partner of firm cannot enter into a contract with the partnership firm.
 - (b) A member of a company can enter into a contract with the company.

- (c) Partner of a firm can enter into a contract with the partnership firm.
 - (d) All of the above.
65. Relations of partners to one another is dealt is governed by the following Section of The Indian Partnership Act, 1932
- (a) 1-8.
 - (b) 9-17.
 - (c) 18-27.
 - (d) 28-36.
66. Delivery of goods in case of transit made by handing over documents of title to goods is
- (a) Actual Delivery.
 - (b) Constructive Delivery.
 - (c) Symbolic Delivery.
 - (d) All of the above.
67. Contracts may be classified on the basis of their validity, formation or performance. Contracts classified on the basis of performance are of the following types:
- (a) Executed Contracts.
 - (b) Executory Contracts.
 - (c) Partly Executed or Partly Executory Contracts.
 - (d) All of the above.
68. A share certificate
- (a) Allows the person named therein to transfer the share mentioned therein by mere endorsement on the back of the certificate.
 - (b) Allows the person named therein to transfer the share mentioned therein by mere delivery of the certificate.
 - (c) Allows the person named therein to transfer the share mentioned therein by mere endorsement on the back of the certificate and the delivery of the certificate.
 - (d) None of the above.
69. A person employed to do any act for another or to represent another in dealings with the third parties is:
- (a) Principal.
 - (b) Agent.
 - (c) Servant.
 - (d) Bailee.

70. Coercion involves:
- (a) Physical Force or Threat.
 - (b) Mental Pressure.
 - (c) Both (a) and (b).
 - (d) None of the Above.
71. Implied authority of the partner does not empower him to
- (a) Submit a dispute relating to the business of the firm to arbitration.
 - (b) Withdraw a suit or proceedings filed on behalf of the firm.
 - (c) Both (a) & (b).
 - (d) None of the above.
72. A proposal may be revoked in the following ways:
- (a) By notice of revocation.
 - (b) By lapse of time.
 - (c) By death or insanity.
 - (d) All of the above.
73. Which of the following is correct?
- (a) Recission must be communicated to the other party in the same manner as a proposal is communicated.
 - (b) Recission must be revoked in the same manner as a proposal is communicated.
 - (c) Communication of recission is optional.
 - (d) Both (a) & (b)
74. Which of the following statement is / are correct?
- (a) The general rule is “ unless otherwise agreed, the goods remain at the seller’s risk until the property therein is transferred to the buyer, but when the property therein is transferred to the buyer, the goods are at the buyer’s risk whether delivery has been made or not”.
 - (b) Where the delivery of the goods has been delayed through the fault of either the buyer or the seller, the goods are at the risk of the party in fault as regards any loss which might not have occurred but for such fault.
 - (c) In ordinary circumstances, risk is borne by the buyer only when the property in the goods passes over to him. However, the parties may by special agreement stipulate that risk will pass sometime after or before the property has passed.
 - (d) All of the above.

75. A fraudulently informs B that A's estate is free from incumbrance. B thereupon buys the estate. The estate is subject to mortgage. Now
- (a) B may avoid the contract.
 - (b) B may insist upon its performance.
 - (c) B may get the mortgage debt redeemed.
 - (d) All of the above.
76. Dissolution of a firm may take place in the following manner:
- (a) Compulsory dissolution.
 - (b) Dissolution by agreement.
 - (c) By intervention of the court.
 - (d) All of the above.
77. Dissolution by agreement is:
- (a) Dissolution by the adjudication of all the partners or of all the partners but one as insolvent.
 - (b) Dissolution as a result of any agreement between all the partners.
 - (c) Dissolution by the business of the firm becoming unlawful.
 - (d) All of the above.
78. Misrepresentation means and includes:
- (a) The positive assertion, in a manner not warranted by the information of the person making it, of that which is not true, though he believes it to be true.
 - (b) Any breach of duty, which, without an intention to deceive, gains an advantage to the person committing it, or any one claiming under him, by misleading another to his prejudice or to the prejudice of any one claiming under him.
 - (c) Causing, however innocently, a party to an agreement to make a mistake as to the substance of the thing which is the subject of the agreement.
 - (d) All of the above.
79. A person may be admitted as a new partner:-
- (a) In accordance with a contract between the existing partners or with the consent of all the existing partners.
 - (b) In accordance with a contract between the existing partners or with the consent of all the existing partners subject to the provisions of Section 30 of the Act.
 - (c) After obtaining specific approval of the Registrar of Firms & Societies, to this effect.
 - (d) By simply taking the consent of the new partner.

PART II

80. The Doctrine of Privity of Contract states that_____.
- (a) A contract cannot confer any right on one who is not a party to the contract, even though the very object of the contract may have been to benefit him
 - (b) A contract can confer right on one who is not a party to the contract, if the contract benefits him
 - (c) A contract always confers right on one who is not a party to the contract
 - (d) A contract can confer rights on strangers
81. A proposes by letter, to sell a house to B at a certain price. A revokes his proposal by telegram. The revocation is complete as against B when_____.
- (a) A writes the telegram but the same has not been sent to B
 - (b) A dispatches the telegram
 - (c) B receives the telegram
 - (d) B responds to the telegram
82. The Indian Contract Act, 1872 came into operation on and from_____.
- (a) 1st October, 1872
 - (b) 1st July, 1872
 - (c) 15th August, 1872
 - (d) 1st September, 1872
83. In case of a contract of guarantee_____.
- (a) There is only one contract
 - (b) There are two contracts
 - (c) There are three contracts
 - (d) There are actually only agreements and no contracts
84. In case of a sale the risk of loss resulting from the insolvency of the buyer is borne by_____.
- (a) The seller
 - (b) The buyer
 - (c) Both of the above
 - (d) General Insurance Company of India
85. Agreement to sale is an_____.
- (a) Executed contract
 - (b) Executory contract

- (c) Both of the above
 - (d) None of the above
86. Suit for specific performance & suit for injunction_____.
- (a) Are remedies which provide the same result
 - (b) Are different remedies and they provide different results
 - (c) Are not the correct way to act against the party committing the breach
 - (d) Are the only correct way to act against the party committing the breach
87. Contracting parties may not remain same in_____.
- (a) Remission
 - (b) Rescission
 - (c) Novation
 - (d) Alteration
88. The liabilities of a minor when admitted to the benefits of the partnership_____.
- (a) Is confined to his share of the profits and property in the firm
 - (b) Is same as that of any other partner in the firm
 - (c) Is similar as that of any other partner in the firm
 - (d) Is unlimited
89. Rescission means_____.
- (a) Substituting a new contract for the old one
 - (b) Cancellation of the old contract
 - (c) Modifying or altering the terms of contract such that it has the effect of substituting a new contract for the old one
 - (d) Dispensing away the performance of the promise made by the other party
90. Registration of a partnership firm is_____.
- (a) Compulsory from the beginning
 - (b) Not compulsory till first five years of beginning of the partnership
 - (c) Not compulsory at all
 - (d) Compulsory only if the Registrar of Firms, gives an order in this regard
91. A person to whom money has been paid, or anything delivered by mistake_____.
- (a) Becomes the owner of such money or those goods

- (b) Must repay the money or return those goods
 - (c) Is allowed to sell the goods and retain the money realized from such sale
 - (d) Has no obligation to return the money, he may do so only a good gesture
92. Delivery by attornment is _____.
- (a) Actual Delivery
 - (b) Constructive Delivery
 - (c) Symbolic Delivery
 - (d) Physical Delivery
93. In case of an agreement to sell, the aggrieved party_____.
- (a) Can sue for price
 - (b) Can sue for damages
 - (c) Can sue the buyer for injunction
 - (d) None of the above
94. Return of goods is possible in case of _____.
- (a) Sale
 - (b) Bailment
 - (c) Exchange
 - (d) None of the above
95. 'Buyer' means a person who_____.
- (a) Buys goods
 - (b) Agrees to buy goods
 - (c) Has bought goods
 - (d) Buys or agrees to buy goods
96. The appropriation must be made by_____.
- (a) The seller with the assent of the buyer
 - (b) The buyer with the assent of the seller
 - (c) The buyer or the seller with or without the assent of the other
 - (d) Both (a) & (b)
97. Partner by holding out is also known as_____.
- (a) Active Partner
 - (b) Dormant Partner
 - (c) Partner by estoppel

- (d) Partner by stoppage
98. Interest on capital subscribed by a partner may be provided for in the partnership deed is _____.
- (a) @ 6% per annum, provided it is payable only out of profits
- (b) @ 8% per annum, provided it is payable only out of profits
- (c) @ 8.5% per annum, provided it is payable only out of profits
- (d) At any rate, provided it is payable only out of profits

PART III

99. A had offered B, a price of Rs.10, 00,000/- for B's flat. But B was not ready to sell the flat at all. A says to B that "I shall kill you if you don't agree to sell me your house for Rs.10, 00,000/-". B thereafter did all that was the desire of A in order to save his life. What is immediate answer?
- (a) A can enforce the contract.
- (b) B can enforce the contract.
- (c) A has applied coercion.
- (d) The contract is unenforceable.
100. A had offered B, a price of Rs.10, 00,000/- for B's flat. But B was not ready to sell the flat at all. A says to B that "I shall kill you if you don't agree to sell me your house for Rs.10, 00,000/-". B thereafter did all that was the desire of A in order to save his life. Choose the most suitable statement for the purpose of finding out remedy for B.
- (a) A has applied coercion.
- (b) A has done fraud with B.
- (c) A is guilty of misbehaving with B.
- (d) A has an anti-social nature.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

- (i) Questions 101 to 116 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 117 to 132 are Fill in the blanks type and carry +1 mark for each correct answer and -0.25 mark for each wrong answer.
- (iii) Questions 133 to 137 contain small paragraph / table followed by a question having only one correct answer and carries + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Question 138 to 150 are numerical based which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

101. Which of the following statements is correct?
- (a) In a two-good economy, the production possibilities frontier reflects the maximum amount of one good that can be produced when a given amount of the other good is produced.
 - (b) Microeconomics is the study of the behaviour of the economy as a whole.
 - (c) Positive economics focuses on welfare of the people of a society.
 - (d) None of the above.
102. Which of the following is incorrect?
- (a) The cross elasticity of demand for two substitutes is positive.
 - (b) The income elasticity of demand is the percentage change in quantity demanded of a good due to a change in the price of a substitute.
 - (c) The cross elasticity of demand for two complements is negative.
 - (d) The price elasticity of demand is always negative, except for Giffen goods.
103. Which of the following situation does not lead to an increase in equilibrium price?
- (a) An increase in demand, without a change in supply.
 - (b) A decrease in supply accompanied by an increase in demand.
 - (c) A decrease in supply without a change in demand.
 - (d) An increase in supply accompanied by a decrease in demand.
104. "I am making a loss, but with the rent I have to pay, I can't afford to shut down at this point of time." If this entrepreneur is attempting to maximize profits or minimize losses, his behaviour in the short run is:
- (a) rational, if the firm is covering its variable cost.

- (b) rational, if the firm is covering its fixed costs.
 - (c) irrational, since plant closing is necessary to eliminate losses.
 - (d) irrational, since fixed costs are eliminated if a firm shuts down.
105. An individual firm in a perfectly competitive market faces a demand curve which is:
- (a) downward sloping.
 - (b) relatively inelastic.
 - (c) perfectly elastic.
 - (d) upward sloping.
106. A firm's production function :
- (a) shows how much output and the level of input required for the firm to maximize profits.
 - (b) establishes the minimum level of output that can be produced using the available resources.
 - (c) shows the maximum output that can be produced with a given amount of inputs with available technology.
 - (d) shows labour force which is employed
107. The law of diminishing returns:
- (a) states that beyond some level of a variable input, the average product of that variable input begins to increase steadily.
 - (b) assumes that there is technological improvement over time.
 - (c) states that beyond some level of a variable input, the marginal product of that variable begins to decrease steadily.
 - (d) informs a firm whether or not to use a factor input.
108. Which of the following is correct?
- (a) If marginal revenue is positive and falling, total revenue will rise at a decreasing rate.
 - (b) Total revenue is equal to price times the quantity sold.
 - (c) Under perfect competition, total revenue is equal to marginal revenue times the quantity sold.
 - (d) All of the above.

109. You are given the following data:

Table 1

Output	Total Costs
0	0
1	15
2	35
3	60
4	92
5	140

The above data is an example of:

- (a) decreasing returns to scale.
 - (b) constant returns to scale.
 - (c) increasing returns to scale.
 - (d) positive fixed costs.
110. Monopolies are allocatively inefficient because:
- (a) they restrict the output to keep the price higher than under perfect competition.
 - (b) they charge a price higher than the marginal cost.
 - (c) both (a) and (b) are correct.
 - (d) both (a) and (b) are incorrect.
111. Which of the following statements is correct?
- (a) Countries which are industrially well-developed generally have higher per capita income than countries which are not.
 - (b) India is a capital surplus economy.
 - (c) Agriculture sector need not depend upon industrial sector for its growth.
 - (d) None of the above.
112. EAS stands for
- (a) Easy Assistance scheme.
 - (b) Endless Assistance scheme.
 - (c) Employment Assurance Scheme.
 - (d) Employment Assessment scheme.

113. The effect of increase CRR will be reduced or nullified if:
- (a) Bank rate is reduced.
 - (b) securities are sold in the open market.
 - (c) SLR is increased.
 - (d) people do not borrow from non-banking institutions
114. Privatization in India has taken place in all of the cases except
- (a) CMC
 - (b) BALCO
 - (c) VSNL
 - (d) None of the above.
115. What percent of the sick units in India are big units?
- (a) 10 percent
 - (b) 2 percent
 - (c) 30 percent
 - (d) 98 percent.
116. Which among the following is an indirect tax?
- (a) Income tax
 - (b) Wealth tax
 - (c) Custom duty
 - (d) Gift tax

PART II

117. At the time of Independence and a number of years thereafter cotton textiles, jute and tea accounted for more than _____% of our export earnings.
- (a) 50
 - (b) 70
 - (c) 80
 - (d) 90
118. According to the latest available data, the bed-population ratio in India is -----per thousand population.
- (a) 3.2
 - (b) 9.5
 - (c) 11.5

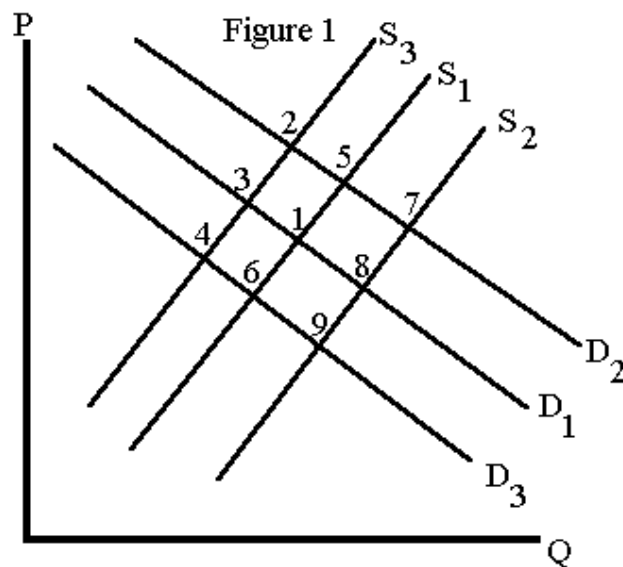
- (d) 20.3
119. According to the latest UNDP report, 2005 India's relative global rating on this index is ----- among 177 countries.
- (a) 150
(b) 177
(c) 127
(d) 5
120. According to the latest NSSO (2004) data, the percentage of people living below poverty line has _____ compared to the previous (1999) data.
- (a) increased
(b) remained same
(c) decreased
(d) can't say
121. According to the Tenth Plan estimates, around _____ million persons years were unemployed in 2001-02.
- (a) 40.72
(b) 12.12
(c) 45.12
(d) 34.85
122. As compared to the targeted growth rate of 8.2% per annum in industrial production, the actual growth rate was _____% per annum during the Ninth Plan.
- (a) 9.4
(b) 5.2
(c) 6.5
(d) 7.5
123. The value added by the industrial sector in the GDP (2004) is _____.
- (a) 26%.
(b) 12%.
(c) 19%.
(d) 32%.
124. The small scale sector in India employs nearly _____ lakh people.
- (a) 67
(b) 23

- (c) 100
(d) 283
125. GDP at factor cost is equal to GDP at market price minus indirect taxes plus _____.
- (a) depreciation
(b) direct taxes
(c) foreign investments
(d) subsidies
126. Net domestic expenditure is consumption expenditure plus _____.
- (a) net foreign investment
(b) net foreign investment plus net domestic investment
(c) net domestic investment
(d) replacement expenditure
127. Custom duties are levied on _____.
- (a) incomes of the individual
(b) production of goods
(c) export and import of goods
(d) incomes of the corporate
128. Demand for final consumption arises in _____.
- (a) household sector only
(b) government sector only
(c) both household and government sectors
(d) neither household nor government sector
129. The share of direct taxes in the gross tax revenue (Center and States combined) was _____% in 2005-06.
- (a) 66
(b) 34
(c) 25
(d) 75
130. According to census 2001 the sex ratio (number of females per 1000 males) in India is _____.
- (a) 933

- (b) 941
(c) 927
(d) 930
131. If cinema halls are making losses they should lower the ticket fares. The suggested remedy would only work if the demand for watching movies in cinema halls had a price elasticity of _____.
- (a) zero
(b) greater than zero but less than one.
(c) one
(d) greater than one
132. The Tenth Plan aims to reduce poverty ratio to _____% by 2007.
- (a) 12.3
(b) 19.3
(c) 14.3
(d) 18.3

PART III

Questions 133 to 137 are based on the demand and supply diagrams in Figure 1. S_1 and D_1 are the original demand and supply curves. D_2 , D_3 , S_2 and S_3 are possible new demand and supply curves. Starting from initial equilibrium point (1) what point on the graph is most likely to result from each change?



133. If Figure 1 represents the market for Mars Bars, the initial equilibrium is at the intersection of S1 and D1. The new equilibrium if there is an increase in cocoa prices will be:
- (a) Point 3
 - (b) Point 9
 - (c) Point 4
 - (d) Point 2.
134. In Figure 1 (which represents the market for Mars Bars), the initial equilibrium is at the intersection of S1 and D1. The new equilibrium if there is rapid economic growth and the government also imposes a tax on mars bars is:
- (a) Point 3.
 - (b) Point 9.
 - (c) Point 2.
 - (d) Point 6.
135. In Figure 1(which represents the market for Mars Bars), the initial equilibrium is at the intersection of S1 and D1. The new equilibrium if there is a health scare about the effect mars bars may have is:
- (a) Point 2.
 - (b) Point 9.
 - (c) Point 3.
 - (d) Point 6.
136. In Figure 1(which represents the market for Mars Bars), the initial equilibrium is at the intersection of S1 and D1. Assuming that mars bars are an inferior good, the new equilibrium if there is a recession and wages of workers producing them fall is :
- (a) Point 2
 - (b) Point 7
 - (c) Point 3
 - (d) Point 6
137. In Figure 1(which represents the market for Mars Bars), the initial equilibrium is at the intersection of S1 and D1. Assume that the price of sugar falls and at the same time there is a technological advancement in the production of mars bars. The new equilibrium will be:
- (a) Point 2
 - (b) Point 7

- (c) Point 3
- (d) Point 6

PART IV

138. A book seller estimates that if she increases the price of a book from Rs.60 to Rs.67, the quantity of books demanded will decrease from 2 035 to 1 946. The book's price elasticity of demand is approximately
- (a) 0.4
 - (b) 0.8
 - (c) 1.0
 - (d) 2.5
139. Concerned about the poor state of the economy, a car dealer estimates that if income decreases by 4 per cent, car sales will fall from 352 to 335. Consequently, the income elasticity of demand for cars is approximately
- (a) -1.2
 - (b) 0.01
 - (c) 0.4
 - (d) 1.2

A competitive firm sells as much as of its product as it chooses at a market price of Rs 200 per unit. Its fixed cost is Rs 600 and its variable costs (in rupees) for different levels of production are shown in the following table. Use Table 2 to answer questions 140-144.

Table 2

Quantity	Variable cost	Fixed cost	Total cost	Average variable cost	Average total cost	Marginal cost
0	0			-	-	-
5	500					
10	940					
15	1400					
20	1960					
25	2700					
30	3700					
35	5040					
40	6800					
45	9060					
50	11900					

140. When production is 40 units, the average total cost is
- (a) Rs. 8.80
 - (b) Rs.15
 - (c) Rs. 170
 - (d) Rs. 185
141. In the table marginal cost per unit that corresponds to 40 units of production is
- (a) Rs. 44
 - (b) Rs.170
 - (c) Rs.352
 - (d) Rs.1760
142. To maximize profit, the firm should produce
- (a) 15 units
 - (b) 30 units
 - (c) 35 units
 - (d) 50 units
143. If the market price drops from Rs 200 to Rs 112, the firm's short run response should be
- (a) shut down
 - (b) produce 5 units
 - (c) produce 20 units
 - (d) continue to produce the same number of units as before the drop in price.
144. If the market price rises from Rs 200 to Rs 352, the firm's short run response should be
- (a) shut down
 - (b) produce 40 units
 - (c) produce 20 units
 - (d) continue to produce the same number of units as before the increase in price.
145. Suppose a shopkeeper buys inputs worth Rs 2,00,000 and his sales are worth Rs 4,00,000 in a month. The input tax rate is 4% and output tax rate is 10%. What is Value added tax here after set off of input tax credit?
- (a) Rs. 32,000
 - (b) Rs 8000
 - (c) Rs. 4,0000
 - (d) Rs. 20,000

146. If the quantity of blankets demanded increases from 4600 to 5700 in response to a decrease in their price from Rs 220 to Rs 190, the price elasticity of demand for blankets is
- 0.69
 - 1.0
 - 1.46
 - 2.66
147. The cross elasticity of monthly demand for gel pen when the price of refills increases by 20% and demand for gel pens falls by 30% is equal to:
- 0.71
 - + 0.25.
 - 0.19.
 - 1.5.
148. The cross elasticity of monthly demand for ink pen when the price of gel pen increases by 25% and demand for ink pen increases by 50% is equal to:
- + 2.00.
 - 2.00.
 - 2.09.
 - + 2.09.

Read the following table and answer question number 149 -150.

Table 3

Number of products	Total utility	Marginal utility
0	0	-
1	3600	
2	6800	
3	9600	
4	12000	
5	14000	
6	15600	
7	16800	
8	17600	
9	18000	

149. What is marginal utility when consumption increases from 4 units to 5 units?

- (a) 3000.
- (b) 1200.
- (c) 2000.
- (d) 1500.

150. What is marginal utility when consumption increases from 8 units to 9 units?

- (a) 3000.
- (b) 400.
- (c) 2000.
- (d) 1500.

SECTION – D : QUANTITATIVE APTITUDE(50 MARKS)

- (i) Questions 151 to 160 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 161 to 170 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 171 to 200 are numerical based questions, which has answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

151. This method presents data with the help of a paragraph or a number of paragraphs.
- (a) Tabular presentation.
 - (b) Textual presentation.
 - (c) Diagrammatic representation.
 - (d) None of these.
152. If two events A and B are independent, the probability that they will both occur is given by
- (a) $P(A) + P(B)$
 - (b) $P(A) \times P(B)$
 - (c) $P(A) - P(B)$
 - (d) $P(A)/P(B)$
153. The normal curve is
- (a) Positively skewed.
 - (b) Negatively skewed.
 - (c) Symmetrical.
 - (d) All of these.
154. If x denotes height of a group of students expressed in cm. and y denotes their weight expressed in kg. , then the correlation coefficient between height and weight
- (a) Would be shown in kg.
 - (b) Would be shown in cm.
 - (c) Would be shown in kg. and cm.
 - (d) Would be free from any unit.

155. The base of $\log_6 13$ into the common logarithmic base is
- $\frac{\log_6 10}{\log_6 13}$
 - $\frac{\log_{10} 6}{\log_{10} 13}$
 - $\frac{\log_{10} 13}{\log_{10} 6}$
 - None of these .
156. Data collected on minority from the census reports are
- Primary data.
 - Secondary data.
 - Discrete data.
 - Continuous data.
157. The nationality of a person is an example of
- A variable.
 - A discrete variable.
 - A continuous variable.
 - An attribute.
158. The total sum of the values of a given year divided by the sum of the values of the base year is a
- Price index.
 - Quantity index.
 - Value index.
 - None of these.
159. Find the first derivative of $y = \log_e x$
- $\frac{1}{x}$
 - $e \cdot \log x$
 - $\frac{1}{x} e$
 - None of these.

160. Fisher's ideal index is
- (a) Arithmetic mean of Laspeyre's and Paasche's index.
 - (b) Median of Laspeyre's and Paasche's index.
 - (c) Geometric mean of Laspeyre's and Paasche's index.
 - (d) None of these.

PART II

161. _____ is the upper part of the table, describing the columns and sub columns.
- (a) Box head
 - (b) Stub
 - (c) Caption
 - (d) Body
162. The correlation between sale of cold drinks and day temperature is _____.
- (a) Zero
 - (b) Positive
 - (c) Negative
 - (d) None of these
163. In case of a _____, plotted points on a scatter diagram lie from lower left corner to upper right corner.
- (a) Zero correlation
 - (b) Negative correlation
 - (c) Positive correlation
 - (d) Simple correlation
164. The _____ the size of the sample more reliable is the result.
- (a) Medium
 - (b) Smaller
 - (c) Larger
 - (d) None of these
165. _____ are the values dividing a given set of observations into ten equal parts.
- (a) Quartiles
 - (b) Deciles
 - (c) Centiles
 - (d) None of these

166. Variance of a binomial distribution is always _____ its mean.
- Equal to
 - More than
 - Less than
 - None of these
167. If in binomial distribution mean is 10 and S.D. is 2, q will be _____.
- 0
 - 0.2
 - 0.8
 - 0.4
168. The sum of the following is _____ .
 $1+3-5+7+9-11+13\ldots\ldots\ldots 3n$ terms
- $2n^2+3$
 - $5n^2+2$
 - $3n^2-4n$
 - $3n^2$
169. If ${}^nP_3=60$ then value of n is _____.
- 5
 - 2
 - 1
 - 3
170. If one root of the equation $x^2+7x+p=0$ be reciprocal of the other then the value of p is _____.
- 1
 - 1
 - 7
 - 7

PART III

171. A person borrowed Rs. 4000 and after 6 months the amount paid was Rs. 4050, find the rate of interest.
- 5%
 - 25%

- (c) 2.5%
- (d) 20%
172. The value of $\frac{16x^{-1}}{4x^{2/3}}$ is
- (a) $4x^{-3/5}$
- (b) $4x^{5/3}$
- (c) $4x^{-5/3}$
- (d) None of these.
173. Evaluate $\int_0^{\pi/2} \sqrt{1+\cos x} \, dx$
- (a) 0
- (b) $\sqrt{2}$
- (c) $\frac{-1}{\sqrt{2}}$
- (d) 2
174. Find the value of x if $\frac{4}{5} : x : \frac{9}{2} : \frac{3}{4}$
- (a) $15/2$
- (b) $9/10$
- (c) $3/4$
- (d) None of these.
175. The fourth proportional to $2/3, 3/7, 4/9, \dots$ is
- (a) $2/7$
- (b) $14/8$
- (c) $7/2$
- (d) None of these.
176. The solution set of equations $3x+4y=7$ and $4x-y=3$, is
- (a) 1, 1
- (b) -1, 1
- (c) 2, 1
- (d) -1, 2

177. A dealer has only Rs.5760 to invest in fans (x) and sewing machines (y). The cost per unit of fans and sewing machine is Rs.360 and Rs.240 respectively. This can be shown by
- $360x + 240y \geq 5760$
 - $360x + 240y \leq 5760$
 - $360x + 240y = 5760$
 - None of these.
178. Find the value of $8! / 5!$
- 663
 - 363
 - 336
 - None of these.
179. If $A=\{1,2,3,4\}$ and $B=\{2,4\}$ then $A \cap B$ can be written as
- ϕ
 - $\{1,3\}$
 - $\{2,4\}$
 - $\{0\}$
180. Compute the value of $\lim_{x \rightarrow 1} \left(\frac{x^2 + 3x + 2}{x^3 + 2x^2 - x + 1} \right)$
- 5
 - 9
 - 7
 - 2
181. Find $g \circ f$ for the functions $f(x) = \sqrt{x}$, $g(x) = 2x^2 + 1$
- $2x^2 + 1$
 - $2x + 1$
 - $2x^2 + 1)(\sqrt{x})$
 - $\sqrt{x}$
182. Two variables x and y are related by $5x + 2y + 5 = 0$ and $\bar{x} = 5$, then $\bar{y}$ is
- 10
 - 10

- (c) 15
(d) -15
183. What is the median for the following observations? 10,16,12,18,22,8
(a) 12
(b) 14
(c) 16
(d) None of these
184. The variables x and y are related by $5x+6y=70$ and median of x is 8. What is the median of y ?
(a) 4
(b) 4.5
(c) 5
(d) 5.5
185. Find Q_1 for the following observations.
7,9,5,4,10,15,14,18,6,20
(a) 4.75
(b) 5.25
(c) 5.75
(d) 6.25
186. If $y=4+3x$ and mode of x is 25, what is the mode of y ?
(a) 75
(b) 25
(c) 79
(d) 89

187. Refer following table:

Frequency distribution of weights of 16 students

Weight in kg. (Class interval)	No. of students (Frequency)
44 – 48	4
49 – 53	5
54 – 58	7
Total	16

Find Frequency density of the second class interval.

- (a) 0.80
 - (b) 0.90
 - (c) 1.00
 - (d) 1.10
188. The coefficient of correlation between two variables is 0.5, then the coefficient of determination is
- (a) 0.5
 - (b) 0.25
 - (c) -0.5
 - (d) $\sqrt{0.5}$
189. A bag contains 30 balls numbered from 1 to 30. One ball is drawn at random. The probability that the number of the drawn ball will be multiple of 3 or 7 is
- (a) $7/15$
 - (b) $13/30$
 - (c) $1/2$
 - (d) None of these.
190. A card is drawn from a pack of playing cards and then another card is drawn without the first being replaced. What is the probability of getting two hearts?
- (a) $1/17$
 - (b) $1/4$
 - (c) $2/17$
 - (d) None of these.
191. A pair of dice is thrown. What is the probability that the sum of the numbers obtained is more than 10 ?
- (a) $1/18$
 - (b) $1/9$
 - (c) $1/12$
 - (d) None of these.
192. If the relationship between x and y is given by $4x+5y=10$ and the range of x is 15, what would be the range of y?
- (a) 10
 - (b) 11

- (c) 12
(d) 13
193. Which term of the progression 1,2,4 , 8..... is 64
(a) 7
(b) 5
(c) 6
(d) 9
194. Evaluate the integral of $\int x.e^x dx$
(a) $e^x(x^2+1) +c$
(b) $e^x(x+1) +c$
(c) $e^x(2x+1) +c$
(d) $e^x(x-1) +c$
195. A letter lock has three rings each marked with 10 different letters. In how many ways it is possible to make an unsuccessful attempt to open the lock ?
(a) 1000
(b) 999
(c) 5040
(d) None of these.
196. Find the effective rate of interest if $I=Rs.1800$, $P=18000$, $t=1$ year
(a) 10%
(b) 9%
(c) 18%
(d) None of these.
197. The length of the perpendicular from the point (2, 5) on the line $4x-3y+18=0$ is
(a) 2.7
(b) 2.5
(c) 2.2
(d) 2.1

198. If $x^2 e^y + 4 \log x = 0$ then $\frac{dy}{dx}$ is

(a) $\frac{e^y 2x^2 + 4 + 8x}{x^3 e^y}$

(b) $\frac{e^y 2x^2 - 4}{x^3 e^y}$

(c) $\frac{-e^y 2x^2 - 4}{x^3 e^y}$

(d) None of these.

199. Find $\frac{dy}{dx}$, when $y=10x^8$

(a) $80x^7$

(b) $10x^7$

(c) $80x^8$

(d) None of these.

200. Evaluate $\lim_{x \rightarrow 0} \frac{9^x - 3^x}{4^x - 2^x}$

(a) $\frac{\log 3}{\log 2}$

(b) $\frac{\log 4}{\log 2}$

(c) $\frac{\log 9}{\log 2}$

(d) $\frac{\log 3}{\log 4}$



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-9/2006

Time : 4 hours

Maximum Marks :200

The test is divided into four sections.

Please follow the instructions given in each section carefully and answer the questions.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

- (i) Questions 1 to 10 have only one correct answer and carry +1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 11 to 20 are the fill in the blank based questions having four alternate answers and carry +1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 21 and 22 contain small paragraph / table followed by a question having only one correct answer and carry +1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Questions 23 to 60 are numerical based questions, which have answers as numerical values and carry +1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 1. During the life time of an entity, accountants prepare financial statements at arbitrary points of time as per
 - (a) Prudence.
 - (b) Consistency.
 - (c) Periodicity.
 - (d) Matching.

2. Real accounts relate to assets of the firm and not
 - (a) Machinery.
 - (b) Debt.
 - (c) Receivables.
 - (d) None of the three.
3. On March 31, 2006 Amit purchased a typewriter from Arvind for Rs. 8,000. This is
 - (a) An event.
 - (b) A transaction.
 - (c) A transaction as well as an event.
 - (d) Neither a transaction nor an event.
4. Profit leads to increase in
 - (a) Assets.
 - (b) Capital.
 - (c) Both (a) and (b).
 - (d) Neither (a) nor (b).
5. Vikas & Co. account is a
 - (a) Personal account.
 - (b) Real account.
 - (c) Personal account.
 - (d) None of the above
6. Depreciation arises because of
 - (a) Fall in the market value of the asset.
 - (b) Fall in the value of money.
 - (c) Physical wear and tear of the asset.
 - (d) None of the three.
7. A promissory note does not require
 - (a) Noting.
 - (b) Discounting.
 - (c) Acceptance
 - (d) None of the above
8. Which of the following accounts will have credit balance?
 - (a) Sale returns.

- (b) Bills receivable.
 - (c) Carriage inwards.
 - (d) Outstanding wages.
9. Which of the following errors is an error of omission?
- (a) Sale of Rs. 5,000 was written in the purchases journal.
 - (b) Wages paid to Shyam has been debited to his account.
 - (c) The total of the sales journal has not been posted to the sales account.
 - (d) None of the above
10. Prepaid salary has a
- (a) Credit balance.
 - (b) Debit balance.
 - (c) Negative balance.
 - (d) None of the above

PART II

11. The equality of debits and credits of the _____ does not mean that the individual accounts are also accurate.
- (a) Bank reconciliation statement.
 - (b) Cash book.
 - (c) Trial balance.
 - (d) None of the three.
12. Change in the method of depreciation is change in _____ .
- (a) Accounting estimate.
 - (b) Accounting policy.
 - (c) Measurement discipline.
 - (d) None of the above.
13. Credit balance in the cash book means _____ .
- (a) Overdraft as per pass book.
 - (b) Favourable balance as per pass book.
 - (c) Both (a) and (b).
 - (d) None of the above.

14. Sale of scrap of raw materials appearing in the trial balance are shown on the credit side of _____
- (a) Trading account.
 - (b) Manufacturing account.
 - (c) Profit and loss account.
 - (d) None of the three.
15. Goodwill is _____
- (a) Current asset.
 - (b) Fictitious asset.
 - (c) Tangible asset.
 - (d) Intangible asset.
16. Joint venture account is _____.
- (a) Personal account.
 - (b) Real account.
 - (c) Nominal account.
 - (d) None of the three.
17. Abnormal loss on consignment is credited to _____
- (a) Profit and loss account.
 - (b) Consignee's account.
 - (c) Consignment account.
 - (d) None of the three.
18. When money is withdrawn from the bank, the bank _____ the account of the customer.
- (a) Credits.
 - (b) Debits.
 - (c) Either (a) or (b).
 - (d) None of the three.
19. _____ days of grace are allowed in case of time bills for calculating date of maturity.
- (a) 2
 - (b) 4
 - (c) 3
 - (d) 5

20. The cash discount allowed to a debtor should be credited to
- (a) Discount account.
 - (b) Customer's account.
 - (c) Sales account.
 - (d) None of the above.

PART III

21. Huge Ltd. issued 25,000 equity shares of Rs.100 each at a premium of Rs.15 each payable as Rs.25 on application, Rs.40 on allotment and balance in the first call. The applications were received for 75,000 equity shares but the company issued to them only 25,000 shares. Excess money was refunded to them after adjustment for further calls. Last call on 500 shares were not received and were forfeited after due notice. The above is the case of
- (a) Over subscription.
 - (b) Pro-rata allotment.
 - (c) Forfeiture of shares.
 - (d) All of the above
22. A, B and C are partners in the firm sharing profits and loss in 5:3:2 ratio. The firm's balance sheet as on 31.3.2006 shows the Reserve balance of Rs.25,000, Profit of the last year Rs. 50,000, Joint Life policy of Rs.10,00,000, fixed assets of Rs. 12,00,000. On 1st June C died and on the same date assets were revalued. The executor of the deceased partner will get along with the capital of C
- (a) Share in the Reserves account the firm.
 - (b) Proportionate share of profit upto the date of death.
 - (c) Share in Joint life policy.
 - (d) All of the above.

PART IV

23. A machine purchased on 1st January 2003 at Rs.15,00,000, having useful life of 15 years was depreciated on straight line basis. On 1st January 2006, the same machine was revalued upward by Rs.3 lacs. The amount of depreciation for the year 2006 will be
- (a) Rs.1,25,000.
 - (b) Rs.1,00,000.
 - (c) Rs.1,20,000.
 - (d) Rs.1,50,000.

24. At the end of the accounting year, material A costing Rs.10,000 was having net realisable value of Rs.9,500 only, while material B costing Rs.12,000 was having a net realisable value of Rs.13,000 in the market and material C costing Rs.15,000 was having net realisable value of Rs.14,000 only. The total amount of closing stock will be
- (a) Rs.37,000.
 - (b) Rs. 35,500.
 - (c) Rs. 36,500.
 - (d) Rs. 38,000.
25. Atul purchased goods costing Rs. 50,000 at an invoice price, which is 50% above cost. On invoice price he enjoyed 15% trade discount and Rs.3,750 cash discount on cash payment of goods in lump sum at the time of purchase. The purchase price to be recorded in the books before cash discount will be
- (a) Rs. 75,000.
 - (b) Rs. 60,000.
 - (c) Rs.63,750.
 - (d) Rs. 50,000.
26. A cheque of Rs.35,000 received by M/s Nandini was endorsed to M/s Chandini on account of full settlement of Rs.35,500 on 1st October 2006. Chandini deposited the same into the bank on 4th October 2006. In the books of M/s Chandini, the amount to be debited on 1st October 2006 will be
- (a) Cash account Rs.35,000 and Discount account Rs.500.
 - (b) Bank account Rs.35,000 and Discount account Rs.500.
 - (c) Cash account Rs.35,500.
 - (d) Bank account Rs.35,500.
27. If repair cost of a building is Rs.15,000, whitewash expenses are Rs. 10,000, cost of extension of building is Rs.5,00,000 and cost of improvement in electrical wiring system is Rs.25,000. The amount to be expensed is
- (a) Rs. 50,000.
 - (b) Rs. 5,50,000.
 - (c) Rs. 25,000.
 - (d) Nil
28. An amount of Rs.6,000 due from Anshul , which had been written off as a bad debt in a previous year, was unexpectedly recovered, and had been posted to the personal account of Anshul. The rectification entry will be
- (a) Anshul'S A/c Dr. Rs.6,000, To Suspense A/c Rs.6,000.

- (b) Suspense A/c Dr. Rs.6,000, To Bad debts recovered A/c Rs.6,000.
 - (c) No rectification entry required.
 - (d) Anshul's A/c Dr. Rs.6,000, To Bad debts recovered A/c Rs.6,000.
29. There was difference in the bank column of cash book and pass book by Rs.2,500. On scrutiny it was found that interest of Rs.500 charged directly by the bank was not entered in the cash book. The same was adjusted in the cashbook before reconciliation statement. Now, in the bank reconciliation statement, this interest of Rs. 500 is to be
- (a) Added to the cash book balance.
 - (b) Subtracted from the cash book balance.
 - (c) Ignored while preparing bank reconciliation statement.
 - (d) None of the above.
30. Opening stock of raw material of a manufacturing concern is Rs.10,000, Purchase during the year is Rs.2,00,000, Wages Rs. 50,000, Carriage Rs.5,000, Factory overheads Rs.1,25,000 and closing stock of raw material is Rs. 15,000. The amount to be transferred is
- (a) Rs. 3,75,000 to cost of goods manufactured account.
 - (b) Rs.3,75,000 to cost of goods sold account.
 - (c) Rs. 3,75,000 to cost of sales account.
 - (d) Rs. 3,75,000 to cost to company account.
31. Mr. A consigned goods costing Rs.2,50,000 to Mr. B at an invoice price of Rs.3,00,000. The goods were to be sold at invoice price or above. Mr. B sold some of the goods at invoice price of Rs.2,00,000 and some at 10% above cost i.e. Rs.1,10,000. For this he gets 5% commission. The amount of commission is
- (a) Rs.18,000.
 - (b) Rs.15,000.
 - (c) Rs.12,500.
 - (d) Rs.15,500.
32. 1,000 kg of oranges are consigned to a wholesaler, the cost being Rs.8 per kg, plus Rs. 925 of freight. It is concluded that a loss of 15% is unavoidable. The cost per kg of orange will be
- (a) Rs. 9.41.
 - (b) Rs. 10.00.
 - (c) Rs. 10.50.
 - (d) Rs. 8.93.

33. Ajay bought goods of the value of Rs 20,000 and consigned them to Bijay to be sold by them on a joint venture, profits being divided equally. Ajay draws a bill on Bijay for an amount equivalent to 80% of cost on consignment. The amount of bill will be:
- (a) Rs.16,000
 - (b) Rs.20,000.
 - (c) Rs.4,000.
 - (d) Cannot be determined.
34. A machine purchased on 1.4.2003 for Rs.10,00,000 was depreciated on straight line basis over its useful life of 10 years. On 1.4.2005, it was found that machine is in a good condition and will be used in the production for another 10 years. The amount of depreciation for the year ending 31.3.2006 will be
- (a) Rs.1,00,000.
 - (b) Rs.80,000.
 - (c) Rs.83,333.
 - (d) Rs.66,667.
35. X of Kolkata sends out goods costing 100,000 to Y of Mumbai at cost + 25%. Consignor's expenses Rs 2000. $\frac{3}{5}$ th of the goods were sold by consignee at 85000. Commission 2% on sales + 20% of gross sales less all commission exceeds invoice value. Amount of commission will be:
- (a) Rs.3,083.
 - (b) Rs.3,000.
 - (c) Rs.2,500.
 - (d) Rs.2,000.
36. Anuj bought goods of the value of Rs 10,000 and consigned them to Bittu to be sold by them on a joint venture, profits being divided equally, Anuj paid Rs 1,000 for freight and insurance. Anuj draws a bill on Bittu for Rs 10,000. Anuj got it discounted at Rs 9,500. Bittu sold the goods for Rs 15,000. Commission payable to Bittu Rs 500. The amount to be remitted by Bittu to Anuj will be:
- (a) Rs.12,500
 - (b) Rs.13,000
 - (c) Rs.14,500
 - (d) Rs.13,500
37. On 1.12.05 X draw a bill on Y "for 30 days after sight". The date of acceptance is 8.12.05. The due date of the bill will be:
- (a) 8.01.06.

- (b) 10.1.06.
 (c) 11.1.06.
 (d) 9.1.06.
38. Mr. Aakash draws a bill on Mr. Yash for Rs 30,000 on 1.1.06 for 3 months. On 4.2.06. Mr. Aakash got the bill discounted at 12%. The amount of discount will be:
 (a) Rs.900
 (b) Rs.600
 (c) Rs.300
 (d) Rs.650
39. On 1.6.05 X draw a bill on Y for Rs.25,000. At maturity Y request X to accept Rs.5,000 in cash and noting charges incurred Rs.100 and for the balance X draw a bill on Y for 2 months at 12% p.a. Interest amount will be:
 (a) Rs.410.
 (b) Rs.420.
 (c) Rs.440.
 (d) Rs.400.
40. R sends out goods costing Rs.2,00,000 to K. Consignor's expenses Rs.5,000. Consignee's expenses in relation to sales Rs 2,000. $\frac{4}{5}$ th of the goods were sold at 20% above cost. The profit on consignment will be:
 (a) Rs.26,000
 (b) Rs.32,000
 (c) Rs.26,200
 (d) Rs.(6,000)
41. Ansh and Vansh enter into a joint venture to sell a consignment of biscuits sharing profits and losses equally. Ansh provides biscuits from stock Rs 10,000. He pays expenses amounting to Rs 1,000. Vansh incurs further expenses on carriage Rs 1,000. He receives cash for sales Rs 15,000. He also takes over goods to the value of Rs 2,000. Profit on venture will be
 (a) Rs.3,000
 (b) Rs.5,000
 (c) Rs.6,000
 (d) Rs.3,500
42. Prakash Ltd. issued 15,000, 15% debentures of Rs.100 each at a premium of 10%, which are redeemable after 10 years at a premium of 20%. The amount of loss on redemption of debentures to be written off every year is

- (a) Rs.15,000.
 - (b) Rs.30,000.
 - (c) Rs.45,000.
 - (d) Rs.22,500.
43. Varun Ltd. sends goods to his customers on Sale or Return recording it as a sale at the time of sending it for approval. During 2006, Varun Ltd. send goods to customers for Rs.1,00,000 on sale or return basis, at cost plus 33.33%. On September 2006. a letter of approval was received from a customer for Rs. 40,000. In this respect, entry will be
- (a) Debtors account debited and sales account credited with Rs.40,000.
 - (b) Sales account debited and debtors account credited with Rs.40,000.
 - (c) No entry is required for receiving the letter of approval from the customer.
 - (d) Entry will be made at the end of the year.
44. The profits of last three years are Rs. 42,000; Rs. 39,000 and Rs. 45,000. Capital employed is Rs. 4,00,000 and normal rate of return is 10%. The amount of goodwill calculated on the basis of super profit method for three years of purchase will be.
- (a) Rs. 2,000.
 - (b) Rs. 4,000.
 - (c) Rs. 6,000.
 - (d) Rs. 8,000.
45. Tista Ltd. has issued 14% Debentures of Rs.10,00,000 at a discount of 10% on April 01, 2004 and the company pays interest half-yearly on June 30, and December 31 every year. On March 31, 2006, the amount shown as "interest accrued but not paid" in the Balance Sheet will be
- (a) Rs.35,000 shown along with Debentures .
 - (b) Rs.70,000 under current liabilities.
 - (c) Rs.1,40,000 shown along with Debentures.
 - (d) Rs.10,000 under current liabilities.
46. Anny and Bunny enter into a joint venture sharing profit and losses in the ratio 1:1. Anny purchased goods costing Rs 20,000. Bunny sold the goods for Rs 25,000. Anny is entitled to get 1% commission on purchase and Bunny is entitled to get 5% commission on sales. The profit on venture will be:
- (a) Rs. 3,550.
 - (b) Rs. 3,600.
 - (c) Rs. 3,400.
 - (d) Rs.3,800.

47. A, B & C are equal partners. They wanted to change the profit sharing ratio into 4:3:2. They raised the goodwill Rs. 90,000 but they want to immediately write it off. The effected accounts will be
- (a) C's capital account debit and A's capital account credit with Rs.10,000.
 - (b) B's capital account debit and A's capital account credit with Rs.10,000
 - (c) C's capital account debit and B's capital account credit with Rs.10,000
 - (d) A's capital account debit and C's capital account credit with Rs.10,000
48. X and Y share profits and losses in the ratio of 2:1. They take Z as a partner and the new profit sharing ratio becomes 3:2:1. Z brings Rs.4,500 as premium for goodwill. The full value of goodwill will be
- (a) Rs. 4,500.
 - (b) Rs. 18,000.
 - (c) Rs. 27,000.
 - (d) Rs. 24,000.
49. Hum and Tum are partners sharing profits and losses in the ratio 5:3. On admission, Woh brings Rs. 70,000 cash and Rs. 48,000 against goodwill. New profit sharing ratio between Hum, Tum and Woh are 7:5:4. The sacrificing ratio between Hum:Tum will be
- (a) 3:1.
 - (b) 4:7.
 - (c) 5:4.
 - (d) 2:1.
50. Mr. Big who was the holder of 200 equity shares of Rs.100 each on which Rs.75 per share has been called up could not pay his dues on allotment and first call each at Rs.25 per share. The Directors forfeited the above shares and reissued 150 of such shares to Mr. Small at Rs.65 per share paid-up as Rs.75 per share. The amount to be transferred to Capital Reserve account will be
- (a) Rs.1,500.
 - (b) Rs. 2,250.
 - (c) Rs. 5,000.
 - (d) Nil.
51. A company issued 15,000, 9% preference shares of Rs.100 each at 5% discount and 2,00,000 equity shares of Rs.10 each at 10% premium. Full amount was received from the applicants in one instalment. The net balance of securities premium account will be
- (a) Rs. 75,000.
 - (b) Rs. 1,25,000.

- (c) Rs. 2,00,000.
 - (d) Cannot be determined.
52. Anju Ltd. forfeited 300 equity shares of Rs.10 each fully called-up, held by Manju for non-payment of final call @ Rs. 4 each. However, she paid application money @ Rs.2 per share and allotment money @ Rs.4 per share. These shares were originally issued at par. The amount to be credited to Share forfeiture account will be
- (a) Rs.1,200.
 - (b) Rs.3,000.
 - (c) Rs.4,200.
 - (d) Rs.1,800.
53. Raj, Jai and Hari are the partners sharing profits in the ratio 7:5:4. Hari died on 30th June 2006 and profits for the accounting year 2005-2006 were Rs. 24,000. How much share in profits for the period 1st April 2006 to 30th June 2006 will be credited to Hari's Account.
- (a) Rs. 6,000.
 - (b) Rs. 1,500.
 - (c) Nil.
 - (d) Rs. 2,000.
54. 10,000 equity shares of Rs. 10 each were issued to public at a premium of Rs.2 per share. Applications were received for 12,000 shares. Amount of securities premium account will be
- (a) Rs.20,000.
 - (b) Rs.24,000.
 - (c) Rs.4,000.
 - (d) Rs.1600
55. A company offers to the public 10,000 shares for subscription. The company receives application for 12,000 shares. If the shares are allotted on pro-rata basis, then applicants for 12,000 shares are to be allotted as
- (a) 4 shares for every 5 shares applied.
 - (b) 2 shares for every 3 shares applied.
 - (c) 5 shares for every 6 shares applied.
 - (d) 3 shares for every 4 shares applied.
56. The Board of Directors of a company decides to issue minimum number of equity shares of Rs. 10 each at 10% discount to redeem Rs.5,00,000 preference shares. The

maximum amount of divisible profits available for redemption is Rs. 3,00,000. The number of shares to be issued by the company will be

- (a) 20,000 shares.
 - (b) 22,223 shares.
 - (c) 18,182 shares.
 - (d) 25,000 shares.
57. Rich Ltd. had 3,000, 12% Redeemable preference shares of Rs. 100 each, fully paid-up. The company issued 25,000 equity shares of Rs.10 each at par and 1,000 14% debentures of Rs. 100 each. All amounts were received in full. The payment was made in full. The amount to be transferred to Capital Redemption Reserve Account is
- (a) Nil.
 - (b) Rs.2,00,000.
 - (c) Rs.3,00,000.
 - (d) Rs.50,000.
58. Koina Ltd. issued 15,00,000, 12% debentures of Rs.50 each at premium of 10% payable as Rs.20 on application and balance on allotment. Debentures are redeemable at par after 6 years. All the money due on allotment was called up and received. The amount of premium will be
- (a) Rs.3,00,00,000.
 - (b) Rs.2,25,00,000.
 - (c) Rs.75,00,000.
 - (d) Rs.5,25,00,000.
59. G Ltd. purchased land and building from H Ltd. for a book value of Rs.2,00,000. The consideration was paid by issue of 12% Debentures of Rs.100 each at a discount of 20%. The debentures account is credited with
- (a) Rs.2,60,000
 - (b) Rs.2,50,000
 - (c) Rs.2,40,000
 - (d) Rs.1,60,000
60. Win Ltd. issued 20,000, 8% debentures of Rs.10 each at par, which are redeemable after 5 years at a premium of 20%. The amount of loss on redemption of debentures to be written off every year will be
- (a) Rs.40,000.
 - (b) Rs.10,000.
 - (c) Rs.20,000.
 - (d) Rs.8,000.

SECTION – B : MERCANTILE LAWS (40 MARKS)

- (i) Questions 61 to 79 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 80 to 98 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 99 and 100 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

61. An agency is said to be irrevocable where agency cannot be terminated or put to an end. An agency is irrevocable in the following cases:
- (a) Where the agency is coupled with interest and the interests exists before the creation of the agency or where the agent has incurred personal liability.
 - (b) Where the agency is coupled with interest but the interest arises after the creation of the agency or where the agent has incurred personal liability.
 - (c) Where the agent has incurred personal liability.
 - (d) None of the above.
62. Which of the following is correct:
- (a) A wagering agreement is void.
 - (b) A contingent contract is valid.
 - (c) A wagering agreement is void while a contingent contract is valid.
 - (d) None of the above.
63. The heir of the deceased partner
- (a) Has a right to become a partner in the firm of the deceased partner.
 - (b) Does not have a right to become a partner in the firm of the deceased partner.
 - (c) Can become a partner in the firm of the deceased partner only if the surviving partners give their consent in this regard.
 - (d) Both (b) & (c).
64. In case of an agreement to sale, if the seller becomes insolvent while the goods are in his possession, the buyer's remedy
- (a) Is to claim the goods from the official receiver or assignee.
 - (b) Is to claim dividend from the estate of the seller for the price paid.
 - (c) Is not available .

- (d) Is to file a suit for damages.
- 65. The following are goods as per Section 2(7) of the Sale of Goods Act, 1930:
 - (a) Trademark.
 - (b) Goodwill.
 - (c) Patent.
 - (d) All of the above
- 66. An unpaid seller loses the right of lien under the following circumstances:
 - (a) Where the seller so conducts himself that he leads third parties to believe that the lien does not exist.
 - (b) Where seller has waived the right of lien.
 - (c) Where the buyer or his agent lawfully obtains possession of the goods.
 - (d) All of the above.
- 67. Essentials involved in appropriation of the goods are
 - (a) The goods should conform to the description and the quality stated in the contract.
 - (b) The goods must be in a deliverable state.
 - (c) The goods must be unconditionally appropriated to the contract either by delivery to the buyer or to his agent or the carrier.
 - (d) All of the above.
- 68. Which of the following is not correct:
 - (a) Coercion involves physical force.
 - (b) Undue influence involves physical force.
 - (c) Coercion need not be directed at the promisor.
 - (d) Undue influence is always exercised between the parties to the contract.
- 69. State which of the following is correct:
 - (a) There is not much difference in the nature of a partnership from the nature of a HUF.
 - (b) There is considerable difference in the nature of a partnership from the nature of a HUF.
 - (c) There is difference in the nature of a partnership from the nature of a HUF because unlike the nature of a HUF, the nature of a partnership is voluntary and contractual.
 - (d) There is not much difference in the nature of a partnership from the nature of a HUF because both involve a certain interest of a particular individual.
- 70. One person can contract with himself or with himself and others jointly
 - (a) No at least two persons or parties must be involved.

- (b) Yes as the contract is between the individual and others jointly.
 - (c) Yes if there is a formal agreement.
 - (d) None of the above.
71. The cardinal principle of partnership law implies that
- (a) The business must be carried on by all the partners or by anyone or more of the partners acting for all.
 - (b) The business may be carried on by all the partners acting for all.
 - (c) The business may be carried on by anyone or more of the partners acting for all.
 - (d) The business must be carried on in accordance with the decided profit (loss) sharing ratio.
72. In case of a public company
- (a) There should be at least seven members and maximum number of members should not exceed fifty.
 - (b) There should be at least seven members and maximum number of members should not exceed hundred.
 - (c) There should be at least two members and maximum number of members should not exceed fifty.
 - (d) There should be at least seven members and there is no restriction on the maximum number of members.
73. Silent is fraudulent in the following cases:
- (a) If the circumstances of the case are such that, regard being had to them, it is the duty of the person keeping silence to speak.
 - (b) Where the circumstances are such that silence is in itself equivalent to speech.
 - (c) Both (a) and (b).
 - (d) None of the above.
74. An agency can be created by the following ways:
- (a) Agency by actual authority.
 - (b) Agency by ratification.
 - (c) Agency by ostensible authority.
 - (d) All of the above.
75. The features of a Quasi Contract are as follows:
- (a) Such contracts do not arise from any agreement of the concerned parties. It is imposed by law.

- (b) Such a right is always a right to money, very often a right to a liquidated sum of money.
 - (c) It is a right available against a particular person or persons only, not against the world at large.
 - (d) All of the above.
76. An agency coupled with interest does not come to an end in case of the following:
- (a) Death of the principal.
 - (b) Insanity of the principal.
 - (c) Insolvency of the principal.
 - (d) All of the above.
77. The test of good faith as provided under Section 33(1) of the Indian Partnership Act, 1932 requires the following:
- (a) That the expulsion must be in the interest of the partnership.
 - (b) That the partner to be expelled is served with a notice.
 - (c) That he is given an opportunity of being heard.
 - (d) All of the above.
78. The relationship of principal and agent may arise by
- (a) Express or implied agreement.
 - (b) Ratification.
 - (c) Operation of law.
 - (d) All of the above.
79. The following are the essential elements which need to co-exist in order to make a valid contract:
- (a) Offer & Acceptance.
 - (b) Intention to create legal acceptance.
 - (c) Capacity of parties – competency.
 - (d) All of the above.

PART II

80. The essential elements of a partnership_____.
- (a) Must Coexist before a partnership can come into existence
 - (b) May be brought in within a reasonable time of a partnership coming into existence
 - (c) May be brought in any time either during the creation of partnership or even thereafter

- (d) May not coexist before a partnership can come into existence, but they must coexist within one year of a partnership coming into existence
81. In case of bailment, _____.
- (a) Property in goods passes to the bailee at the time of contract
 - (b) Property in goods passes to the bailee upon the payment of the last installment
 - (c) Property in goods can pass to the bailee at any time after the contract
 - (d) Property in goods does not pass to the bailee and instead there is transfer of possession of goods takes place from bailor to the bailee for a specific reason
82. There are _____ kinds of delivery
- (a) Three
 - (b) Four
 - (c) Five
 - (d) Two
83. The maxim 'delegatus non potest delegare' means _____.
- (a) A person whom authority has been given cannot delegate the authority to another
 - (b) A person whom authority has been given can delegate the authority to another with prior permission
 - (c) A person whom authority has been given to indemnify agent for injury caused by principal's neglect can be delegated
 - (d) An authority can be delegated under protest by the person to whom authority has been given
84. A registered firm cannot claim a set off exceeding the _____ in a proceeding instituted against the firm or any partner thereof.
- (a) Rupees 1000/-
 - (b) Rupees 100/-
 - (c) Rupees 500/-
 - (d) Rupees 10,000/-
85. In case of an agreement to sell, the ownership in the goods remains with _____.
- (a) The buyer
 - (b) The seller
 - (c) Both the buyer and the seller
 - (d) The Central Government or the State Government, as the case may be

86. When two parties exchange identical offers in ignorance at the time of each other's offer, the offers are called _____.
(a) Standing Offer
(b) Open Offer
(c) Identical Offers
(d) Cross Offer
87. Goods which are to be manufactured or produced or acquired by the seller after making the contract of sale are known as _____.
(a) Specific Goods
(b) Existing Goods
(c) Future Goods
(d) Unascertained Goods
88. A person who is mentally deranged due to some mental strain or other personal experience and suffers from intermittent intervals of sanity and insanity is _____.
(a) Idiot Person
(b) Lunatic Person
(c) Intoxicated Person
(d) All of the above
89. Expulsion of a partner, which is not in accordance with provisions of Section 33 of the Indian Partnership Act, 1932 is _____.
(a) Null and void
(b) Null and void to some extent
(c) Is unconstitutional
(d) In good faith and in the interest of the partnership
90. The matter relating to passing of property in case of goods sent on approval or 'on sale or return' basis is dealt in the Section _____ of The Sale of Goods Act, 1930.
(a) 25
(b) 26
(c) 24
(d) 20
91. Dissolution of partnership means _____.
(a) Dissolution of partnership between all the partners of a firm

- (b) Insolvency of all the partners
 - (c) Both of the above
 - (d) None of the above
92. If the buyer is insolvent, _____.
- (a) The seller cannot exercise the right of stoppage in transit
 - (b) The seller cannot exercise the right of lien
 - (c) The seller can exercise the right of lien
 - (d) The seller can exercise the right of stoppage in transit
93. There can be a stranger to a consideration but not a stranger to a contract signifies that a consideration may move from _____.
- (a) Promisee or any other person
 - (b) Promisee
 - (c) Promisor
 - (d) An independent person
94. A Hindu widow borrowed money from a lender for the purpose of filing a suit for maintenance. The lender advanced money at 100 percent rate of interest. The act of the money lender is induced by _____.
- (a) Coercion
 - (b) Undue Influence
 - (c) Fraud
 - (d) Misrepresentation
95. The law dealing with the partnerships is contained in _____.
- (a) The Indian Partnership Act, 1932
 - (b) The Indian Partnership Act, 1930
 - (c) The Indian Partnership Act , 1872
 - (d) The Indian Partnership Act, 2006
96. When performance of promise becomes impossible or illegal by occurrence of an unexpected event or change of circumstances beyond the contemplation of parties, the contract becomes void. The situation is dealing with _____.
- (a) Remission
 - (b) Recission
 - (c) Supervening Impossibility
 - (d) Alteration

97. X,Y,Z are partners in a firm and X becomes insolvent. Than _____.
- (a) The firm has to dissolve by default
 - (b) The firm may not be dissolved unless there is any agreement between the partners to do so
 - (c) The status of the firm becomes illegal from the date of adjudication of X as an insolvent
 - (d) X remains a partner, unless the firm is dissolved
98. A contingent contract is _____.
- (a) A contract to do something if some event collateral to such contract does or does not happen
 - (b) A contract not to do something if some event collateral to such contract does or does not happen
 - (c) A contract to do or not to do something if some event collateral to such contract does or does not happen
 - (d) A contract to do or not to do something if some event collateral to such contract does not happen

PART III

99. Arun had deposited a bag in the cloak room of a railway station by paying Rs.50/-. On the face of the ticket, issued to him. Were inscribed "see reverse for terms & conditions". Clause 10 of the printed Terms & Conditions limited the liability of the company for loss of a baggage to Rs.100/-. The bag was lost and Arun claimed Rs.650/- as its value.
- (a) Arun was not bound by the conditions on the back of the ticket as he had not read them at all.
 - (b) Arun was bound by the conditions on the back of the ticket even if he had not read them.
 - (c) Arun was not bound by the conditions on the back of the ticket as his claim was 13 times more than the compensation offered to him by the railway company.
 - (d) Arun was bound by the conditions on the back of the ticket as he had not read them in full.
100. A & B become partners for 16 years. A pays B a premium of Rs.5,000/-. At the end of 8 years there is dispute between A & B and they declare a dissolution.
- (a) A can get back entire amount of the premium paid by him to B.
 - (b) A can get back a reasonable part of the premium.
 - (c) A can get back Rs.2,500/- from B.
 - (d) A cannot get back any amount of the premium paid by him.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

(i)	Questions 101 to 116 have only one correct answer and carry +1 mark each for correct answer and – 0.25 mark for each wrong answer.
(ii)	Questions 117 to 132 are Fill in the blanks type and carry +1 mark for each correct answer and -0.25 mark for each wrong answer.
(iii)	Questions 133 to 137 contain small paragraph / table followed by a question having only one correct answer and carries +1 mark each for correct answer and – 0.25 mark for each wrong answer.
(iv)	Question 138 to 150 are numerical based which has answers as numerical value and carry +1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

101. Which of the following statements is correct?
- (a) Unlike normative economics, positive economics is based on objective analysis of economic issues.
 - (b) The opportunity cost of a good is the quantity of other goods sacrificed to get another unit of that good.
 - (c) Microeconomics emphasizes interactions in the economy as a whole.
 - (d) None of the above.
102. Which of the following is incorrect?
- (a) The production possibilities frontier shows the maximum combination of outputs that the economy can produce using all the recourse available.
 - (b) Increasing opportunity cost implies a production possibility frontier concave to the origin.
 - (c) Free markets are the markets in which the governments do not intervene.
 - (d) All of the above are correct.
103. With the same amount of resources, a farmer can feed the following combinations of goats and horses:

	Goats	Horses
Option I	168	44
Option II	150	50

Given the option available with him, what is the opportunity cost to the farmer of feeding one horse?

- (a) 1 goat.

- (b) 3 horses.
 - (c) 3 goats.
 - (d) 18 goats.
104. A draught in India leads to unusually low level of wheat production. This would lead to a rise in the price of wheat and fall in the quantity of wheat demanded due to:
- (a) excess demand at the original price.
 - (b) excess supply at the original price.
 - (c) the supply curve shifting to the right.
 - (d) the demand curve shifting to the left.
105. If the elasticity of demand for a commodity is perfectly inelastic then which of the following is incorrect?
- (a) The commodity must be essential to those who purchase it.
 - (b) The commodity must have many substitutes.
 - (c) The commodity will be purchased regardless of increase in its price.
 - (d) The elasticity of demand for this commodity must equal zero.
106. If a good has price elasticity greater than one then:
- (a) demand is unit elastic and a change in price does not affect sellers' revenue.
 - (b) demand is elastic and a change in price causes sellers' revenue to change in the opposite direction.
 - (c) demand is inelastic and a change in price causes sellers' revenue to change in the same direction.
 - (d) None of the above is correct.
107. The law of diminishing returns implies that:
- (a) for each extra unit of X consumed, holding constant consumption of other goods, total utility increases.
 - (b) total utility remains unchanged regardless of how many units of X are consumed.
 - (c) marginal utility will increase at a constant rate as more units of X are consumed.
 - (d) each extra unit of X consumed, holding constant consumption of other goods, adds successively less to total utility.
108. Which of the following is correct?
- (a) Firms that earn accounting profits are economically profitable.
 - (b) Opportunity cost plus accounting cost equals economic cost.
 - (c) When a firm's demand curve slopes down marginal revenue will rise as output rises.

- (d) Firms increase profits by selling more output than their rivals.

109. You are given the following data:

Table 1

Output	Total Costs
0	0
1	15
2	28
3	38
4	46
5	54

The above data is an example of:

- (a) decreasing returns to scale.
 - (b) constant returns to scale.
 - (c) increasing returns to scale.
 - (d) positive fixed costs.
110. Which of the following statements is incorrect?
- (a) If marginal revenue exceeds marginal cost the firm should increase output.
 - (b) If marginal cost exceeds marginal revenue the firm should decrease output.
 - (c) Economic profits are maximized when total costs are equal to total revenue.
 - (d) Profits are maximized when marginal revenue equals marginal cost.
111. Which of the following involve a trade-off?
- (a) Taking a nap
 - (b) All of these answers involve trade-offs.
 - (c) Watching a football game on Saturday afternoon
 - (d) Going to university
112. When some people in a society are unwilling to work at the prevailing wage rate and there are people who have income from property or some other sources and need not work, such people are:
- (a). casually unemployed.
 - (b). chronically unemployed.
 - (c). voluntarily unemployed.

- (d). disguisedly unemployed.
113. If out of 100 people in the labour force, 92 are in the work force, the number of people unemployed is:
- (a). 8.
 - (b). 192.
 - (c). 100.
 - (d). 92
114. NIXI stands for:
- (a). National Internet Exchange of India.
 - (b). National International Exchange of India.
 - (c). National Institute of Exchange of Indian goods.
 - (d). None of the above.
115. If demand for goods is services is more than their supply, the resultant inflation is:
- (a). cost push inflation.
 - (b). stagflation.
 - (c). deflation.
 - (d). demand pull inflation.
116. As against the target of 4000 crore disinvestment in 2004-05, the actual disinvestment has been:
- (a) 5000 crore.
 - (b) 2765 crore.
 - (c) 1567 crore.
 - (d) 4000 crore.

PART II

117. Trade-offs are required because wants are unlimited and resources are _____.
- (a) economical.
 - (b) unlimited.
 - (c) efficient.
 - (d) scarce
118. If an increase in the price of blue jeans leads to an increase in the demand for

tennis shoes, then blue jeans and tennis shoes are _____.

- (a). complements.
 - (b). inferior goods.
 - (c). normal goods.
 - (d). substitutes.
119. Consumer surplus is the area _____.
- (a). below the demand curve and above the price.
 - (b). above the supply curve and below the price.
 - (c). above the demand curve and below the price.
 - (d). below the supply curve and above the price.
120. A rational person does not act unless -----.
- (a) the action is ethical.
 - (b) the action produces marginal costs that exceed marginal benefits.
 - (c) the action produces marginal benefits that exceed marginal costs.
 - (d) the action makes money for the person
121. Suppose you find Rs 100. If you choose to use Rs.100 to go to a football match, your opportunity cost of going to the game is _____.
- (a) nothing, because you found the money.
 - (b) Rs. 100 (because you could have used Rs.100 to buy other things) plus the value of your time spent at the game.
 - (c) Rs 100 (because you could have used the Rs 100 to buy other things) plus the value of your time spent at the game, plus the cost of the dinner you purchased at the game.
 - (d) Rs.100 (because you could have used the Rs.100 to buy other things).
122. If a fisherman must sell all of his daily catch before it spoils for whatever price he is offered, once the fish are caught the fisherman's price elasticity of supply for fresh fish is _____.
- (a) zero.
 - (b) infinite.
 - (c) one.
 - (d) unable to be determined from this information.
123. If consumers always spend 15 percent of their income on food, then the income elasticity of demand for food is _____.
- (a) 1.50.

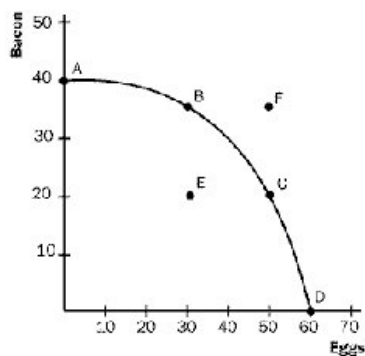
- (b) 1.15.
 - (c) 1.00
 - (d) 0.15.
124. If marginal revenue exceeds marginal cost, a monopolist should _____.
- (a) increase output.
 - (b) decrease output.
 - (c) keep output the same because profits are maximized when marginal revenue exceeds marginal cost.
 - (d) raise the price.
125. A market structure in which many firms sell products that are similar but not identical is known as
- (a) monopolistic competition.
 - (b). monopoly.
 - (c). perfect competition.
 - (d) oligopoly.
126. Net national product at market price minus net indirect taxes is equal to _____.
- (a) net foreign investment
 - (b) net foreign investment plus net domestic investment
 - (c) net national product at factor cost.
 - (d) replacement expenditure
127. Estate duty was levied on the _____.
- (a) incomes of the individual
 - (b) production of goods
 - (c) export and import of goods
 - (d) total property passing to the heirs on the death of a person.
128. _____ countries are more subject to cyclical fluctuations.
- (a) European.
 - (b) Capital biased, advanced countries.
 - (c) Asian.
 - (d) American

129. For almost three decades (1950-80) the average GDP growth rate was about _____% per annum.
- 6.6
 - 5.4
 - 2.5
 - 3.6
130. Electricity generated from water is called _____.
- thermal electricity.
 - hydel electricity.
 - atomic energy.
 - tidal energy.
131. Over the years the number of cancer cases has _____.
- increased.
 - decreased.
 - remained constant.
 - doubled.
132. Quantitative restrictions on _____ items were removed in the EXIM Policy of 2000-01.
- 123
 - 193
 - 714
 - 183

PART III

Read figure 1 and answer questions 133-135.

Exhibit : 6



133. Refer to Figure 1. If the economy is operating at point C, the opportunity cost of producing an additional 15 units of bacon is
- (a). 40 units of eggs.
 - (b). 10 units of eggs.
 - (c). 20 units of eggs.
 - (d). 30 units of eggs.
134. Refer to Figure 1, if the economy was operating at E:
- (a). the opportunity cost of 20 additional units of eggs is 10 units of bacon.
 - (b). the opportunity cost of 20 additional units of eggs is 20 units of bacon.
 - (c). the opportunity cost of 20 additional units of eggs is 30 units of bacon.
 - (d). 20 additional units of eggs can be produced with no impact on bacon production.
135. If the economy moves from point A to point D in Figure 1 then:
- (a). the opportunity cost of eggs in terms of bacon falls.
 - (b). the opportunity cost of eggs in terms of bacon rises.
 - (c). the opportunity cost of eggs in terms of bacon is constant.
 - (d). the economy becomes less efficient.
136. Point F in figure 1 represents:
- (a). none of these answers.
 - (b). a combination of production that can be reached if we reduce the production of eggs by 20 units.
 - (c). a combination of production that can be reached if there is a sufficient advance in technology.
 - (d). a combination of production that is inefficient because there are unemployed resources.
137. Which of the following represents a movement towards better utilisation of existing resources?
- (a). A movement from point A to point B.
 - (b). A movement from point E to point B.
 - (c). A movement from point C to point B.
 - (d). A movement from point F to point B.

PART IV

138. Suppose that the price of a new bicycle is Rs.200. Natalie values a new bicycle at Rs.400. What is the value of total consumer surplus if Natalie buys a new bike?
- (a) Rs 500
 - (b) Rs.300
 - (c) Rs.200
 - (d) Rs.400
139. Suppose that at a price of Rs 300 per month, there are 30,000 subscribers to cable television in Small Town. If Small Town Cablevision raises its price to Rs 400 per month, the number of subscribers will fall to 20,000. Using the midpoint method for calculating the elasticity, what is the price elasticity of demand for cable TV in Small Town?
- (a) 1.4
 - (b) 0.66
 - (c) 0.75
 - (d) 2.0
140. If a buyer's willingness to pay for a new car is Rs. 200,000 and she is able to actually buy it for Rs.180000 her consumer surplus is
- (a) Rs18,000.
 - (b) Rs20,000.
 - (c) Rs 2,000.
 - (d) Rs 0.
141. Suppose there are three identical vases available to be purchased. Buyer 1 is willing to pay Rs 30 for one, buyer 2 is willing to pay Rs 25 for one, and buyer 3 is willing to pay Rs 20 for one. If the price is Rs 25, how many vases will be sold and what is the value of consumer surplus in this market?
- (a) Three vases will be sold and consumer surplus is Rs 80.
 - (b) One vase will be sold and consumer surplus is Rs 5.
 - (c) One vase will be sold and consumer surplus is Rs30.
 - (d) Two vases will be sold and consumer surplus is Rs 5.

Read the following paragraph and answer questions 142-144

Nicole owns a small pottery factory. She can make 1,000 pieces of pottery per year and sell them for Rs.100 each. It costs Nicole Rs 20,000 for the raw materials to produce the 1,000 pieces of pottery. She has invested Rs 100,000 in her factory and equipment: Rs

50,000 from her savings and Rs 50,000 borrowed at 10 per cent. (Assume that she could have loaned her money out at 10 per cent, too.) Nicole can work at a competing pottery factory for Rs 40,000 per year.

142. The accounting cost at Nicole's pottery factory is:

- (a) Rs. 25000
- (b) Rs. 50000
- (c) Rs. 80000
- (d) Rs 75000

143. The economic cost at Nicole's factory is:

- (a) Rs. 75000
- (b) Rs. 70000
- (c) Rs 80000
- (d) Rs 30000

144. The accounting profit at Nicole's pottery factory is:

- (a) Rs. 30000
- (b) Rs. 50000
- (c) Rs. 80000
- (d) Rs 75000

145. The economic profit at Nicole's factory is:

- (a) Rs. 75000
- (b) Rs. 35000
- (c) Rs 80000
- (d) Rs 30000

Mr X and Co. operates in a perfectly competitive market. He sells his product at Rs. 8 per unit. His fixed costs are Rs 100. His other costs are given below. Read the following table and answer questions 146-150.

Output	Variable Cost	Fixed Cost	Total Cost	Marginal Cost
0	0			
1	5			
2	11			
3	18			
4	26			
5	36			
6	50			

146. What is Mr X and Co's total cost when 4 units are produced?
- (a) Rs. 126
 - (b) Rs 100
 - (c) Rs. 26
 - (d) Rs. 8
147. When Mr. X and Co's production increases from 5 to 6 units, his marginal cost becomes?
- (a) Rs. 8
 - (b) Rs. 14
 - (c) Rs. 10
 - (d) Rs. 6
148. The average fixed cost of producing 4 units is:
- (a) Rs 1.50
 - (b) Rs 2.25.
 - (c) Rs. 25
 - (d) Rs. 3.00.
149. The average total cost of producing 6 units is:
- (a) Rs. 2.50.
 - (b) Rs. 3.00.
 - (c) Rs. 25.
 - (d) Rs. 30.
150. When will Mr X and Co maximize profits?
- (a) When 4 units are produced.
 - (b) When 5 units are produced.
 - (c) When the company shuts down.
 - (d) When 3 units are produced.

SECTION – D : QUANTITATIVE APTITUDE(50 MARKS)

- (i) Questions 151 to 160 have only one correct answer and carry +1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 161 to 170 are the fill in the blank based questions having four alternate answers and carry +1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 171 to 200 are numerical based questions, which have answers as numerical value and carry +1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

151. Factor reversal test is satisfied by
- (a) Laspeyre's index.
 - (b) Paasche's index.
 - (c) Fisher's ideal index.
 - (d) None of these.
152. Laspeyre's index is based on
- (a) Base year Quantities.
 - (b) Current year Quantities.
 - (c) Average of current year and base year.
 - (d) None of these.
153. The mean and mode of a normal distribution
- (a) Are always different.
 - (b) Are always equal.
 - (c) May be different.
 - (d) May be equal.
154. Two cards are drawn from a well shuffled pack of 52 cards. Find the probability that they are both kings if the first is replaced.
- (a) $\frac{1}{13}$
 - (b) $\frac{1}{169}$
 - (c) $\frac{1}{221}$
 - (d) None of these.

155. A pair of dice is thrown and sum of the numbers on the two dice comes to be 7. What is the probability that the number 3 has come on one of the dice?
- 1/9
 - 1/3
 - 1/4
 - None of these.
156. If in binomial distribution $np = 6$ and $npq = 3$ then p is equal to
- 1/3
 - 1/2
 - 1/4
 - None of these.
157. P_{10} is the index for time
- 1 on 0
 - 0 on 1
 - 1 on 1
 - 0 on 0
158. Find value of $\frac{dy}{dx}$ if $y=x^x$
- $x^x \cdot \log_e e^x$
 - $1+\log x$
 - $y \cdot \log x$
 - None of these.
159. Compute the value of $\lim_{x \rightarrow a} \frac{x^2 - a^2}{x - a}$
- a
 - $2a$
 - $-2a$
 - a^2
160. Two variables x and y are related by $7x+7y+13=0$ and $\bar{x}=7$, then $\bar{y}$ is
- 8.80
 - 8.86
 - 8.80

- (d) -8.86

PART II

161. We use t-distribution when samples are drawn from the _____ population.
- (a) Normal
 - (b) Binomial
 - (c) Poisson
 - (d) None of these
162. _____ is uniparametric distribution.
- (a) Binomial
 - (b) Poisson
 - (c) Normal
 - (d) Hyper geometric
163. First quartile is the value for which one fourth of the observations are _____ Q_1 and the remaining three-fourths observations are _____ Q_1 .
- (a) Less than or equal to, More than or equal to
 - (b) More than or equal to, Less than or equal to
 - (c) Less than, More than
 - (d) More than, Less than
164. A variable is known to be _____ if it can assume any value from a given interval.
- (a) Discrete
 - (b) Continuous
 - (c) Attribute
 - (d) Characteristic
165. _____ is the entire upper part of the table which includes columns and sub-column numbers, unit(s) measurement.
- (a) Stub
 - (b) Box-head
 - (c) Body
 - (d) Caption
166. _____ is the left part if the table providing the description of the rows.
- (a) Caption
 - (b) Body

- (c) Stub
 - (d) Box head
167. In case of a _____, plotted points on a scatter diagram concentrate from upper left to lower right.
- (a) Zero correlation
 - (b) Negative correlation
 - (c) Positive correlation
 - (d) Multiple correlation
168. 50% of actual values will be below & 50% of values will be above _____.
- (a) Mode
 - (b) Median
 - (c) Mean
 - (d) Q_1
169. The correlation between Employment and Purchasing power is _____.
- (a) Positive
 - (b) Negative
 - (c) Zero
 - (d) None of these
170. Data collected on sex ratio from the census reports are _____.
- (a) Primary data
 - (b) Secondary data
 - (c) Discrete data
 - (d) Continuous data

PART III

171. What is the median for the following observations? 6,10,15,16,20,5,8
- (a) 8
 - (b) 10
 - (c) 15
 - (d) None of these.
172. The variables x and y are related by $2x+3y=6$ and median of x is 2. What is the median of y ?
- (a) $1/3$

- (b) $\frac{2}{3}$
 (c) 1
 (d) None of these.
173. Find D_6 for the following observations.
 7, 9, 5, 4, 10, 15, 14, 18, 6, 20
 (a) 11.40
 (b) 12.40
 (c) 13.40
 (d) 13.80
174. Refer following table:
 Frequency distribution of weights of 16 students
- | Weight in kg.
(Class interval) | No. of students
(Frequency) |
|-----------------------------------|--------------------------------|
| 44 – 48 | 4 |
| 49 – 53 | 5 |
| 54 – 58 | 7 |
| Total | 16 |
- Find Relative frequency for the second class interval.
 (a) $\frac{1}{11}$
 (b) $\frac{5}{4}$
 (c) $\frac{5}{16}$
 (d) $\frac{1}{4}$
175. If the coefficient of correlation between two variables is -0.4 , then the coefficient of determination is
 (a) 0.6
 (b) 0.16
 (c) 0.4
 (d) 0.2
176. If the coefficient of correlation between two variables is 0.7, then the percentage of variation unaccounted for is
 (a) 70%
 (b) 30%

- (c) 51%
- (d) 49%
177. A bag contains 5 red and 3 yellow balls. Two balls are drawn at random one after the other without replacement. The probability that both balls drawn are yellow is
- (a) $9/64$
- (b) $3/28$
- (c) $1/7$
- (d) None of these.
178. The common ratio of the G.P 2, -6, 18, -54 is
- (a) 3
- (b) -3
- (c) 4
- (d) -4
179. The integral of $\int \frac{dx}{x^2 - a^2}$ will be
- (a) $\frac{1}{2a} \log \frac{(x-a)}{(x+a)}$
- (b) $\frac{1}{2a} \log \frac{(x+a)}{(x-a)}$
- (c) $\frac{1}{2a} \log \frac{x}{(x+a)}$
- (d) None of these.
180. How many numbers greater than 2000 can be formed with the digits 1, 2, 3, 4, 5?
- (a) 216
- (b) 120
- (c) 24
- (d) 240
181. If $A = (1, 2, 3, 5, 7)$ and $B = (1, 3, 6, 10, 15)$ then cardinal number of $A \sim B$ is
- (a) 3
- (b) -4
- (c) 6
- (d) None of these.

182. Let $p=x^3 \log x$, so what is the value of $\frac{d^2p}{dx}$
- (a) $x+2x \log x$
 - (b) $x^2+\log x \ 2x^2$
 - (c) $x^2+2x \log x$
 - (d) None of these.
183. Ram is confused whether to invest at 9% p.a. compounded monthly or 9.25% p.a. simple interest, given that
 $(1+0.0075)^{12} = 1.09380690$
 The student decided to find effective rate of interest which is
- (a) 9%
 - (b) 9.25%
 - (c) 9.38%
 - (d) None of these.
184. Find the equation of the line with slope -0.25 and $(-2, -4)$ on the line
- (a) $x+4y+18=0$
 - (b) $2x+4y+15=0$
 - (c) $2x+y+18=0$
 - (d) $x+4xy-18=0$
185. Find $\frac{dy}{dx}$ when $y=4x^3+8x^7$ at $x^2=2$
- (a) 424
 - (b) 470
 - (c) 472
 - (d) None of these.
186. Evaluate $\lim_{x \rightarrow \infty} \left(1 + \frac{9}{x}\right)^x$
- (a) e^9
 - (b) 9
 - (c) 1
 - (d) e^1

187. If the set P has 6, Q has 5 and R has 2 elements then the set $P \times Q \times R$ contains
- 13
 - 9
 - 60
 - None of these.
188. Find the 10th term of an A.P with first term as 4 and common difference being 2
- 22
 - 25
 - 20
 - 13
189. ${}^n p_r$ can be expressed as
- $\frac{n!}{r!}$
 - $\frac{n!}{(n-r)!}$
 - $\frac{n!}{r!(n-r)!}$
 - None of these.
190. If $10^{-2} = \frac{1}{100}$ then the value of $0.01 \log 0.01$ is
- 2
 - 2
 - 1
 - 1
191. Solving equation $3x^2 - 14x + 16 = 0$ we get roots as
- ± 1
 - ± 2
 - 0
 - None of these.
192. Mr. Rahul invested in Bank Rs. 80,000 for 4 years at 10% p.a. rate of interest. How much he will earn ?
- Rs. 32000

- (b) Rs. 18000
(c) Rs. 23000
(d) None of these.
193. Find the value of p from $(\sqrt{4})^{-6} \times (\sqrt{2})^{-4} = 2^p$
(a) 16
(b) 8
(c) -8
(d) 4
194. Evaluate $\int_0^{\pi/2} \left(\frac{\sqrt[4]{\cos x}}{\sqrt[4]{\sin x} + \sqrt[4]{\cos x}} \right) dx$
(a) -1
(b) 0
(c) 1
(d) $\frac{\pi}{4}$
195. If $\frac{p}{7} = \frac{q}{6} = \frac{r}{11}$ then $\frac{p+q+r}{p}$ is
(a) 8
(b) 5
(c) 4
(d) None of these.
196. The No's 2.4, 3.2, 1.5, 2 are in proportion & their product of means is 4.8, find the product of extremes.
(a) 4.8
(b) 2.4
(c) 8.4
(d) None of these.
197. Determine the solution set of $\frac{1}{x} + \frac{1}{y} + \frac{1}{z} = 5$; $\frac{2}{x} - \frac{3}{y} - \frac{4}{z} = -11$ and $\frac{3}{x} + \frac{2}{y} - \frac{1}{z} = -6$
is
(a) 2, 6, 3
(b) 2, 3, 6

- (c) 6, 3, 2
 - (d) 6, 2, 3
198. In a class of boys (x) and girls (y) the maximum seating capacity is 360. This can be shown by
- (a) $x + y \leq 360$
 - (b) $x + y \geq 360$
 - (c) $x + y \neq 360$
 - (d) None of these.
199. Determine the common difference of progression 16, 13, 10 25 terms
- (a) 2
 - (b) -2
 - (c) 3
 - (d) -3
200. If $P = \{1, 2, 3, 4\}$: $Q = \{2, 4, 6\}$ then $P \cup Q$
- (a) $\{1, 2, 3, 6\}$
 - (b) $\{1, 4, 6\}$
 - (c) $\{1, 2, 3, 4, 6\}$
 - (d) None of these.



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-10/2006

Time: 4 hours

Maximum Marks : 200

The test is divided into four sections.

Please follow the instructions given in each section carefully and answer the questions.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

- (i) Questions 1 to 10 have only one correct answer and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 11 to 20 are the fill in the blank based questions having four alternate answers and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 21 and 22 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Questions 23 to 60 are numerical based questions, which have answers as numerical values and carry + 1mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

1. Mr. Ashok buys clothing of Rs. 50,000 paying cash Rs. 20,000. What is the amount of expense as per the accrual concept?
- (a) Rs. 50,000.
 - (b) Rs. 20,000.
 - (c) Rs. 30,000.
 - (d) Nil.

2. Loss leads to a reduction in
 - (a) Liability.
 - (b) Capital.
 - (c) Income.
 - (d) None of the three.
3. Accounting standards are
 - (a) Basis for selection of accounting policy.
 - (b) Set of broad accounting policies to be followed by an entity..
 - (c) Basis for establishing and managing an entity.
 - (d) All of the above.
4. "Substance of any transaction should be considered while recording them and not only the legal form" is the statement which holds true for
 - (a) Substance over form.
 - (b) Disclosure of accounting policies.
 - (c) Both (a) and (b).
 - (d) None of the three.
5. The determination of the amount of bad debts is an accounting
 - (a) Policy.
 - (b) Estimate.
 - (c) parameter.
 - (d) None of the above
6. What is the order in which the accounting transactions and events are recorded in the books?
 - (a) Journal, Subsidiary books, Ledger, Balance sheet , Profit and loss account.
 - (b) Ledger, Journal, Ledger, Balance sheet , Profit and loss account
 - (c) Journal, Ledger, Profit and loss account, Balance sheet .
 - (d) Profit and loss account, Ledger, Balance sheet, Journal.
7. The expired portion of capital expenditure is shown in the financial statements as
 - (a) As an income.
 - (b) As an expense.
 - (c) As an asset.
 - (d) As a liability.

8. Rs. 5,000 incurred for upgradation of computer by installation of 128 MB RAM is
- (a) Capital expenditure.
 - (b) Deferred revenue expenditure.
 - (c) Revenue expenditure.
 - (d) None of the above.
9. According to money measurement concept, currency transactions and events are recorded in the books of accounts
- (a) In the ruling currency of the country in which transaction takes place.
 - (b) In the ruling currency of the country in which books of account are prepared.
 - (c) In the currency set by the ministry of finance.
 - (d) In the currency set by the Govt.
10. All of the following errors do not affect the trial balance , except
- (a) Compensating errors.
 - (b) Errors of complete omission.
 - (c) Errors of partial omission.
 - (d) Errors of principle.

PART II

11. Errors are _____ mistakes.
- (a) Intentional.
 - (b) Unintentional.
 - (c) Undetected.
 - (d) None of the three.
12. Trial balance is a statement which shows the _____ or the _____ of all the accounts.
- (a) Balances, Totals.
 - (b) Opening balances, Closing balances.
 - (c) Posted balances, Total of balances.
 - (d) Debit balance, Credit balance.
13. It is easy to detect _____ than to _____.
- (a) Frauds, Errors.
 - (b) Mistakes, Frauds.
 - (c) Errors, Frauds.

- (d) Errors, Mistakes.
14. In case of debit balance, the words _____ are written on the debit side.
- (a) To balance b/d.
 - (b) To balance c/d.
 - (c) By balance b/d.
 - (d) By balance c/d.
15. Rs. 5,000 spent on maintenance of plant and machinery is_____.
- (a) Capital expenditure.
 - (b) Revenue expenditure.
 - (c) Deferred capital expenditure.
 - (d) None of the three.
16. Bank pass book is also known as _____
- (a) Bank book.
 - (b) Bank account.
 - (c) Bank column.
 - (d) Bank statement.
17. Capital expenditures are recorded in the _____
- (a) Balance sheet.
 - (b) Profit and loss account.
 - (c) Trading account.
 - (d) Manufacturing account.
18. Accounts receivable normally has _____balance.
- (a) Debit.
 - (b) Credit.
 - (c) Unfavourable.
 - (d) None of the above.
19. An account is a formal record of changes in items of _____nature.
- (a) Revenue.
 - (b) Expense.
 - (c) Debit.
 - (d) Similar.

20. The assumption underlying the fixed installment method of depreciation is that of _____ of the asset over different years of its useful life.
- (a) Usage.
 - (b) Equal usage.
 - (c) Charge.
 - (d) None of the above.

PART III

21. A businessman purchased goods for Rs.25,00,000 and sold 70% of such goods during the accounting year ended 31st March, 2005. The market value of the remaining goods was Rs.5,00,000. He valued the closing stock at Rs. 5,00,000 and not at Rs. 7,50,000 due to
- (a) Money measurement.
 - (b) Conservatism.
 - (c) Cost.
 - (d) Periodicity.
22. M/s Omega Brothers, which was registered in the year 2000, has been following LIFO method for valuation of shares. In the current year it changed its method from LIFO to FIFO Method in the year 2005. The auditor raised objection to this change in the method of valuation of investments.
- The objection of the auditor is justified because
- (a) Change in the method should be done only with the consent of the auditor
 - (b) Method can be changed only from FIFO to LIFO and not vice versa
 - (c) Change in the method should be done only if it is required by some statute and change would result in appropriate presentation of financial statement
 - (d) Method cannot be changed under any circumstances.

PART IV

23. Following are the items of the balance sheet of Mr. X:
- Capital Rs. 7,00,000; Machinery Rs. 5,00,000 and cash Rs. 2,00,000. If Mr. X spends Rs. 5,000 to meet his family expenses, the balance of capital and cash accounts will be
- (a) Rs.7,00,000 and Rs. 2,00,000.
 - (b) Rs.6,95,000 and Rs. 1,95,000.
 - (c) Rs.7,00,000 and RS. 1,95,000.
 - (d) Rs.6,95,000 and Rs. 2,00,000.

24. Mr. Mohan started a cloth business by investing Rs. 50,000, bought merchandise worth Rs. 50,000. He sold merchandise for Rs. 60,000. Customers paid him Rs. 50,000 cash and assured him to pay Rs. 10,000 shortly. The amount of revenue earned by him is
- (a) Rs. 50,000.
 - (b) Rs. 60,000.
 - (c) Rs. 1,00,000.
 - (d) Rs. 70,000.
25. If sales revenues are Rs. 4,00,000; cost of goods sold is Rs. 3,10,000, the gross profit is
- (a) Rs. 90,000.
 - (b) Rs. 4,00,000.
 - (c) Rs. 3,10,000.
 - (d) None of the three.
26. When balance as per cash book (debit balance) as on 31st March is the starting point, what will be the effect while preparing bank reconciliation statement when out of the cheques amounting to Rs. 5,000 deposited, cheques aggregating Rs. 1,500 were credited in March and cheques aggregating Rs. 2,000 credited in April and the rest have not been collected?
- (a) Subtract Rs. 2,000.
 - (b) Add Rs 2,000.
 - (c) Subtract Rs.3,500.
 - (d) Add Rs. 3,500.
27. A and B purchased a piece of land for Rs 30,000 and sold it for Rs 60,000 in 2005. Originally A had contributed Rs 12000 and B Rs 8000. The profit on venture will be
- (a) Rs. 30,000
 - (b) Rs. 20,000
 - (c) Rs. 60,000
 - (d) Nil
28. On 1.1.05 X draw a bill on Y for Rs 1,00,000. At maturity, the bill returned dishonoured as Y become insolvent and 40 paise per rupee is recovered from his estate. The amount recovered is:
- (a) 20,000
 - (b) Nil
 - (c) 40,000

- (d) 40 paise
29. An individual invests Rs.2,00,000 for running a stationery business. On 1st Jan., he purchases goods for Rs. 1,15,000 and sells for Rs. 1,47,000 during the month of January. He pays shop rent for the month Rs.5,000 and finds that still he has goods worth Rs. 15,000 in hand. The amount of surplus will be
- (a) Rs 42,000
(b) Rs 1,62,000
(c) Rs 47,000
(d) Rs 27,000.
30. Goods costing Rs. 600 is supplied to Ram at the invoice of 10% above cost and a trade discount for 5%. The amount of sales will be
- (a) Rs. 627.
(b) Rs. 660.
(c) Rs. 570.
(d) Rs. 620.
31. Goods sold for cash Rs. 10,000, plus 10% sales tax. Sales will be credited by
- (a) Rs. 11,000.
(b) Rs. 10,000.
(c) Rs. 9,000
(d) None of the above..
32. Ganesh got a salary Rs. 10,000 per month and withdrew goods worth Rs. 2,500 for personal use and got salary Rs. 9,500 in cash. The excess payment of Rs. 2,000 will be debited to
- (a) Sales account.
(b) Goods account.
(c) Salary account.
(d) Salary in advance account.
33. Journal entry for Rs. 6,000 stolen from the safe of the firm will be
- (a) Dr. P & L a/c and Cr. Cash embezzlement a/c Rs. 6,000.
(b) Dr. Cash embezzlement a/c and Cr. Cash a/c Rs. 6,000.
(c) Dr. Cash a/c and Cr. P & L a/c Rs. 6,000
(d) None of the above.

34. After preparing the trial balance the accountant finds that the total of the debit side is short by Rs. 1,000. This difference will be
- Credited to suspense account.
 - Debited to suspense account.
 - Adjusted to any of the debit balance account.
 - Adjusted to any of the credit balance account.

35. The accountant of the firm M/s ABC is unable to tally the following trial balance.

S. No.	Account heads	Debit (Rs.)	Credit (Rs.)
1.	Sales		12,500
2.	Purchases	10,000	
3.	Miscellaneous expenses		<u>2,500</u>
	Total	<u>10,000</u>	<u>15,000</u>

The above difference in trial balance is due to

- wrong placing of sales account
 - Incorrect totalling.
 - wrong placing of miscellaneous expenses account
 - Wrong placing of all accounts.
36. Sita and Gita are partners having profits and losses in the ratio of 3:2 having the capital of Rs.80,000 and Rs.50,000 respectively. They are entitled to 9% p.a. interest on capital before distributing the profits. During the year firm earned Rs.7,800 after allowing interest on capital. Profits apportioned among Sita and Gita is:
- Rs. 4,680 and 3,120
 - Rs. 4,800 and 3,000
 - Rs. 5,000 and 2,800
 - None of the above.
37. A sale of Rs.100 to A recorded in the Purchase Book would affect:
- Sales Account
 - Purchases Returns Account
 - Sales Account, Purchases Account & A Account.
 - None of the above.
38. Total capital employed by a partnership firm is Rs.1,00,000 and its average profit is Rs.25,000. Normal rate of return is 20% in similar firms working under similar conditions. The firm earns super profit of:
- Rs. 3,000

- (b) Rs. 5,000
(c) Rs. 4,000
(d) Rs. 2,000
39. If capital employed by a partnership firm is Rs.1,00,000 and its average profit is Rs.20,000 normal rate of return is 15%, the value of goodwill is:
(a) Rs.30,000
(b) Rs.5,000
(c) Rs.1,33,333
(d) Rs.33,333
40. A and D are equal partners. They wanted to admit C as 1/6th partner who brought Rs.60,000 as goodwill. The new profit sharing ratio is 3:2:1. Profit sacrificing ratio will be:
(a) 0:1/6
(b) 2:1
(c) 3:1
(d) None of the above.
41. A, B, C & D are in partnership sharing profits and losses equally. They mutually agree to change the profit sharing ratio to 3:3 2:2. In this process D loses by:
(a) $\frac{1}{20}$
(b) $\frac{1}{10}$
(c) $\frac{1}{5}$
(d) None of the above
42. The following information pertains to X Ltd.
(i) Equity share capital called up Rs.5,00,000 (ii) Calls in arrear Rs.40,000
(iii) Calls in advance Rs.25,000 (iv) Proposed dividend 15%
The amount of dividend payable is
(a) Rs.75,000
(b) Rs.72,750
(c) Rs.71,250
(d) Rs.69,000

- 43 . Alfa Ltd. issued shares of Rs.10 each at a discount of 10%. Mr. C purchased 30 shares and paid Rs.2 on application but did not pay the allotment money of Rs.3. If the company forfeited his entire shares, the forfeiture account will be credited by:
- (a) Rs. 90.
 - (b) Rs. 81.
 - (c) Rs. 60.
 - (d) Rs. 54.
44. The profits of last three years are Rs. 43,000; Rs. 38,000 and Rs. 45,000. Find out the goodwill of two years purchase.
- (a) Rs. 42,000.
 - (b) Rs. 84,000.
 - (c) Rs. 1,26,000.
 - (d) Rs. 36,000.
45. Mohan sent some goods costing Rs.3,500 at profit of 25% on sale to Sohan on sale and return basis. Sohan return goods costing Rs.800. At the year end, i.e., on 31st December, 2006, the remaining goods were neither returned nor approved by him. The stock on approval will be shown in the balance sheet at Rs.
- (a) 2,000
 - (b) 2,700
 - (c) 2025
 - (d) 3,500
46. A's acceptance to B for Rs.2,500 discharge by a cash payment of Rs.1,000 and a new bill for the balance plus Rs.50 for interest. The amount of the new bill will be Rs:
- (a) 2,550
 - (b) 1,550
 - (c) 1,050
 - (d) None of the three.
47. A bought goods of the value Rs.10,000 and consigned them to B to be sold on joint venture, profits being divided equally. A draws a bill on B for an amount equivalent to 80% of cost on consignment. The amount of bill will be
- (a) Rs.10,000
 - (b) Rs.8,000
 - (c) Rs.6,000
 - (d) Rs.9,000

48. Goods costing Rs.1,80,000 sent to consignee to show a profit of 20% on invoice price. Invoice price of the goods is
- (a) Rs.2,16,000
 - (b) Rs.2,25,000
 - (c) Rs.2,10,000
 - (d) None of the above.
49. If 1,000 typewriters costing Rs.250 each are sent on consignment basis and Rs.10,000 is spent for freight etc., 20 typewriters are damaged in transit beyond repair. The amount of loss will be
- (a) Rs. 5,000
 - (b) Rs.200
 - (c) Rs.5,200
 - (d) None of the above.
50. 1000 Kg. of Mangoes were consigned to a wholesaler, the cost being Rs.3 per kg. plus Rs.400 freight. Loss of 15% of Mangoes is unavoidable. 750 kgs. were sold by the consignee. The remaining stock of 100 kg. will be valued at
- (a) Rs.300.
 - (b) Rs.500.
 - (c) Rs.400.
 - (d) None of the above.
51. Machinery costing Rs.10,00,000 was purchased on 1.4.2006. The installation charges amounting Rs.1,00,000 were incurred. The depreciation at 10% per annum on straight line method for the year ended 31st March, 2007 will be
- (a) Rs.1,00,000
 - (b) Rs. 2,00,000
 - (c) Rs. 1,10,000
 - (d) None of the above.
52. Goods costing Rs 5,00,000 sent out to consignee at Cost + 25%. Invoice value of the goods will be
- (a) Rs.5,00,000
 - (b) Rs.6,25,000
 - (c) Rs.6,00,000
 - (d) None of the above.

53. Opening stock Rs.1,00,000, closing stock Rs.50,000, purchases Rs.2,00,000, sales Rs.5,00,000. Gross profit rate 20% on sales. The amount of gross profit is
- (a) Rs. 2,50,000.
 - (b) Rs. 1,00,000
 - (c) Nil.
 - (d) None of the above.
54. XYZ & Company employs a team of ten workers who were paid Rs.1,000 each in the year ending 31st December, 2005. At the start of year 2006, the company raised salaries by 10%. The amount of salaries for the year ended 31st December, 2006 will be.
- (a) Rs.10,000
 - (b) Rs.15,000
 - (c) Rs.11,000
 - (d) None of the above.
55. Debit balance as per Cash Book of ABC Enterprises as on 31.3.2006 is Rs. 10,000. Cheques deposited but not cleared amounts to Rs. 1,000 and Cheques issued but not presented of Rs. 2,000.. Balance as per pass book should be
- (a) 11,000.
 - (b) 9,000.
 - (c) 10,000.
 - (d) None of the three.
56. Goods purchased Rs. 1,00,000. Sales Rs. 90,000. Margin 20 % on sales. Closing stock is
- (a) Rs. 10,000.
 - (b) Rs. 25,000.
 - (c) Rs. 28,000.
 - (d) None of the above.
57. Mohan runs a restaurant. He renovates some of the old cabins to increase some space. The amount of Rs. 15,000 was incurred on renovation. The amount to be charged to profit and loss account is
- (a) Nil.
 - (b) Rs. 15,000.
 - (c) Rs. 10,000.
 - (d) None of the above

58. Money paid to MTNL Rs. 10,000 for installing telephone in office is
- (a) Expense.
 - (b) Liability.
 - (c) Asset.
 - (d) Revenue.
59. A company forfeited 1,000 shares of Rs.10 each (which were issued at par) held by Mr. John for non-payment of allotment money of Rs.4 per share. The called-up value per share was Rs.8. On forfeiture, the amount debited to share capital will be
- (a) Rs.10,000
 - (b) Rs.8,000
 - (c) Rs.2,000
 - (d) Rs.18,000.
60. Capital introduced in the beginning by Shyam Rs.. 3,00,000; further capital introduced during the year Rs. 2,00,000; Drawing Rs. 1,500 per month and closing capital is Rs. 4,50,000. The amount of profit or loss for the year is
- (a) Loss of Rs. 32,000.
 - (b) Loss of Rs. 50,000.
 - (c) Profit of Rs. 32,000.
 - (d) Information is insufficient for any comment.

SECTION – B : MERCANTILE LAWS (40 MARKS)

- (i) Questions 61 to 79 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 80 to 98 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 99 and 100 contain small paragraph / table followed by a question having only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

- 61. Which of the following is correct:
 - (a) The liability of partners of a firm is unlimited.
 - (b) Generally the liability of a member of a company is limited but it can be unlimited.
 - (c) All of the above.
 - (d) The liability of partner of firm is same as a member of any company.
- 62. Under Section 201 of The Indian Contract Act, 1872, the termination of an agents' authority can be caused due to
 - (a) Revocation of authority by the agent.
 - (b) Renunciation of agency by the principal.
 - (c) Both (a) and (b).
 - (d) Neither of (a) or (b).
- 63. The following are the requisites of a valid ratification of a contract of agency:
 - (a) The whole transaction can be ratified.
 - (b) Ratification must be communicated to the party who is sought to be bound by the act done by the agent.
 - (c) Ratification can be of the acts which the principal had the power to do.
 - (d) All of the above.
- 64. An offer may be made to the following:
 - (a) A particular person.
 - (b) A particular group or body of persons.
 - (c) The public at large i.e. the whole world.
 - (d) All of the above.

65. The following is not a 'document of title to goods':
- (a) Bill of lading.
 - (b) Dock-warrant.
 - (c) Stamped acknowledgement for receipt of goods.
 - (d) Warehouse keeper's certificate.
66. An agreement induced by mistake of fact is void if the following conditions are fulfilled:
- (a) Both the parties must be under the same mistake.
 - (b) The mistake must be as to some fact.
 - (c) The fact must be essential to the agreement.
 - (d) All of the above.
67. Contracts may be classified on the basis of their validity, formation or performance. Contracts classified on the basis of formation are of the following types:
- (a) Express Contracts.
 - (b) Implied Contracts.
 - (c) Quasi Contracts.
 - (d) All of the above.
68. A condition may be treated as warranty in the following cases:
- (a) Where the buyer altogether waives the performance of the condition.
 - (b) Where the buyer elects to treat the breach of condition as one of a warranty.
 - (c) In both of the above situations.
 - (d) In some other situations, but not in the above situations.
69. The difference in consideration under English law and Indian law are:
- (a) Under English law past consideration is no consideration whereas under Indian Law past consideration is good consideration.
 - (b) Under English law consideration must move from the promisee only and no other person whereas under Indian Law consideration may move from the promisee or any other person.
 - (c) Under English law formal contracts i.e. one which is one in writing do not require any consideration whereas under Indian Law all contracts are required to be supported by consideration.
 - (d) All of the above.
70. Implied authority of the partner does not empower him to
- (a) Open a bank account on behalf of the firm in his own name.

- (b) Compromise or relinquish any claim or portion of a claim by the firm against an outsider.
 - (c) Both of the above.
 - (d) None of the above.
71. Compulsory Dissolution includes
- (a) Dissolution by the adjudication of all the partners or of all the partners but one as insolvent.
 - (b) Dissolution by the business of the firm becoming unlawful.
 - (c) All of the above.
 - (d) None of the above.
72. Ratification by a minor of a contract entered during minority, even after he attains majority is not allowed.
- (a) The above statement is correct.
 - (b) The above statement is partly correct.
 - (c) The above statement is incorrect.
 - (d) The above statement is irrelevant.
73. A contract between A, B and C was executed whereby A pays money to B for delivering some goods to C. C has not paid any consideration. Can C enforce the agreement?
- (a) Yes, as he is the beneficiary of Trust.
 - (b) Yes but the same can only be done jointly with A.
 - (c) No as C did not pay the consideration.
 - (d) A and only A can enforce the agreement.
74. In case of sale
- (a) Property in goods does not pass to the buyer.
 - (b) Risk in the goods does not pass to the buyer.
 - (c) Both of the above.
 - (d) None of the above.
75. A void contract is a contract without any legal effect and cannot be enforced in a Court of law. The following are instances of void contracts:
- (a) Agreements entered under mistake of fact.
 - (b) Agreements by way of wager.
 - (c) Agreements made without consideration.
 - (d) All of the above.

76. In case of bailment
- (a) Property in goods passes to the bailee at the time of contract.
 - (b) Property in goods passes to the bailee upon the payment of the last installment.
 - (c) Property in goods can pass to the bailee at any time after the contract.
 - (d) None of the above.
77. Acceptance is deemed to take place when the buyer
- (a) Intimates to the seller that he had accepted the goods.
 - (b) Does any act to the goods, which is inconsistent with the ownership of the seller.
 - (c) Retains the goods after the lapse of a reasonable time, without intimating to the seller that he has rejected them.
 - (d) Either (a) or (b) or (c).
78. The rights of a minor when admitted to the benefits of the partnership include
- (a) Right to share of the property and profits of the firm as may be agreed upon.
 - (b) Right to have access to and inspect and copy of the account of the firm.
 - (c) Right to cast his vote on the question of appointment of the managing partner.
 - (d) (a) & (b) but not (c).
79. Which of the following is correct:
- (a) Liability of a partner in a partnership firm is unlimited.
 - (b) Liability of a member of a HUF is unlimited.
 - (c) Both the above.
 - (d) None of the above.

PART II

80. Agreement to share profits_____.
- (a) Implies an agreement to share losses
 - (b) Does not necessarily mean an agreement to share losses
 - (c) Must be coupled with an agreement to share losses
 - (d) Is same as agreement to share losses
81. Actual Sale of future goods is_____.
- (a) Impossible
 - (b) Possible through an agreement to sell
 - (c) Illegal
 - (d) A myth

82. An offer made to a definite person who can be accepted by the specified person only is _____.
- (a) Special Offer
 - (b) Accepted Offer
 - (c) General Offer
 - (d) Standing Offer
83. A contracts to pay B Rs.1,00,000 if the latter's house is burnt to ashes. This is an example of _____.
- (a) Contingent Contract
 - (b) Quasi-Contract
 - (c) Guarantee
 - (d) Bailment
84. The position of a stranger to a contract and that of the stranger to a consideration is _____.
- (a) Partially different
 - (b) Partially same
 - (c) Entirely different
 - (d) Same
85. Goods are said to be in a deliverable state when _____.
- (a) The buyer may take delivery of them
 - (b) The buyer would, under contract, be bound to take delivery of them
 - (c) The seller is in a position to deliver them
 - (d) All of the above
86. Any act committed by a party to a contract, or with his connivance or by his agent with intent to deceive another party thereto or his agent, or to induce him to enter into a contract is said to be _____.
- (a) Coercion
 - (b) Undue Influence
 - (c) Fraud
 - (d) Misrepresentation
87. Doctrine of Caveat Emptor is laid down in the Section _____ of The Sale of Goods Act, 1930.
- (a) 16

- (b) 10
 - (c) 17
 - (d) 20
88. A directs B who is a solicitor to sell his estate by auction and to employ an auctioneer for this purpose. B names C, an auctioneer, to conduct the sale. The status of C for the sale is _____.
- (a) C is an agent of A
 - (b) C is a sub-agent of A
 - (c) C is an agent of B
 - (d) C is neither an agent of A nor of B
89. A contract to do or not to do something if some event, collateral to such contract does or does not happen is _____.
- (a) A contingent contract
 - (b) A wagering contract
 - (c) Illegal
 - (d) Void
90. X proposes by a letter sent by post to sell his house to Y. Y accepts the proposal by a letter sent by post. The letter of acceptance is in the course of transmission to X. Y _____.
- (a) Cannot revoke his acceptance
 - (b) May revoke his acceptance at any time before the letter communicating the acceptance reaches X but not afterwards
 - (c) May revoke his acceptance at any time after the letter communicating the acceptance reaches X
 - (d) Can revoke only after the prior approval of X
91. A agrees to pay B Rs.5,00,000/- if A is able to go to a foreign tour in the forthcoming week. It is _____.
- (a) A wagering contract
 - (b) A contingent contract
 - (c) Both of the above
 - (d) Not a contract at all
92. A bus plying on the road is an example of _____.
- (a) Invitation to treat an offer
 - (b) Mere communication of information in the course of negotiation

- (c) Statement of intention
 - (d) Offer
93. Tender for supply of goods is an offer, which is allowed to remain open for acceptance over a period of time. Such offers are _____.
- (a) Cross Offer
 - (b) General Offer
 - (c) Standing Offer
 - (d) Unlimited Offer
94. Consideration may be gratuitous or non-gratuitous _____.
- (a) In case of sale
 - (b) In case of bailment
 - (c) In both the above cases
 - (d) In no case
95. Expressed conditions are those _____.
- (a) Which are agreed upon between the parties at the time of the contract
 - (b) Which are presumed by law be present in the contract
 - (c) Both of the above
 - (d) None of the above
96. Right of lien and Right of stoppage in transit _____.
- (a) Actually mean the same right
 - (b) Are actually similar rights
 - (c) Are consequential or sequential in nature, i.e. the end of right of lien is the starting point of the right of stoppage in transit
 - (d) Are rights available to any seller of goods
97. Goodwill of the partnership business can be regarded as _____.
- (a) The property of the firm
 - (b) The property of the firm, subject to a contract between the partners to this effect
 - (c) The property of the firm, irrespective of a contract between the partners to this effect
 - (d) The property of the firm, subject to order of the High Court to this effect
98. A minor when admitted to the benefits of the partnership _____.
- (a) Is liable for all the liabilities of the firm in person
 - (b) Is liable for all the liabilities of the firm through his properties

- (c) Is never liable for any of the liabilities of the firm
- (d) Is liable in accordance with the provisions of sub-section (3) of Section 30 of the Indian Partnership Act, 1932

PART III

99. A & B are partners in a partnership firm. A introduced C, a former partner, as his partner to D. C remained silent at that moment, but later on informed D that he is actually a former partner of the firm. C had not issued any public notice in the year of his retirement from the partnership firm. D, a trader knowing well that only A & B are the partners of the firm, supplied 500 refrigerators to the firm on credit. The credit period expired and D did not get the price of his supplies. D filed a suit against A & C for the recovery of price. In light of the above circumstances answer which of the following is correct:
- (a) C is liable for the price to D, only if the element of fraudulent intention is present.
 - (b) C is liable for the price to D, irrespective of the fact, whether the element of fraudulent intention is present or not.
 - (c) C is not liable for the price to D.
 - (d) C is liable to D because he had not issued any public notice of his retirement from the partnership firm.
100. Sanju took a medical insurance from Deadly Diseases Insurance & Claim Corporation of Asia (DDICCA) through one of its agent, Manju. Sanju signed whatever documents were placed before her by Manju in good faith. The documents contained the fact that Sanju was healthy, fit and fine whereas she was actually suffering from chronic asthma and acute allergy. Sanju did not take care to suggest the changes in the documents and the policy was issued based on the above submissions.
- (a) Sanju is well protected because she relied on Manju in all good faith.
 - (b) Sanju is well protected because Manju never specifically asked her about the above issues and so she remained silent.
 - (c) Sanju has a duty to speak and disclose the above issues.
 - (d) Sanju has no duty to speak and disclose the above issues. It is the duty of DDICCA and its representatives to ask whatever is required.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

- (i) Questions 101 to 116 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 117 to 132 are Fill in the blanks type and carry +1 mark for each correct answer and -0.25 mark for each wrong answer.
- (iii) Questions 133 to 137 contain small paragraph / table followed by a question having only one correct answer and carries + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iv) Question 138 to 150 are numerical based which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

101. Economics is the study of
- (a). how society manages its unlimited resources.
 - (b). how to reduce our wants until we are satisfied.
 - (c). how society manages its scarce resources.
 - (d). how to fully satisfy our unlimited wants
102. Which of the following is not part of the opportunity cost of going on holiday?
- (a). the money you spent on a theatre show
 - (b). the money you could have made if you had stayed at home and worked
 - (c). the money you spent on airline tickets
 - (d). the money you spent on food
103. Which of the following statements is normative?
- (a). Large government deficits cause an economy to grow more slowly.
 - (b). People work harder if the wage is higher.
 - (c). The unemployment rate should be lower.
 - (d). Printing too much money causes inflation.
104. If an increase in consumer incomes leads to a decrease in the demand for camping equipment, then camping equipment is
- (a). a normal good.
 - (b). none of these answers.
 - (c). an inferior good.

- (d). a substitute good.
105. Suppose consumer tastes shift toward the consumption of apples. Which of the following statements is an accurate description of the impact of this event on the market for apples?
- (a). There is an increase in the quantity demanded of apples and in the supply for apples.
 - (b). There is an increase in the demand and supply of apples.
 - (c). There is an increase in the demand for apples and a decrease in the supply of apples.
 - (d). There is an increase in the demand for apples and an increase in the quantity supplied
106. A buyer's willingness to pay is that buyer's:
- (a). minimum amount they are willing to pay for a good.
 - (b). producer surplus.
 - (c). consumer surplus.
 - (d). maximum amount they are willing to pay for a good.
107. The following table exhibits:
- | Number of workers | Output |
|-------------------|--------|
| 0 | 0 |
| 1 | 23 |
| 2 | 40 |
| 3 | 50 |
- (a) increasing marginal product of labour.
 - (b) diminishing marginal product of labour.
 - (c) increasing returns to scale.
 - (d) diminishing returns to scale.
108. If there are implicit cost of production:
- (a) economic profit will be equal to accounting profit.
 - (b) economic profit will be less than accounting profit.
 - (c) economic profits will be zero.
 - (d) economic profit will be more than accounting profit.
109. If a competitive firm doubles its output, its total revenue:

- (a). doubles.
 - (b). more than doubles.
 - (c). less than doubles.
 - (d). cannot be determined because the price of the good may rise or fall.
110. In the long-run, some firms will exit the market if the price of the good offered for sale is less than:
- (a). marginal revenue.
 - (b). marginal cost.
 - (c). average total cost.
 - (d). average revenue.
111. Which of the following statements about price and marginal cost in competitive and monopolized markets is true?
- (a). In competitive markets, price equals marginal cost; in monopolized markets, price exceeds marginal cost.
 - (b). In competitive markets, price equals marginal cost; in monopolized markets, price equals marginal cost.
 - (c). In competitive markets, price exceeds marginal cost; in monopolized markets, price exceeds marginal cost.
 - (d). In competitive markets, price exceeds marginal cost; in monopolized markets, price equals marginal cost.
112. Agriculture faces the problem of:
- (a). slow and uneven growth.
 - (b). over irrigation.
 - (c). overdose of fertilizers.
 - (d). very few people engaged in it.
113. ICICI bank is a:
- (a). central bank.
 - (b). private commercial bank.
 - (c). rural regional bank.
 - (d). nationalized bank.
114. PMGSY was launched to:
- (a). provide house to the rural poor.

- (b) provide road connectivity through good all weather roads to unconnected villages.
 - (c) food security to the urban poor.
 - (d) none of the above.
115. If 4 farmers can do a field job which is being done by 6 farmers, this means there is:
- (a). frictional unemployment.
 - (b). disguised unemployment.
 - (c). voluntary unemployment.
 - (d). seasonal unemployment.
116. If 9 people are unemployed and 411 people are in the work force, then people in labour force are:
- (a) 402
 - (b) 411
 - (c) 9
 - (d) 420

PART II

117. For adult education _____mission was launched in 1998 in India.
- (a) National Adult education
 - (b) National Technological
 - (c) National Senior Citizen
 - (d) National Literacy
118. According to the latest available data, there are _____malaria cases per million.
- (a) 3.2
 - (b) 9.5
 - (c) 1.84
 - (d) 20.3
119. According to the latest data (Nov.2005), there are around_____broadband subscribers in India.
- (a) 7.5 lakh
 - (b) 177 lakh
 - (c) 127 lakh

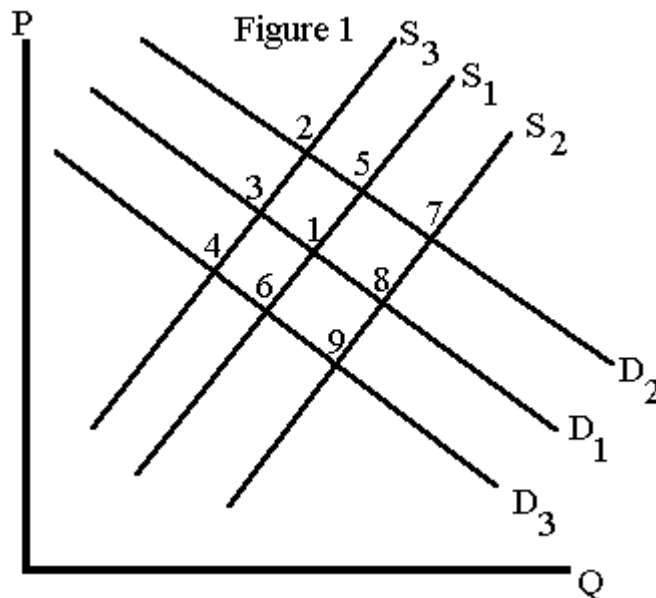
- (d) 5 lakh
120. The rate of inflation was lowest in _____.
- (a) fifties
 - (b) sixties
 - (c) seventies
 - (d) eighties
121. In the year _____, the practice of RBI lending to the government through ad hoc treasury bills was given up.
- (a) 1951
 - (b) 1997
 - (c) 1991
 - (d) 2001
122. TRAI is the regulatory authority for _____ in India.
- (a) railways
 - (b) telecom
 - (c) banking
 - (d) secondary market
123. The FRBM Act aims at reducing gross fiscal deficit by _____% per annum.
- (a) 2%.
 - (b) 1%.
 - (c) 0.5%.
 - (d) 3%.
124. In terms of overseas shipping tonnage, India ranks_____.
- (a) 67th
 - (b) 23rd
 - (c) 100th
 - (d) 17th
125. GNP at market price minus _____is equal to GDP at market price.
- (a) depreciation.
 - (b) direct taxes
 - (c) subsidies
 - (d) net income from abroad

126. About 98 percent of the sick units in India are _____ units.
- (a) small
 - (b) big
 - (c) banking
 - (d) trading
127. Excise duties are levied on _____.
- (a) incomes of the individual
 - (b) production of goods
 - (c) export and import of goods
 - (d) incomes of the corporate
128. Points outside the production possibilities curve are _____.
- (a) attainable with the existing technology.
 - (b) not attainable with the existing resources and technology.
 - (c) inefficient.
 - (d) suggest that the country's factors are underemployed.
129. Price theory is an important constituent of _____ Economics.
- (a) Micro
 - (b) Macro
 - (c) Developmental
 - (d) Welfare
130. For _____ goods increase in income leads to increase in demand
- (a) Abnormal
 - (b) Normal
 - (c) Inferior
 - (d) Superior
131. Economic laws are essentially _____ and _____.
- (a) hypothetical, conditional
 - (b) hypothetical, unconditional
 - (c) neutral, rigid
 - (d) neutral, flexible
132. Inductive method is _____ based on the observation of particular facts.
- (a) never

- (b) seldomly
- (c) alternatively
- (d) always

PART III

Questions 133 to 137 are based on the demand and supply diagrams in Figure 1. S_1 and D_1 are the original demand and supply curves. D_2 , D_3 , S_2 and S_3 are possible new demand and supply curves. Starting from initial equilibrium point (1) what point on the graph is most likely to result from each change?



133. If Figure 1 represents the market for Perk (chocolates), the initial equilibrium is at the intersection of S_1 and D_1 . The new equilibrium if there is an increase in the price of Dairy milk (chocolates) will be:
- (a) Point 3
 - (b) Point 5
 - (c) Point 4
 - (d) Point 2.
134. In Figure 1 (which represents the market for Perk (chocolates)), the initial equilibrium is at the intersection of S_1 and D_1 . The new equilibrium if there is rapid economic growth but cost of labour producing Perk also rises:
- (a) Point 3.

- (b) Point 9.
 - (c) Point 2.
 - (d) Point 6.
135. In Figure 1(which represents the market for Perk), the initial equilibrium is at the intersection of S1 and D1. The new equilibrium if there is a health scare about the effect chocolates may have is:
- (a) Point 2.
 - (b) Point 9.
 - (c) Point 3.
 - (d) Point 6.
136. In Figure 1(which represents the market for Perk), the initial equilibrium is at the intersection of S1 and D1. Assuming that there is a new technology for producing Perk, the new equilibrium:
- (a) Point 8
 - (b) Point 7.
 - (c) Point 3.
 - (d) Point 6.
137. In Figure 1(which represents the market for Perk), the initial equilibrium is at the intersection of S1 and D1. Assume that there is an increase in the productivity and at the same time the price of 5 star(chocolates) falls. The new equilibrium will be:
- (a) Point 2.
 - (b) Point 9.
 - (c) Point 3.
 - (d) Point 6.

PART IV

138. What is the average total cost in producing 20 units, if fixed cost is Rs.5000 and variable cost is Rs. 2/-?
- (a) 250
 - (b) 260
 - (c) 258
 - (d) 252
139. For producing 100 units Total variable cost is Rs.500 & Total fixed cost is Rs.1000.Compute Average Cost.
- (a) 10

- (b) 15
- (c) 5
- (d) 20

Read the following data and answer questions 140-143. Following are the cost components:

Direct material	Rs.2500
Indirect material	Rs.1500
Indirect labour	Rs.2000
Direct labour	Rs.1400
Management expense	Rs.3000
Promotional expense	Rs.2700
Indirect expense	Rs.1500
Direct expense	Rs.1000.

140. From the above data compute Prime cost.

- (a) 6300
- (b) 2900
- (c) 4900
- (d) 5300

141. From the above data compute Production cost.

- (a) 7600
- (b) 6900
- (c) 9900
- (d) 8700

142. From the above data, compute Cost of goods sold.

- (a) 9900
- (b) 11500
- (c) 12600
- (d) 12900

143. From the above data, compute cost of sales.

- (a) 15500
- (b) 15600
- (c) 12900

- (d) 14800
144. If in the above case, sales are Rs.16500, then compute profit?
- (a) 1000
 - (b) 1200
 - (c) 900
 - (d) 800
145. Compute national income when population is 3 cr and per capita income is 2000
- (a) 6000 cr
 - (b) 2000 cr
 - (c) 3000 cr
 - (d) 10000 cr
146. What is the price elasticity of demand when, price changes from Rs.10 to Rs.12 and correspondingly demand changes from 6 units to 4 units?
- (a) 0.833
 - (b) 1.6
 - (c) 2.2
 - (d) 1.833
147. What is the new quantity demanded when price elasticity is 1 and price changes from Rs.15 to Rs.10 and the original quantity demanded was 10 units?
- (a) 15 units
 - (b) 20 units
 - (c) 8 units
 - (d) 12 units
148. What is the original price of a commodity when price elasticity is 0.71 and demand changes from 20 units to 15 units and the new price is Rs. 10?
- (a) Rs. 15
 - (b) Rs. 18
 - (c) Rs. 20
 - (d) Rs. 8

Read the following table and answer question number 149 -150.

Table 3

Number of products	Total utility	Marginal utility
0	0	-
1	1800	
2	3400	
3	4800	
4	6000	
5	7000	
6	7800	
7	8400	
8	8800	
9	9000	

149. What is marginal utility when consumption increases from 4 units to 5 units?

- (a) 3000.
- (b) 1200.
- (c) 1000.
- (d) 1500.

150. What is marginal utility when consumption increases from 8 units to 9 units?

- (a) 3000.
- (b) 200.
- (c) 2000.
- (d) 1500.

SECTION – D : QUANTITATIVE APTITUDE(50 MARKS)

- (i) Questions 151 to 160 have only one correct answer and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (ii) Questions 161 to 170 are the fill in the blank based questions having four alternate answers and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.
- (iii) Questions 171 to 200 are numerical based questions, which have answers as numerical value and carry + 1 mark each for correct answer and – 0.25 mark for each wrong answer.

PART I

151. The correlation is said to be positive
- (a) When the values of two variables move in the same direction.
 - (b) When the values of two variables move in the opposite direction.
 - (c) When the values of two variable would not change.
 - (d) None of these.
152. The point of intersection between the lines $3x+4y=7$ and $4x-y=3$ lie in the
- (a) 1st quadrant.
 - (b) 2nd quadrant.
 - (c) 3rd quadrant.
 - (d) 4th quadrant.
153. If P is a set of natural number then $P \cap P'$ is
- (a) ϕ
 - (b) Sample Space.
 - (c) 0
 - (d) $(P \cup P')$
154. Three coins are tossed. What is the probability of getting at least two tails?
- (a) $1/2$
 - (b) $1/3$
 - (c) $1/4$
 - (d) None of these.
155. The result of ODI matches between India and Pakistan follows

- (a) Binomial distribution.
 - (b) Poisson distribution.
 - (c) Normal distribution.
 - (d) (b) or (c).
156. If in a binomial distribution mean = 20, S.D. = 4 then n is equal to
- (a) 80
 - (b) 100
 - (c) 90
 - (d) None of these.
157. The difference between sample S.D. and the estimate of population S.D. is negligible if the sample size is
- (a) Small.
 - (b) Moderate.
 - (c) Sufficiently large.
 - (d) None of these.
158. Coefficient of determination is defined as
- (a) r^3
 - (b) $1-r^2$
 - (c) $1+r^2$
 - (d) r^2
159. Regression coefficient is independent of the change of
- (a) Scale.
 - (b) Origin.
 - (c) Both origin and scale.
 - (d) Neither origin nor scale.
160. If A and B are mutually exclusive events and $P(A) = 0.3$ and $P(B) = 0.4$, find $P(A')$.
- (a) 0.7
 - (b) 0.3
 - (c) 0.6
 - (d) None of these.

PART II

161. If $y = f(x) = \frac{ax+b}{ax-a}$ then $f(y)$ is _____ .
- (a) $-x$
 - (b) $2x$
 - (c) x
 - (d) x^2
162. Value of ${}^3P_2$ is _____ .
- (a) 6
 - (b) 1
 - (c) 3
 - (d) 2
163. In binomial distribution 'p' denotes probability of _____ .
- (a) Success.
 - (b) Failure.
 - (c) Both of these.
 - (d) None of these.
164. First deciles is the value for which one-tenth of the given observations are _____ D_1 and the remaining nine-tenth observations are _____ D_1 .
- (a) Less than or equal to, More than or equal to
 - (b) More than or equal to, Less than or equal to
 - (c) Less than, More than
 - (d) More than, Less than
165. _____ may be defined as the minimum value and the maximum value, the class interval may contain.
- (a) Class mark
 - (b) Class limit
 - (c) Both of the above
 - (d) None of the above
166. In case of _____, plotted points on a scatter diagram would be equally distributed without depicting any particular pattern.
- (a) Zero correlation
 - (b) Positive correlation

- (c) Negative correlation
 - (d) Simple correlation
167. Let $f(y) = x^{x^3}$ then $f'(y)$ is _____ .
- (a) $x^3 [x^2 + 3x \cdot \log x]$
 - (b) $x^{x^3} [x^2 + 3x \cdot \log x]$
 - (c) $x^{x^3} [x^2 - 3x \cdot \log x]$
 - (d) None of these
168. The colour of a flower is an example of _____ .
- (a) An attribute
 - (b) A variable
 - (c) A discrete variable
 - (d) A continuous variable
169. A quantitative characteristic is known as _____ .
- (a) An attribute
 - (b) A variable
 - (c) Both of above
 - (d) None of above
170. Data collected on the weight of a group of a students after recording their weights with a weighing machine are _____ .
- (a) Primary data
 - (b) Secondary data
 - (c) Discrete data
 - (d) Continuous data

PART III

171. If in a binomial distribution mean = 20, S.D. = 4 then p is equal to
- (a) $2/5$
 - (b) $3/5$
 - (c) $1/5$
 - (d) $4/5$
172. The variables x and y are related by $6x + 7y = 81$ and median of x is 10. What is the median of y?

- (a) 2
(b) 3
(c) 4
(d) 5
173. Find D_6 for the following observations.
41, 28, 45, 25, 60, 37.5, 37.5, 40, 65, 32.5
(a) 39.60
(b) 40.60
(c) 41.60
(d) 42.60
174. For a moderately skewed distribution of marks in statistics for a group of 100 students, the mean mark and median mark were found to be 50 and 40. What is the modal mark?
(a) 15
(b) 20
(c) 25
(d) 30
175. If $y=5+7x$ and mode of x is 4, what is the mode of y ?
(a) 28
(b) 33
(c) 4
(d) 43
176. Following are the marks of 10 students :
82, 79, 56, 79, 85, 95, 55, 72, 70, 66 .
Find coefficient of range.
(a) 25.66
(b) 26.67
(c) 27.66
(d) 28.67
177. A card is drawn from a pack of 52 cards. What is the probability that it is neither a black card nor a king?
(a) $\frac{6}{13}$
(b) $\frac{5}{13}$

- (c) $1/6$
- (d) None of these.

178. Refer following table

Frequency distribution of weights of 16 students

Weight in kg. (Class interval)	No. of students (Frequency)
44 – 48	4
49 – 53	5
54 – 58	7
Total	16

Find Relative frequency for the third class interval.

- (a) $7/16$
 - (b) $7/4$
 - (c) $16/7$
 - (d) None of the above.
179. If the coefficient of correlation between two variables is 0.6, then the percentage of variation unaccounted for is
- (a) 60%
 - (b) 40%
 - (c) 64%
 - (d) 36%
180. A coin is tossed two times. The toss resulted in one head and one tail. What is the probability that the first throw resulted in tail?
- (a) $1/3$
 - (b) $1/4$
 - (c) $1/2$
 - (d) None of these.
181. A survey shows that 68% of women like apples, 74% of women like orange. What percentage like both
- (a) 12%
 - (b) 6%
 - (c) 21%
 - (d) 42%

182. $\int e^{3x+5} dx$ is equal to
- (a) $\int \frac{e^{3x+5}}{3} + c$
- (b) $\frac{e^{3x}}{5} + c$
- (c) $\frac{-e^{3x+5}}{3} + c$
- (d) None of these.
183. Sum of the series $1+3+9+27 \dots$ is 364. The number of terms is
- (a) 5
- (b) 6
- (c) 11
- (d) None of these.
184. In how many ways can 4 single seated rooms in a hostel be occupied by 3 students?
- (a) 24
- (b) 12
- (c) 4
- (d) 6
185. The value of $\frac{1}{\log_a(ab)} + \frac{1}{\log_b(ab)}$ is
- (a) 0
- (b) 1
- (c) -1
- (d) None of these.
186. The difference between the simple interest and the compound interest on Rs.1200 for 4 years at 10% p.a. is
- (a) Rs.77
- (b) Rs.480
- (c) Rs.80
- (d) Rs.557
187. Differentiate y w.r.t. x when $y=(x^2-2x)(x^2+1)$

- (a) $4x^3+6x^2-2x+2$
 (b) $4x^2-6x+2$
 (c) $4x^3-6x^2+2x-2$
 (d) None of these.
188. If $f(x) = \frac{2x^2 + 6x - 5}{12x^2 + x - 20}$ is to be discontinuous then
 (a) $x=5/4$
 (b) $x=4/5$
 (c) $-4/3$
 (d) None of these.
189. Find the arithmetic mean between 4 and 10
 (a) 14
 (b) 7
 (c) 3
 (d) 6
190. Compute ${}^8C_7$
 (a) 8
 (b) 7
 (c) 6
 (d) None of these.
191. Find the distance between the pair of points p (-5, 2) and q (-3, -4)
 (a) $2\sqrt{10}$
 (b) $10\sqrt{2}$
 (c) 2
 (d) 10
192. What will be the final value of investment for the principal value of Rs. 80,000 for 4 years @ 10% p.a. rate of interest?
 (a) 83,200
 (b) Rs. 112,000
 (c) 82,300
 (d) None of these.
193. $184 x^{-9/8}$ is expressed as

(a) $-184x^{9/8}$

(b) $\frac{184}{x^{-9/8}}$

(c) $x^{9/8}$

(d) $\frac{184}{x^{9/8}}$

194. The value of $\int x^3 \sqrt{x} \, dx$ is

(a) $\frac{-2x^{5/2}}{5} + c$

(b) $\frac{2x^{5/2}}{5} + c$

(c) $x^{5/2} + c$

(d) None of these.

195. Evaluate $\lim_{x \rightarrow 9} \frac{x^{3/2} - 27}{x - 9}$

(a) 3

(b) $\frac{9}{2}$

(c) $\frac{3}{2}$

(d) 9

196. Find the mean proportion between 5.25 and 8.9

(a) 8.63

(b) 6.83

(c) 9.23

(d) None of these.

197. If $a : b = c : d = 3 : 5$, then what are the values of $ad : bc$ is

(a) 3:5

(b) 5:3

(c) 1:1

(d) None of these.

198. The solution set of the equations is $2x+3y = 0$ and $x+2y=0$

- (a) 2, 2
- (b) 1, -1
- (c) 0, 0
- (d) -3, 3

199. The curve $4y=ux^2+v$ passes through the point p at (2, 3) and $\frac{dy}{dx}=4$ this point 'p'. So the values of u and v are

- (a) $u=2, v=2$
- (b) $u=-4, v=-4$
- (c) $u=4, v=4$
- (d) None of these.

200. Determine the first term of an A.P. with common difference 3 & 7th term being 11

- (a) -7
- (b) 7
- (c) 6
- (d) 5

Answers of Model Test Papers

MODEL TEST PAPER–BOS/CPT-1/2006

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(c)	2	(d)	3	(b)	4	(b)	5	(d)
6	(b)	7	(c)	8	(a)	9	(c)	10	(b)
11	(c)	12	(d)	13	(c)	14	(a)	15	(a)
16	(a)	17	(a)	18	(a)	19	(c)	20	(b)
21	(a)	22	(c)	23	(d)	24	(b)	25	(a)
26	(a)	27	(b)	28	(b)	29	(b)	30	(a)
31	(a)	32	(c)	33	(d)	34	(d)	35	(b)
36	(a)	37	(d)	38	(a)	39	(d)	40	(b)
41	(b)	42	(c)	43	(c)	44	(d)	45	(b)
46	(c)	47	(a)	48	(a)	49	(b)	50	(b)
51	(c)	52	(d)	53	(d)	54	(d)	55	(d)
56	(c)	57	(c)	58	(b)	59	(d)	60	(b)

SECTION – B : MERCANTILE LAWS

61.	(c)	62.	(d)	63.	(a)	64.	(b)	65.	(d)
66.	(d)	67.	(b)	68.	(c)	69.	(a)	70.	(b)
71.	(c)	72.	(b)	73.	(d)	74.	(b)	75.	(d)
76.	(d)	77.	(a)	78.	(c)	79.	(a)	80.	(c)
81.	(b)	82.	(a)	83.	(a)	84.	(a)	85.	(c)
86.	(c)	87.	(a)	88.	(b)	89.	(b)	90.	(c)
91.	(b)	92.	(b)	93.	(c)	94.	(d)	95.	(c)
96.	(a)	97.	(b)	98.	(d)	99.	(b)	100.	(b)

SECTION – C : GENERAL ECONOMICS

101	(a)	102	(a)	103	(b)	104	(c)	105	(b)
106	(d)	107	(d)	108	(b)	109	(a)	110	(d)

111	(b)	112	(a)	113	(d)	114	(a)	115	(c)
116	(c)	117	(a)	118	(b)	119	(c)	120	(b)
121	(a)	122	(a)	123	(a)	124	(c)	125	(d)
126	(d)	127	(c)	128	(a)	129	(c)	130	(c)
131	(c)	132	(d)	133	(c)	134	(b)	135	(a)
136	(a)	137	(c)	138	(c)	139	(c)	140	(c)
141	(b)	142	(c)	143	(a)	144	(c)	145	(d)
146	(d)	147	(a)	148	(c)	149	(a)	150	(b)

SECTION – D : QUANTITATIVE APTITUDE

151	(d)	152	(d)	153	(b)	154	(a)	155	(b)
156	(d)	157	(b)	158	(a)	159	(b)	160	(c)
161	(d)	162	(b)	163	(a)	164	(a)	165	(b)
166	(a)	167	(d)	168	(a)	169	(b)	170	(a)
171	(b)	172	(c)	173	(a)	174	(d)	175	(a)
176	(c)	177	(a)	178	(a)	179	(b)	180	(b)
181	(b)	182	(c)	183	(c)	184	(a)	185	(d)
186	(c)	187	(c)	188	(c)	189	(b)	190	(a)
191	(c)	192	(a)	193	(b)	194	(a)	195	(a)
196	(c)	197	(c)	198	(a)	199	(b)	200	(a)

MODEL TEST PAPER–BOS/CPT-2/2006

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(d)	2	(b)	3	(c)	4	(d)	5	(d)
6	(c)	7	(a)	8	(b)	9	(b)	10	(c)
11	(a)	12	(a)	13	(a)	14	(c)	15	(a)
16	(b)	17	(c)	18	(a)	19	(c)	20	(a)
21	(a)	22	(c)	23	(d)	24	(a)	25	(a)
26	(d)	27	(a)	28	(b)	29	(c)	30	(a)
31	(b)	32	(a)	33	(b)	34	(b)	35	(a)

36	(a)	37	(a)	38	(a)	39	(b)	40	(a)
41	(a)	42	(a)	43	(a)	44	(c)	45	(c)
46	(a)	47	(b)	48	(a)	49	(a)	50	(a)
51	(b)	52	(b)	53	(c)	54	(a)	55	(b)
56	(c)	57	(b)	58	(a)	59	(b)	60	(a)

SECTION – B : MERCANTILE LAWS

61.	(c)	62.	(d)	63.	(d)	64.	(a)	65.	(c)
66.	(d)	67.	(c)	68.	(a)	69.	(d)	70.	(a)
71.	(d)	72.	(d)	73.	(c)	74.	(b)	75.	(d)
76.	(c)	77.	(a)	78.	(d)	79.	(d)	80.	(b)
81.	(d)	82.	(b)	83.	(c)	84.	(b)	85.	(d)
86.	(a)	87.	(b)	88.	(c)	89.	(c)	90.	(b)
91.	(c)	92.	(a)	93.	(b)	94.	(c)	95.	(a)
96.	(a)	97.	(d)	98.	(d)	99.	(a)	100.	(a)

SECTION – C : GENERAL ECONOMICS

101	(b)	102	(d)	103	(a)	104	(c)	105	(a)
106	(a)	107	(c)	108	(c)	109	(a)	110	(d)
111	(d)	112	(d)	113	(b)	114	(b)	115	(b)
116	(d)	117	(d)	118	(b)	119	(b)	120	(b)
121	(b)	122	(c)	123	(c)	124	(a)	125	(d)
126	(c)	127	(a)	128	(c)	129	(c)	130	(a)
131	(b)	132	(d)	133	(b)	134	(a)	135	(c)
136	(d)	137	(b)	138	(b)	139	(b)	140	(a)
141	(d)	142	(c)	143	(a)	144	(d)	145	(b)
146	(b)	147	(c)	148	(a)	149	(c)	150	(a)

SECTION – D : QUANTITATIVE APTITUDE

151	(b)	152	(a)	153	(d)	154	(d)	155	(c)
156	(b)	157	(c)	158	(c)	159	(a)	160	(d)

161	(d)	162	(b)	163	(b)	164	(b)	165	(c)
166	(d)	167	(c)	168	(b)	169	(b)	170	(a)
171	(c)	172	(a)	173	(a)	174	(c)	175	(b)
176	(c)	177	(d)	178	(b)	179	(a)	180	(d)
181	(b)	182	(c)	183	(b)	184	(a)	185	(a)
186	(c)	187	(a)	188	(a)	189	(a)	190	(c)
191	(d)	192	(c)	193	(d)	194	(a)	195	(b)
196	(b)	197	(a)	198	(b)	199	(b)	200	(b)

MODEL TEST PAPER–BOS/CPT-3/2006

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(d)	2	(b)	3	(a)	4	(d)	5	(c)
6	(d)	7	(a)	8	(c)	9	(b)	10	(c)
11	(c)	12	(c)	13	(c)	14	(a)	15	(c)
16	(a)	17	(b)	18	(c)	19	(c)	20	(b)
21	(b)	22	(c)	23	(b)	24	(d)	25	(b)
26	(c)	27	(a)	28	(a)	29	(d)	30	(c)
31	(a)	32	(c)	33	(d)	34	(c)	35	(b)
36	(b)	37	(d)	38	(d)	39	(a)	40	(b)
41	(b)	42	(c)	43	(c)	44	(b)	45	(a)
46	(a)	47	(d)	48	(a)	49	(b)	50	(a)
51	(c)	52	(b)	53	(b)	54	(a)	55	(d)
56	(c)	57	(c)	58	(a)	59	(d)	60	(b)

SECTION – B : MERCANTILE LAWS

61.	(b)	62.	(d)	63.	(a)	64.	(b)	65.	(c)
66.	(d)	67.	(d)	68.	(a)	69.	(c)	70.	(b)
71.	(c)	72.	(b)	73.	(b)	74.	(d)	75.	(b)
76.	(d)	77.	(c)	78.	(c)	79.	(d)	80.	(b)
81.	(c)	82.	(b)	83.	(c)	84.	(a)	85.	(a)

86.	(b)	87.	(a)	88.	(a)	89.	(b)	90.	(a)
91.	(d)	92.	(d)	93.	(d)	94.	(b)	95.	(c)
96.	(a)	97.	(d)	98.	(d)	99.	(b)	100.	(a)

SECTION – C : GENERAL ECONOMICS

101	(c)	102	(a)	103	(b)	104	(a)	105	(d)
106	(a)	107	(b)	108	(b)	109	(c)	110	(d)
111	(d)	112	(b)	113	(c)	114	(a)	115	(d)
116	(c)	117	(a)	118	(b)	119	(b)	120	(d)
121	(d)	122	(b)	123	(b)	124	(b)	125	(c)
126	(a)	127	(a)	128	(c)	129	(c)	130	(a)
131	(b)	132	(b)	133	(d)	134	(b)	135	(d)
136	(c)	137	(d)	138	(d)	139	(c)	140	(b)
141	(c)	142	(c)	143	(a)	144	(a)	145	(b)
146	(a)	147	(c)	148	(a)	149	(d)	150	(d)

SECTION – D : QUANTITATIVE APTITUDE

151	(d)	152	(b)	153	(c)	154	(a)	155	(d)
156	(a)	157	(d)	158	(d)	159	(a)	160	(b)
161	(b)	162	(b)	163	(a)	164	(c)	165	(b)
166	(a)	167	(a)	168	(d)	169	(b)	170	(b)
171	(a)	172	(b)	173	(c)	174	(c)	175	(a)
176	(b)	177	(b)	178	(c)	179	(c)	180	(c)
181	(b)	182	(b)	183	(c)	184	(a)	185	(c)
186	(c)	187	(b)	188	(b)	189	(b)	190	(b)
191	(b)	192	(b)	193	(c)	194	(c)	195	(c)
196	(c)	197	(d)	198	(b)	199	(c)	200	(c)

MODEL TEST PAPER–BOS/CPT-4/2006

SECTION – A :FUNDAMENTALS OF ACCOUNTING

1	(d)	2	(b)	3	(a)	4	(c)	5	(c)
6	(a)	7	(a)	8	(b)	9	(d)	10	(d)
11	(b)	12	(c)	13	(a)	14	(c)	15	(a)
16	(d)	17	(d)	18	(a)	19	(b)	20	(d)
22	(c)	23	(b)	23	(d)	24	(b)	25	(c)
26	(a)	27	(d)	28	(d)	29	(d)	30	(b)
31	(b)	32	(a)	33	(c)	34	(c)	35	(a)
36	(b)	37	(c)	38	(c)	39	(b)	40	(c)
41	(b)	42	(b)	43	(b)	44	(c)	45	(a)
46	(b)	47	(c)	48	(c)	49	(a)	50	(b)
51	(c)	52	(c)	53	(d)	54	(b)	55	(a)
56	(c)	57	(b)	58	(c)	59	(a)	60	(a)

SECTION – B : MERCANTILE LAWS

61.	(a)	62.	(d)	63.	(a)	64.	(b)	65.	(c)
66.	(d)	67.	(d)	68.	(b)	69.	(c)	70.	(a)
71.	(c)	72.	(d)	73.	(c)	74.	(d)	75.	(a)
76.	(d)	77.	(d)	78.	(b)	79.	(c)	80.	(b)
81.	(a)	82.	(a)	83.	(c)	84.	(b)	85.	(a)
86.	(b)	87.	(b)	88.	(b)	89.	(b)	90.	(b)
91.	(c)	92.	(d)	93.	(b)	94.	(c)	95.	(a)
96.	(d)	97.	(d)	98.	(b)	99.	(a)	100.	(a)

SECTION – C : GENERAL ECONOMICS

101	(c)	102	(a)	103	(c)	104	(d)	105	(c)
106	(b)	107	(d)	108	(d)	109	(b)	110	(c)
111	(d)	112	(d)	113	(c)	114	(b)	115	(a)
116	(c)	117	(a)	118	(c)	119	(b)	120	(b)

121	(c)	122	(c)	123	(c)	124	(b)	125	(d)
126	(b)	127	(c)	128	(a)	129	(c)	130	(c)
131	(c)	132	(b)	133	(d)	134	(c)	135	(b)
136	(b)	137	(d)	138	(c)	139	(a)	140	(d)
141	(b)	142	(a)	143	(c)	144	(d)	145	(b)
146	(b)	147	(d)	148	(d)	149	(b)	150	(b)

SECTION – D : QUANTITATIVE APTITUDE

151	(c)	152	(a)	153	(b)	154	(b)	155	(d)
156	(b)	157	(c)	158	(b)	159	(b)	160	(c)
161	(d)	162	(c)	163	(a)	164	(a)	165	(c)
166	(d)	167	(d)	168	(c)	169	(b)	170	(b)
171	(a)	172	(c)	173	(b)	174	(c)	175	(b)
176	(b)	177	(b)	178	(d)	179	(c)	180	(a)
181	(b)	182	(c)	183	(c)	184	(a)	185	(a)
186	(c)	187	(c)	188	(b)	189	(a)	190	(a)
191	(c)	192	(c)	193	(c)	194	(c)	195	(b)
196	(a)	197	(d)	198	(d)	199	(c)	200	(b)

MODEL TEST PAPER–BOS/CPT-5/2006

SECTION – A : FUNDAMENTALS OF ACCOUNTING

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

46	(a)	47	(d)	48	(c)	49	(b)	50	(b)
51	(a)	52	(d)	53	(d)	54	(a)	55	(c)
56	(b)	57	(c)	58	(b)	59	(c)	60	(d)

SECTION – B MERCANTILE AWS

61.	(d)	62.	(b)	63.	(c)	64.	(a)	65.	(d)
66.	(d)	67.	(d)	68.	(b)	69.	(d)	70.	(d)
71.	(c)	72.	(d)	73.	(a)	74.	(d)	75.	(d)
76.	(c)	77.	(d)	78.	(b)	79.	(b)	80.	(a)
81.	(d)	82.	(b)	83.	(a)	84.	(a)	85.	(a)
86.	(b)	87.	(a)	88.	(a)	89.	(a)	90.	(c)
91.	(c)	92.	(d)	93.	(b)	94.	(d)	95.	(d)
96.	(d)	97.	(d)	98.	(a)	99.	(a)	100.	(d)

SECTION – C : GENERAL ECONOMICS

101	(c)	102	(d)	103	(a)	104	(b)	105	(c)
106	(b)	107	(b)	108	(c)	109	(d)	110	(b)
111	(d)	112	(b)	113	(d)	114	(b)	115	(a)
116	(b)	117	(a)	118	(a)	119	(b)	120	(a)
121	(b)	122	(c)	123	(a)	124	(c)	125	(a)
126	(a)	127	(a)	128	(a)	129	(b)	130	(a)
131	(c)	132	(d)	133	(b)	134	(b)	135	(d)
136	(d)	137	(d)	138	(d)	139	(d)	140	(c)
141	(c)	142	(d)	143	(c)	144	(b)	145	(d)
146	(a)	147	(a)	148	(b)	149	(c)	150	(b)

SECTION – D : QUANTITATIVE APTITUDE

151	(b)	152	(a)	153	(c)	154	(a)	155	(d)
156	(c)	157	(c)	158	(d)	159	(d)	160	(d)
161	(b)	162	(b)	163	(c)	164	(b)	165	(a)
166	(b)	167	(a)	168	(a)	169	(d)	170	(c)

171	(d)	172	(a)	173	(b)	174	(a)	175	(a)
176	(a)	177	(c)	178	(b)	179	(a)	180	(d)
181	(d)	182	(d)	183	(c)	184	(a)	185	(b)
186	(b)	187	(b)	188	(c)	189	(a)	190	(c)
191	(b)	192	(b)	193	(a)	194	(c)	195	(c)
196	(a)	197	(c)	198	(a)	199	(c)	200	(b)

MODEL TEST PAPER–BOS/CPT-6/2006

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(d)	2	(d)	3	(c)	4	(d)	5	(d)
6	(a)	7	(c)	8	(d)	9	(c)	10	(b)
11	(b)	12	(b)	13	(a)	14	(b)	15	(b)
16	(b)	17	(c)	18	(c)	19	(c)	20	(d)
21	(c)	22	(b)	23	(b)	24	(b)	25	(d)
26	(c)	27	(a)	28	(b)	29	(b)	30	(c)
31	(c)	32	(a)	33	(b)	34	(d)	35	(c)
36	(b)	37	(d)	38	(c)	39	(c)	40	(b)
41	(a)	42	(c)	43	(b)	44	(c)	45	(c)
46	(d)	47	(b)	48	(d)	49	(c)	50	(c)
51	(c)	52	(d)	53	(b)	54	(d)	55	(c)
56	(c)	57	(d)	58	(c)	59	(b)	60	(d)]

SECTION – B : MERCANTILE LAWS

61.	(b)	62.	(a)	63.	(c)	64.	(b)	65.	(d)
66.	(c)	67.	(d)	68.	(b)	69.	(d)	70.	(d)
71.	(b)	72.	(d)	73.	(a)	74.	(c)	75.	(b)
76.	(a)	77.	(a)	78.	(d)	79.	(b)	80.	(a)
81.	(a)	82.	(a)	83.	(b)	84.	(a)	85.	(b)
86.	(a)	87.	(b)	88.	(d)	89.	(d)	90.	(b)
91.	(a)	92.	(d)	93.	(c)	94.	(a)	95.	(b)
96.	(c)	97.	(d)	98.	(d)	99.	(a)	100.	(b)

SECTION – C : GENERAL ECONOMICS

101	(d)	102	(b)	103	(b)	104	(c)	105	(d)
106	(a)	107	(c)	108	(b)	109	(d)	110	(b)
111	(a)	112	(b)	113	(d)	114	(c)	115	(d)
116	(c)	117	(a)	118	(a)	119	(d)	120	(c)
121	(b)	122	(b)	123	(d)	124	(c)	125	(c)
126	(c)	127	(d)	128	(d)	129	(d)	130	(b)
131	(a)	132	(b)	133	(c)	134	(c)	135	(c)
136	(d)	137	(b)	138	(c)	139	(a)	140	(d)
141	(d)	142	(a)	143	(b)	144	(c)	145	(a)
146	(b)	147	(d)	148	(c)	149	(d)	150	(b)

SECTION – D : QUANTITATIVE APTITUDE

151	(b)	152	(b)	153	(d)	154	(d)	155	(d)
156	(b)	157	(c)	158	(b)	159	(a)	160	(d)
161	(a)	162	(c)	163	(b)	164	(c)	165	(c)
166	(b)	167	(a)	168	(c)	169	(b)	170	(c)
171	(b)	172	(b)	173	(b)	174	(d)	175	(c)
176	(b)	177	(c)	178	(c)	179	(b)	180	(c)
181	(c)	182	(b)	183	(b)	184	(d)	185	(b)
186	(a)	187	(b)	188	(c)	189	(b)	190	(d)
191	(a)	192	(b)	193	(b)	194	(b)	195	(a)
196	(a)	197	(a)	198	(c)	199	(b)	200	(b)

MODEL TEST PAPER–BOS/CPT-7/2006**SECTION – A : FUNDAMENTALS OF ACCOUNTING**

1	(b)	2	(c)	3	(a)	4	(d)	5	(d)
6	(c)	7	(b)	8	(a)	9	(a)	10	(a)
11	(b)	12	(a)	13	(c)	14	(c)	15	(d)

16	(d)	17	(c)	18	(a)	19	(b)	20	(c)
21	(b)	22	(a)	23	(a)	24	(b)	25	(c)
26	(b)	27	(d)	28	(a)	29	(d)	30	(c)
31	(b)	32	(a)	33	(b)	34	(c)	35	(d)
36	(c)	37	(a)	38	(b)	39	(c)	40	(d)
41	(a)	42	(a)	43	(c)	44	(b)	45	(a)
46	(d)	47	(d)	48	(d)	49	(a)	50	(c)
51	(b)	52	(d)	53	(b)	54	(c)	55	(c)
56	(a)	57	(d)	58	(b)	59	(c)	60	(a)

SECTION – B : MERCANTILE LAWS

61.	(d)	62.	(d)	63.	(c)	64.	(a)	65.	(a)
66.	(b)	67.	(d)	68.	(d)	69.	(a)	70.	(d)
71.	(d)	72.	(c)	73.	(d)	74.	(d)	75.	(d)
76.	(d)	77.	(d)	78.	(c)	79.	(c)	80.	(c)
81.	(d)	82.	(d)	83.	(b)	84.	(c)	85.	(b)
86.	(a)	87.	(a)	88.	(d)	89.	(a)	90.	(b)
91.	(b)	92.	(c)	93.	(a)	94.	(a)	95.	(d)
96.	(b)	97.	(a)	98.	(d)	99.	(c)	100.	(a)

SECTION – C : GENERAL ECONOMICS

101	(b)	102	(d)	103	(d)	104	(d)	105	(c)
106	(a)	107	(c)	108	(a)	109	(d)	110	(d)
111	(c)	112	(a)	113	(d)	114	(b)	115	(c)
116	(b)	117	(a)	118	(a)	119	(c)	120	(b)
121	(c)	122	(d)	123	(a)	124	(c)	125	(b)
126	(b)	127	(a)	128	(d)	129	(c)	130	(b)
131	(b)	132	(a)	133	(b)	134	(c)	135	(d)
136	(a)	137	(b)	138	(c)	139	(c)	140	(b)
141	(c)	142	(b)	143	(b)	144	(c)	145	(a)
146	(d)	147	(c)	148	(b)	149	(a)	150	(d)

SECTION – D : QUANTITATIVE APTITUDE

151	(c)	152	(b)	153	(d)	154	(d)	155	(c)
156	(b)	157	(b)	158	(c)	159	(c)	160	(a)
161	(c)	162	(a)	163	(a)	164	(b)	165	(b)
166	(c)	167	(c)	168	(a)	169	(a)	170	(a)
171	(b)	172	(d)	173	(c)	174	(a)	175	(a)
176	(c)	177	(b)	178	(a)	179	(a)	180	(b)
181	(a)	182	(a)	183	(a)	184	(a)	185	(d)
186	(b)	187	(b)	188	(d)	189	(b)	190	(d)
191	(d)	192	(c)	193	(c)	194	(b)	195	(b)
196	(b)	197	(b)	198	(a)	199	(b)	200	(c)

MODEL TEST PAPER–BOS/CPT-8/2006**SECTION – A : FUNDAMENTALS OF ACCOUNTING**

1	(d)	2	(d)	3	(c)	4	(c)	5	(c)
6	(b)	7	(c)	8	(c)	(9)	(b)	10	(b)
11	(d)	12	(a)	13	(d)	14	(d)	15	(c)
16	(c)	17	(c)	18	(b)	19	(c)	20	(d)
21	(c)	22	(d)	23	(b)	24	(c)	25	(b)
26	(c)	27	(c)	28	(c)	29	(a)	30	(d)
31	(b)	32	(c)	33	(b)	34	(c)	35	(c)
36	(d)	37	(d)	38	(c)	39	(b)	40	(a)
41	(d)	42	(c)	43	(c)	44	(a)	45	(b)
46	(c)	47	(a)	48	(c)	49	(c)	50	(d)
51	(b)	52	(a)	53	(b)	54	(d)	55	(d)
56	(b)	57	(c)	58	(d)	59	(d)	60	(b)

SECTION – B : MERCANTILE LAWS

61.	(a)	62.	(d)	63.	(b)	64.	(a)	65.	(b)

66.	(c)	67.	(d)	68.	(d)	69.	(b)	70.	(a)
71.	(c)	72.	(d)	73.	(d)	74.	(d)	75.	(d)
76.	(d)	77.	(b)	78.	(d)	79.	(b)	80.	(a)
81.	(c)	82.	(d)	83.	(c)	84.	(a)	85.	(b)
86.	(b)	87.	(c)	88.	(a)	89.	(b)	90.	(c)
91.	(b)	92.	(b)	93.	(b)	94.	(b)	95.	(d)
96.	(d)	97.	(c)	98.	(d)	99.	(c)	100.	(a)

SECTION – C : GENERAL ECONOMICS

101	(a)	102	(b)	103	(d)	104	(a)	105	(c)
106	(c)	107	(c)	108	(d)	109	(a)	110	(c)
111	(a)	112	(c)	113	(a)	114	(d)	115	(b)
116	(c)	117	(a)	118	(b)	119	(c)	120	(c)
121	(d)	122	(b)	123	(a)	124	(d)	125	(d)
126	(c)	127	(c)	128	(c)	129	(b)	130	(a)
131	(b)	132	(b)	133	(a)	134	(c)	135	(d)
136	(b)	137	(b)	138	(a)	139	(d)	140	(d)
141	(c)	142	(b)	143	(c)	144	(b)	145	(a)
146	(c)	147	(d)	148	(a)	149	(c)	150	(b)

SECTION – D : QUANTITATIVE APTITUDE

151	(b)	152	(b)	153	(c)	154	(d)	155	(c)
156	(b)	157	(d)	158	(c)	159	(a)	160	(c)
161	(c)	162	(b)	163	(c)	164	(c)	165	(b)
166	(c)	167	(d)	168	(c)	169	(a)	170	(a)
171	(c)	172	(c)	173	(d)	174	(d)	175	(a)
176	(a)	177	(b)	178	(c)	179	(c)	180	(d)
181	(b)	182	(d)	183	(b)	184	(c)	185	(c)
186	(c)	187	(c)	188	(b)	189	(b)	190	(a)
191	(c)	192	(c)	193	(a)	194	(a)	195	(b)
196	(a)	197	(c)	198	(c)	199	(a)	200	(a)

MODEL TEST PAPER–BOS/CPT-9/2006

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(c)	2.	(b)	3	(b)	4	(c)	5	(a)
6	(c)	7	(c)	8	(d)	9	(c)	10	(b)
11	(c)	12.	(b)	13	(a)	14	(b)	15	(d)
16	(c)	17	(c)	18	(b)	19	(c)	20	(b)
21	(d)	22	(d)	23	(a)	24	(b)	25	(c)
26	(b)	27	(c)	28	(d)	29	(c)	30	(a)
31	(d)	32	(c)	33	(a)	34	(b)	35	(a)
36	(b)	37	(b)	38	(b)	39	(d)	40	(a)
41	(b)	42	(c)	43	(c)	44	(c)	45	(a)
46	(a)	47	(d)	48	(c)	49	(a)	50	(b)
51	(c)	52	(d)	53	(b)	54	(a)	55	(c)
56	(b)	57	(d)	58	(c)	59	(b)	60	(d)

SECTION – B : MERCANTILE LAWS

61.	(a)	62.	(c)	63.	(d)	64.	(b)	65.	(d)
66.	(d)	67.	(d)	68.	(b)	69.	(c)	70.	(a)
71.	(a)	72.	(d)	73.	(c)	74.	(d)	75.	(d)
76.	(d)	77.	(d)	78.	(d)	79.	(d)	80.	(a)
81.	(d)	82.	(a)	83.	(a)	84.	(b)	85.	(b)
86.	(d)	87.	(c)	88.	(b)	89.	(a)	90.	(c)
91.	(b)	92.	(c)	93.	(a)	94.	(b)	95.	(a)
96.	(c)	97.	(a)	98.	(c)	99.	(b)	100.	(b)

SECTION – C : GENERAL ECONOMICS

101	(c)	102	(d)	103	(c)	104	(a)	105	(b)
106	(b)	107	(d)	108	(b)	109	(c)	110	(c)
111	(b)	112	(c)	113	(a)	114	(a)	115	(d)

116	(b)	117	(d)	118	(d)	119	(a)	120	(c)
121	(b)	122	(a)	123	(c)	124	(a)	125	(a)
126	(c)	127	(d)	128	(b)	129	(d)	130	(b)
131	(a)	132	(c)	133	(c)	134	(d)	135	(b)
136	(c)	137	(b)	138	(c)	139	(a)	140	(b)
141	(d)	142	(a)	143	(b)	144	(d)	145	(d)
146	(a)	147	(b)	148	(c)	149	(c)	150	(a)

SECTION – D : QUANTITATIVE APTITUDE

151	(a)	152	(a)	153	(b)	154	(b)	155	(b)
156	(b)	157	(b)	158	(a)	159	(b)	160	(d)
161	(a)	162	(b)	163	(a)	164	(b)	165	(b)
166	(c)	167	(b)	168	(b)	169	(a)	170	(b)
171	(b)	172	(b)	173	(b)	174	(c)	175	(b)
176	(c)	177	(b)	178	(b)	179	(a)	180	(a)
181	(a)	182	(d)	183	(c)	184	(a)	185	(c)
186	(a)	187	(c)	188	(a)	189	(b)	190	(a)
191	(d)	192	(a)	193	(c)	194	(d)	195	(d)
196	(a)	197	(b)	198	(a)	199	(d)	200	(c)

MODEL TEST PAPER–BOS/CPT-10/2006

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(a)	2	(b)	3	(b)	4	(c)	5	(b)
6	(c)	7	(b)	8	(a)	9	(b)	10	(c)

11	(b)	12	(d)	13	(c)	14	(a)	15	(b)
16	(d)	17	(a)	18	(a)	19	(d)	20	(b)
21	(b)	22	(c)	23	(b)	24	(b)	25	(a)
26	(c)	27	(a)	28	(c)	29	(a)	30	(a)
31	(b)	32	(d)	33	(b)	34	(b)	35	(c)
36	(a)	37	(c)	38	(b)	39	(d)	40	(a)
41	(a)	42	(d)	43	(c)	44	(b)	45	(b)
46	(b)	47	(b)	48	(b)	49	(c)	50	(c)
51	(c)	52	(b)	53	(b)	54	(c)	55	(a)
56	(c)	57	(a)	58	(c)	59	(b)	60	(a)

SECTION – B : MERCANTILE LAWS

61.	(c)	62.	(d)	63.	(d)	64.	(d)	65.	(c)
66.	(d)	67.	(d)	68.	(c)	69.	(d)	70.	(c)
71.	(c)	72.	(a)	73.	(a)	74.	(d)	75.	(d)
76.	(d)	77.	(d)	78.	(d)	79.	(a)	80.	(b)
81.	(b)	82.	(a)	83.	(a)	84.	(c)	85.	(b)
86.	(c)	87.	(a)	88.	(a)	89.	(a)	90.	(b)
91.	(b)	92.	(d)	93.	(c)	94.	(b)	95.	(a)
96.	(c)	97.	(b)	98.	(d)	99.	(c)	100.	(c)

SECTION – C : GENERAL ECONOMICS

101	(c)	102	(d)	103	(c)	104	(c)	105	(d)
106	(d)	107	(b)	108	(b)	109	(a)	110	(c)
111	(a)	112	(a)	113	(b)	114	(b)	115	(b)
116	(d)	117	(d)	118	(c)	119	(a)	120	(a)
121	(b)	122	(b)	123	(c)	124	(d)	125	(d)
126	(a)	127	(b)	128	(b)	129	(a)	130	(b)
131	(a)	132	(d)	133	(b)	134	(c)	135	(d)
136	(a)	137	(b)	138	(d)	139	(b)	140	(c)
141	(c)	142	(d)	143	(b)	144	(c)	145	(a)
146	(c)	147	(a)	148	(a)	149	(c)	150	(b)

SECTION – D : QUANTITATIVE APTITUDE

151	(a)	152	(a)	153	(a)	154	(a)	155	(a)
156	(b)	157	(c)	158	(d)	159	(b)	160	(a)
161	(c)	162	(a)	163	(a)	164	(a)	165	(b)
166	(a)	167	(b)	168	(a)	169	(b)	170	(a)
171	(c)	172	(b)	173	(b)	174	(b)	175	(b)
176	(b)	177	(a)	178	(a)	179	(c)	180	(c)
181	(d)	182	(a)	183	(b)	184	(a)	185	(b)
186	(a)	187	(c)	188	(c)	189	(b)	190	(a)
191	(a)	192	(b)	193	(d)	194	(b)	195	(b)
196	(b)	197	(c)	198	(c)	199	(c)	200	(a)



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST
Model Test Paper – BOS/CPT-1 / 2007

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

PART-I

1. All the following errors do not effect the trial balance except.
 - (a) Compensating errors
 - (b) Error of complete omission
 - (c) Error of partial omission
 - (d) Error of principle
2. Financial statements are part of -
 - (a) Accounting
 - (b) Book-keeping
 - (c) All of the above
 - (d) None of the above
3. The areas where in different accounting policies can be adopted are.
 - (a) Providing depreciation
 - (b) Valuation of inventories
 - (c) Valuation of investments
 - (d) All of the above

4. The total of the sales book is posted periodically to the credit of
- (a) Sales account
 - (b) Cash book
 - (c) Journal proper
 - (d) Name of the above
5. The amount of the dishonoured bill has been wrongly debited to general expenses account, which type of error has been committed?
- (a) Error of principle
 - (b) Error of commission
 - (c) Compensating error
 - (d) Error of omission
6. Bank account is _____
- (a) Personal account
 - (b) Intangible real account
 - (c) Nominal account
 - (d) Both (b) and (c)
7. Cost of tour abroad by the sales manager to develop markets (tour was successful) is _____
- (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Deferred revenue expenditure
 - (d) Both (a) & (b)
8. 'Advance received from customers is not taken as sale' is based on
- (a) Money measurement concept
 - (b) Accrual consent
 - (c) Consistency concept
 - (d) Conservation
9. Income includes
- (a) Income received
 - (b) Income receivable
 - (c) Both (a) and (b)
 - (d) None of the above
10. Mohan Stationers will debit purchase of stationery in _____
- (a) Stationery account

- (b) General expenses account
- (c) Purchases account
- (d) None of the three

PART-II

11. Heavy amount spent on advertisement is _____
- (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Deferred revenue expenditure
 - (d) Name of the three
12. Cost of goods sold can be calculated by _____
- (a) Trading account
 - (b) Profit & loss account
 - (c) Balance sheet
 - (d) Name of the three
13. Rs. 5,000 spent on repairs of a newly purchased old motor car is debited to _____
- (a) Repairs account
 - (b) General expenses account
 - (c) Motor car account
 - (d) Name of the three
14. Suspense account debit balance Rs. 2000 in trial balance, will be recorded in the _____
- (a) Liability side of balance sheet
 - (b) Asset side of balance sheet
 - (c) Profit & loss account Cr side
 - (d) None of the three
15. Liability for bill discounted is a _____
- (a) Current liability
 - (b) Contingent liability
 - (c) Fixed liability
 - (d) None of the three
16. In valuation of consignment stock only _____ expenses are added
- (a) Direct
 - (b) Indirect

- (c) Both (a) and (b)
 - (d) None of the three
17. Premium on issue of shares is recorded in _____
- (a) Profit & loss debit side
 - (b) Profit & loss appropriation account Dr side
 - (c) Profit & loss appropriation Cr side
 - (d) Balance sheet liability side
18. Interest is calculated on _____ securities
- (a) Market value
 - (b) Face value
 - (c) Purchase value
 - (d) None of the three
19. Income tax in case of a sole trader is treated as _____
- (a) Business expense
 - (b) Personal expense
 - (c) Debtors expense
 - (d) None of the three
20. In double entry system every business transaction affects _____
- (a) Two accounts
 - (b) Two sides of the same account
 - (c) The same account on different dates
 - (d) None of the three

PART – III

21. A businessman purchased goods for Rs. 25,00,000 and sold 70% of such goods during the accounting year ended 31st March, 2005. The market value of the remaining goods was Rs. 5,00,000. He valued the closing stock at Rs. 5,00,000 and not at Rs. 7,50,000 due to
- (a) Money measurement
 - (b) Conservatism
 - (c) Cost
 - (d) Periodicity
22. XY LTD. issued 25,000 equity shares of Rs. 100 each at a premium of Rs. 15 each payable as Rs. 25 on application, Rs. 40 on allotment and balance in the first call. Applications received for 75,000 equity shares but the company issued to them only 25,000 shares. Excess money was refunded to them after adjustment for further calls.

Last call on 500 shares were not received and were forfeited after due notice. The above is the case of _____

- (a) Over subscription
- (b) Pro-rata allotment
- (c) Forfeiture of shares
- (d) All of the above.

PART-IV

23. Opening stock Rs. 3,700, Purchases Rs. 20,800, Closing stock Rs. 2,500. Cost of goods sold will be _____

- (a) Rs. 22,000
- (b) Rs. 25,000
- (c) Rs. 18,000
- (d) Rs. 30,000

24. Original cost Rs. 25,000, salvage value Rs. 1,000, useful life 10 years. Annual depreciation under SLM will be

- (a) Rs. 2,000
- (b) Rs. 2,400
- (c) Rs. 3,000
- (d) Rs. 2,500

25. When preparing a Bank Reconciliation Statement if you start with balance as per Pass Book, then cheques paid by bank recorded twice in Pass Book Rs. 1050 will be _____

- (a) Added
- (b) Deducted
- (c) Not required to be adjusted
- (d) None of the three

26.		Rs.		Rs.
	Gross Profit	50,000	Provision for Bad Debts (old)	2,000
	Rent paid	6,000	Apprentice Premium (Credit)	4,000
	Salaries	5,800		

Net profit of the firm will be

- (a) Rs. 42,200
- (b) Rs. 40,000
- (c) Rs. 42,000
- (d) Rs. 45,000

27. A started business with Rs. 20,000 cash and Rs. 11,000 stock. Cash sales & cash purchases were Rs. 10,000 & Rs. 5,000. Total sales and purchases amounted to Rs. 70,000 & Rs. 50,000. Outstanding creditors were Rs. 15,000 and Debtors Rs. 25,000. Expenses paid Rs. 17,000. Machine was purchased for Rs. 10,000 out of which Rs. 8000 has been paid. Trial Balance total will be _____
- Rs. 1,18,000
 - Rs. 1,20,000
 - Rs. 1,25,000
 - Rs. 1,40,000
28. Capital introduced in the beginning by Ram Rs. 15,2000, further capital introduced during the year Rs. 2,000. Drawings Rs. 400 per month and closing capital is Rs. 16,900. The amount of profit or loss for the year is _____
- Loss Rs. 3,000
 - Loss Rs. 2,500
 - Profit Rs. 5,000
 - Profit Rs. 4,500
29. Goods purchased Rs. 1,00,000, sales Rs. 90,000 Margin 20% on sales. Closing stock is _____
- Rs. 10,000
 - Rs. 25,000
 - Rs. 28,000
 - None of the above
30. Mohan paid Rs. 500 towards a debit of Rs. 2,500, which was written off as bad debt in the previous year. Mohan's account will be credited with
- Rs. 2,500
 - Rs. 2,000
 - Rs. 500
 - None of the three
31. Income tax liability of the proprietor Rs. 1200 was paid out of petty cash. Journal entry will be _____
- Dr. drawings and Cr. Cash A/c Rs. 1200
 - Dr. drawings and Cr. Petty Cash Rs. 1200
 - Dr Income tax and Cr Cash A/c Rs. 1200
 - None of the above

32. An old, machine was purchased for Rs. 60,000. It was repaired for Rs. 5,000 and Rs. 5,000 paid on its installation. Machinery repairs a/c will be debited by -
- Rs. 10,000
 - Rs. 5,000
 - Rs. 15,000
 - None of the three
33. Ras started business on 01.01.06 with a capital of Rs. 20,000 and he borrowed Rs. 3,000 from a friend. He earned a profit of Rs. 10,000 during the year and withdrew cash Rs. 5,000 for private use. What is his capital at the end of the year?
- Rs. 25,000
 - Rs. 28,000
 - Rs. 30,000
 - Rs. 27,000
34. A partnership firm maintains the inventory records under perpetual system of inventory considering of the firm held for the month of March 2005.
- | Date | Particulars | Quantity | Cost per unit (Rs.) |
|---------|-------------------|----------|---------------------|
| March 1 | Opening Inventory | 15 | 400 |
| March 4 | Purchases | 20 | 450 |
| March 6 | Purchases | 10 | 460 |
- If the firm sold 32 units on March 24, 2005 closing inventory under FIFO method is -
- Rs. 7500
 - Rs. 5681
 - Rs. 5800
 - Rs. 5950
35. Capital introduced by Mr. A on 01.01.2005 Rs. 100000. Further capital introduced during the year was Rs. 50,000. Mr. A withdrew Rs. 200 per month on the last date of each month. Interest on drawings was charged @ 5%. Profit earned during the year was Rs. 10,000. Capital on 31.12.05 will be _____
- Rs. 157545
 - Rs. 157000
 - Rs. 160000
 - Rs. 155000

36. Purchased goods from A Rs. 500 passed through sales book the rectifying journal entry will be _____

	Rs.	Rs.
(a) Purchases A/c Dr.	500	
To A		500
(b) A's Capital a/c Dr.	500	
To Sales		500
(c) Purchases of Dr.	500	
Sales A/c Dr.	500	
To A		1000
(d) None of the above		

37. Opening Stock 20,000
 Closing Stock 18,000
 Purchases 85,800
 Carriage inwards 2,300
 Carriage out 3,000
 Office Rent 5,000

Sales 1,40,700

Gross profit will be _____

- (a) Rs. 50,000
 (b) Rs. 47,500
 (c) Rs. 42,600
 (d) Rs. 50,600
38. X of Kanpur sends out certain goods at cost + 25%. Invoice value of goods sends out Rs. 2,00,000. 4/5th of the goods were sold by consignee at Rs. 1,76,000. Commission 2% upto invoice value and 10% on any surplus above invoice value. Commission amount will be _____
- (a) Rs. 4,800
 (b) Rs. 5,200
 (c) Rs. 3,200
 (d) Rs. 1,600
39. Goods costing Rs. 1000 supplied to Ramesh at the invoice price of 10% above cost and a Trade Discount for 5%. The amount of Sales will be
- (a) Rs. 1045

- (b) Rs. 1050
 - (c) Rs. 1100
 - (d) Rs. 1060
40. A & B purchased a piece of land for Rs. 60,000 and sold it for Rs. 80,000. A had contributed Rs. 40,000 and Rs. 20,000. The profit on venture will be -
- (a) Rs. 30,000
 - (b) Rs. 20,000
 - (c) Rs. 60,000
 - (d) NIL
41. A, B & C are partners sharing profits in the ratio of 3:2:1. B retires and goodwill of the firm is fixed at Rs. 1,80,000. No goodwill A/c appears in the books of the firm. A & C decide to share profits in the ratio of 3:1. B's share of goodwill will be adjusted in the Capital accounts of A and C in
- (a) Profit sharing
 - (b) Gaining ratio
 - (c) Sacrificing ratio
 - (d) Old ratio
42. A Co. issued Rs. 1,00,000 12% Debentures at 5% discount redeemable at 5% premium after 10 years. Loss on issue of debentures will be
- (a) Rs. 15,000
 - (b) Rs. 10,000
 - (c) Rs. 12,000
 - (d) Rs. 20,000
43. A partnership firm earned net profits during the last 3 years as follows –
- | | |
|------|--------|
| 2001 | 15,000 |
| 2002 | 20,000 |
| 2003 | 25,000 |

The capital investment in the firm throughout the above mentioned period has been Rs. 1,00,000. Having regard to the risk involved 15% is considered to be a fair return on capital. Goodwill on the basis of 2 years purchase of average super earned during the above mentioned 3 years will be

- (a) Rs. 8,000
- (b) Rs. 10,000
- (c) Rs. 12,000
- (d) Rs. 15,000

44. A & B are partners in a business sharing profits and losses in the ratio of 7:3. They admit C as a partner. A sacrificed $\frac{1}{7}$ th share and B sacrificed $\frac{1}{3}$ rd of his share in favour of C. New Profit sharing ratio will be
- (a) 3:1:1
 - (b) 2:1:1
 - (c) 2:2:1
 - (d) None of the above
45. G Ltd. acquired assets worth Rs. 7,50,000 from H. Ltd. by issue of shares of Rs. 100 each at a premium of 25%. The number of shares to be issued by G. Ltd., to settle the purchase consideration will be
- (a) 6000 shares
 - (b) 7500 shares
 - (c) 9375 shares
 - (d) 5625 shares
46. A & B are equal partners with capitals of the Rs. 10,000 and Rs. 8,000 respectively. They admit C as a partner with $\frac{1}{4}$ th share in the profits of the firm. C brings Rs. 8,000 as his share of capital. Value of goodwill will be _____
- (a) Rs. 6000
 - (b) Rs. 5000
 - (c) Rs. 8000
 - (d) None of the above
47. A second hand car is purchased for Rs. 15000, the amount of Rs. 1000 is spent on its repairs, Rs. 500 is incurred to get the car registered in owners name and Rs. 1200 is paid as dealers commission. The amount debited to car account will be _____
- (a) Rs. 17700
 - (b) Rs. 16000
 - (c) Rs. 16500
 - (d) Rs. 17000
48. Ramesh & Suresh are partners sharing profits in the ratio of 2:1 (Ramesh Capital is Rs. 1,02,000 and Suresh Capital is Rs. 73,000) They admitted Mahesh & agreed to give him $\frac{1}{5}$ in share. He brings Rs. 14,000 as his share of goodwill. He agreed to contribute capital in profit sharing ratio. How much capital will be brought by incoming partner?
- (a) Rs. 47,250
 - (b) Rs. 45,000
 - (c) Rs. 47,000
 - (d) Rs. 48,000

49. Debit Balance as per cash book of Narayan Enterprises as on 28th February 2006 is Rs. 15,000. Cheques deposited but not cleared Rs. 660 and cheques issued but not presented for payment Rs. 2150. Balance as per pass book should be _____
- (a) Rs. 15,500
 - (b) Rs. 16,490
 - (c) Rs. 16,000
 - (d) Rs. 16,500
50. On 1st Sept. 2006 goods costing Rs. 33,000 were consigned by X to his agent Y at a proforma price which was cost plus one – sixth profit on invoice price. Invoice price of goods will be _____
- (a) Rs. 39,000
 - (b) Rs. 39,600
 - (c) Rs. 40,000
 - (d) Rs. 45,000
51. Suresh of Delhi consigned 600 fans to Naresh of Bareilly to be sold on his account and at his risk. The cost of each fan is Rs. 300. Suresh paid Rs. 6000 as freight and insurance. Naresh paid Rs. 1500 as Octroi & Cartage; Rs. 3500 for godown rent and Insurance. 500 fans were sold for Rs. 1,80,000. Naresh was entitled to a commission of 4% on sale @ Rs. 350 per fan and 20% of any surplus price realized. Profit on consignment will be _____
- (a) Rs. 12,250
 - (b) Rs. 12,000
 - (c) Rs. 14,000
 - (d) Rs. 15,000
52. X and Y enter into a joint venture. X supplied goods to Y from his own stock worth Rs. 70,000. X incurred expenses amounting to Rs. 6000 on joint venture. The venture resulted in a total profit of Rs. 15,000 of which their ratio of distribution is 2:1. The entire sale proceeds were received by Y. Amount received by X from Y in final settlement will be _____
- (a) Rs. 85,000
 - (b) Rs. 86,000
 - (c) Rs. 80,000
 - (d) Rs. 75,000
53. A and B are partners sharing profits in the ratio of 3:2 with capitals of Rs. 50,000 and Rs. 30,000 respectively. Interest on capital is agreed @ 6% p.a. B is to be allowed an annual salary of Rs. 2,500 during 2000, the profits of the year prior to calculation of interest on capital but after charging B's salary amounted to Rs. 12,500. Manager is to be allowed a Commission of 5% of profits remaining after deducting salary and interest on capital but

before charging such Commission, Profit transferred to partners Capital Accounts will be _____

- (a) A Rs. 4389 B Rs. 2926
 - (b) A Rs. 4000 B Rs. 3315
 - (c) A Rs. 3000 B Rs. 4315
 - (d) A Rs. 2500 B Rs. 4815
54. A and B are partners, sharing profits in the ratio of 5:3. They admit C with $\frac{1}{5}$ share in profits, which he acquires equally from both $\frac{1}{10}$ from A and $\frac{1}{10}$ from B. New profit sharing ratio will be
- (a) 21:11:8
 - (b) 20:10:4
 - (c) 15:10:5
 - (d) None of the three
55. A, B, and C are partners, sharing profits in the ratio of 4:3:2. D is admitted for $\frac{2}{9}$ share of profits and brings Rs. 30,000 as his capital and Rs. 10,000 for his share of Goodwill. The new profit sharing ratio between A:B:C:D will be 3:2:2:2. Goodwill amount will be shared by:
- (a) AB & C
 - (b) A & B
 - (c) A only
 - (d) B only
56. Shiva Ltd. Issued 20,000 shares of Rs. 10 each at a discount of 10% Payments were to be made as - application Rs. 3; on Allotment Rs. 4 and on First and Final Call Rs. 2. Applications were received for 18,000 shares and all were accepted. All money duly received. Balance Sheet total will be _____
- (a) Rs. 1,80,000
 - (b) Rs. 1,62,000
 - (c) Rs. 1,90,000
 - (d) None of the three
57. X Ltd. Forfeited 100 shares of Rs. 10 each issued at a discount of 10% to Ravi on which he had paid Rs. 2.50 per share on application and Rs. 2.50 per share on allotment but on which he had not paid Rs. 2 on First Call. In case of forfeiture, share capital account will be debited by _____
- (a) Rs. 800
 - (b) Rs. 700
 - (c) Rs. 900

(d) Rs. 1000

58. A Ltd. makes an issue of 10,000 Equity shares of Rs. 100 each payable as follows:

On application and allotment	Rs.	50
On First Call	Rs.	25
On Second & Final Call	Rs.	25

Members holding 400 shares did not pay the second call and the shares are duly forfeited, 300 of which are reissued on fully paid at Rs. 80 per share. Amount transferred to Capital reserve will be _____

(a) Rs. 16,500

(b) Rs. 16,000

(c) Rs. 15,000

(d) None of the above

59. 100 articles at the sale price of Rs. 200 each sent to a customer on approval basis were recorded as actual sales and that price. The sale price was made at cost plus 25%. The amount of stock on approval will be amounting

(a) Rs. 16,000

(b) Rs. 20,000

(c) Rs. 15,000

(d) None of the above

60. Share capital 5,00,000 shares of 10 each

Rs. 5 called up	Rs.	25,00,000
Calls in arrear	Rs.	10,000
Calls in advance	Rs.	15,000

Directors decide to provide 10% for dividend on share capital. Amount of proposed dividend will be _____

(a) Rs. 2,50,000

(b) Rs. 2,49,000

(c) Rs. 2,40,000

(d) None of the three

SECTION – B : MERCANTILE LAWS (40 MARKS)

PART –I

61. Which of the statement is incorrect?
- (a) All illegal agreements are void but all void agreements are not necessary illegal.
 - (b) A voidable contract is not voidable at the option of the aggrieved party.
 - (c) Contracts that are immoral or opposed to public policy are illegal in nature.
 - (d) All of the above.
62. As per Section 11 of The India Contract Act, 1872, every person is competent to contract provided he:
- (a) Is of the age majority according to the law to which he is subject.
 - (b) Is of sound mind.
 - (c) Is not disqualified from contracting by any law to which he is subject.
 - (d) All of the above
63. On the valid performance of the contractual obligations by the parties, the contract
- (a) Is discharged.
 - (b) becomes enforceable.
 - (c) becomes void.
 - (d) none of these.
64. Which of the following agreements is void?
- (a) Agreement made under the unilateral mistake of fact.
 - (b) Agreements made under the bilateral mistake of fact.
 - (c) Agreement made under the influence of fraud.
 - (d) Contingent agreement.
65. Which of the following agreements are void?
- (a) An agreement to share the salary of a public officer.
 - (b) An agreement to sell a religious office.
 - (c) An agreement with the objective of procuring a public post.
 - (d) All of the above.
66. Coercion involves:
- (a) Physical Force or Threat.
 - (b) Mental Pressure.
 - (c) Both (a) and (b)
 - (d) None of the Above.

67. An agreement is void if it is opposed to public policy. Which of the following is not covered by heads of public policy?
- (a) Trading with an enemy.
 - (b) Trafficking in public offices.
 - (c) Marriage brokerage contracts.
 - (d) Contracts to do impossible acts.
68. Consideration must move at the desire of
- (a) Promisor
 - (b) Promisee
 - (c) Any other person.
 - (d) Any of these.
69. The following persons can enter into contracts as per the provisions of the Indian contracts Act, 1872
- (a) Alien Enemy
 - (b) Foreign Sovereigns or accredited representative of a foreign state.
 - (c) Insolvents and convicts
 - (d) None of the above.
70. The doctrine of Caveat Emptor does not apply, when
- (a) the goods are bought by sample
 - (b) the goods are bought by sample as well as as description
 - (c) the goods are purchased under its brand name
 - (d) All of above.
71. The Sale of Goods Act, 1930 deals with
- (a) Sale
 - (b) mortgage
 - (c) pledge
 - (d) All of above.
72. In which of the following cases, the unpaid seller loses his right to lien?
- (a) Delivery of goods to buyer
 - (b) Delivery of goods to carrier
 - (c) Tender of price by buyer
 - (d) All of above.
73. A person to whom money has been paid, anything delivered under coercion
- (a) Becomes the owner of such money or those goods.

- (b) Is allowed to sell the goods and retain the money realized from such sale.
 - (c) Has no obligation to return the money, he may do so only a good gesture
Must repay the money or return those goods.
74. Necessary condition for existing goods is
- (a) They should be in existence at the time of the contract of sale
 - (b) They should be owned or possessed by the seller
 - (c) Both of the above
 - (d) None of the above.
75. In case of sale
- (a) Property in goods passes to the buyer.
 - (b) Risk in the goods passes to the buyer.
 - (c) Both the above.
 - (d) None of the above.
76. Partnership
- (a) Arises by operation of law.
 - (b) Comes into existence only after registration.
 - (c) Can arise by agreement or otherwise.
 - (d) Arise by way of an agreement only.
77. Which of the following is correct?
- (a) Liability of a partner in a partnership firm is unlimited.
 - (b) Liability of a member of a HUF is unlimited.
 - (c) Both the above.
 - (d) None of the above.
78. The test of good faith as provided under Section 33(1) of the Indian Partnership Act, 1932 requires the following:
- (a) That the expulsion must be in the interest of the partnership.
 - (b) That the partner to be expelled is served with a notice.
 - (c) That he is given an opportunity of being heard.
 - (d) All of the above.
79. The essential elements of a partnership at will are:
- (a) No period has been fixed by the partners for its duration.
 - (b) There is no provision in the partnership agreement for its determination
 - (c) Both of the above.
 - (d) None of the above.

PART -II

80. Implied contract, even if not in writing or express words, is perfectly _____ if other conditions are satisfied
- (a) Void.
 - (b) Valid
 - (c) Voidable.
 - (d) Illegal
81. According to Section 14 of The Indian Contract Act, 1872, Consent is said to be free when it is not caused by _____
- (a) Misrepresentation.
 - (b) Undue Influence
 - (c) Coercion
 - (d) All of the above
82. Actual Sale of future goods is
- (a) Impossible
 - (b) Possible through an agreement to sell
 - (c) Illegal
 - (d) A myth
83. A threatens to kill B if he does not agree to sell his scooter to him for Rs.5000 only. Here B's Consent is obtained by _____
- (a) undue influence
 - (b) fraud
 - (c) coercion
 - (d) none of these
84. Quasi - contracts arise
- (a) Where obligations are created without a contract
 - (b) Where obligations are created under a contract
 - (c) Out of natural causes
 - (d) Out of man-made causes
85. An agreement made with free consent to which the consideration is lawful but inadequate, is _____
- (a) Void
 - (b) Valid
 - (c) Voidable
 - (d) Unlawful

86. When after the formation of a valid contract, an event happens which makes the performance of contract impossible, and then the contract becomes _____
- (a) Void
 - (b) Voidable
 - (c) Valid
 - (d) Illegal
87. Consent is not said to be free when it is caused by _____
- (a) Coercion
 - (b) Undue Influence
 - (c) Fraud
 - (d) All of these
88. Goods which are in existence at the time of the Contract of Sale is known as _____
- (a) Present Goods
 - (b) existing Goods
 - (c) specified Goods
 - (d) none of the above
89. An auction Sale is complete on the _____
- (a) delivery of goods
 - (b) payment of price
 - (c) fall of hammer
 - (d) none of the above
90. The essence of a right of lien is to _____
- (a) delivery of goods
 - (b) retain the possession
 - (c) regain the possession
 - (d) none of the above.
91. In case of an agreement to sell, the aggrieved party _____
- (a) Can sue for price
 - (b) Can sue for damages
 - (c) Can sue the buyer for injunction
 - (d) None of the above.
92. 'Buyer' means a person who _____
- (a) Buys goods
 - (b) Agrees to buy goods

- (c) Has bought goods
 - (d) Buys or agrees to buy goods
93. A person who finds goods belonging to another and takes them into his custody_____
- (a) Becomes the owner of those goods thereafter.
 - (b) Is subject to the same responsibilities as a bailee
 - (c) Is allowed to sell them and retain the money realized from such sale
 - (d) Has no obligation to return those goods, he may do so only a goods gesture.
94. Conditions and warranties _____
- (a) Must be expressed
 - (b) Must be implied if not expressed
 - (c) May either be expressed or implied
 - (d) None of the above
95. Registration of a firm is _____
- (a) Compulsory
 - (b) Optional
 - (c) Occasional
 - (d) None of the above
96. The bidder at an auction sale can withdraw his bid _____
- (a) any time during auction
 - (b) before fall of hammer
 - (c) before payment of price
 - (d) cannot withdraw at all.
97. _____ does not exist.
- (a) Liability for special damages
 - (b) Liability for exemplary damages
 - (c) Liability for nominal damages
 - (d) Liability for disciplinary damages
98. Registration of a partnership firm is _____
- (a) Compulsory from the beginning
 - (b) Not compulsory till first five years of beginning of the partnership
 - (c) Not compulsory at all
 - (d) Compulsory only if the Registration of Firm, gives an order in the regard

PART –III

99. A believes blue colour to be black colour, for any reason whatsoever. He has a garment shop. He sells one blue colour shirt to B, representing it to be black colour. B knows nothing about colour. B believes A and accepts the blue colour to be black colour, Later on B's mother explains B that the colour of the shirt is actually blue and not black. It is a clear case of
- (a) Misrepresentation
 - (b) Fraud
 - (c) Unintentional fraud
 - (d) Cheating
100. A agrees with B to carry passengers by taxi from Kanpur to Lucknow on the following terms, namely, B is to pay A Rs. 100 per mile per annum, and A and B are to share the costs of repairing and replacement of the cars, and to divide equally between them the proceeds of fares received from passengers, Choose the alternative.
- (a) A and B are partners
 - (b) A and B are owners
 - (c) A and B are co-owners
 - (d) Can't be decided.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

101. Total utility is maximum when:
- (a) marginal utility is zero
 - (b) marginal utility is at its highest point
 - (c) marginal utility is equal to average utility
 - (d) average utility is maximum
102. The consumer is in equilibrium at a point where the budget line :
- (a) is above an indifference curve
 - (b) is below an indifference curve
 - (c) is tangent to an indifference curve
 - (d) cuts an indifference curve
103. An indifference curve slopes down towards right since more of one commodity and less of another result in :
- (a) same satisfaction
 - (b) greater satisfaction
 - (c) maximum satisfaction
 - (d) decreasing expenditure
104. The consumer is in equilibrium when the following condition is satisfied:
- (a) $\frac{MU_x}{MU_y} > \frac{P_x}{P_y}$
 - (b) $\frac{MU_x}{MU_y} < \frac{P_x}{P_y}$
 - (c) $\frac{MU_x}{MU_y} = \frac{P_x}{P_y}$
 - (d) None of the above
105. In the case of a Giffen good, the demand curve will be:
- (a) horizontal
 - (b) downward-sloping to the right
 - (c) backward falling to the left
 - (d) upward-sloping to the right
106. Which of the following is not an essential condition of pure competition ?
- (a) large number of buyers and sellers

- (b) homogeneous product
 - (c) freedom of entry
 - (d) absence of transport cost
107. Which is the first order condition for the profit of a firm to be maximum?
- (a) $AC = MR$
 - (b) $MC = MR$
 - (c) $MR = AR$
 - (d) $AC = AR$
108. In which form of the market structure is the degree of control over the price of its products by a firm very large?
- (a) monopoly
 - (b) Imperfect competition
 - (c) oligopoly
 - (d) perfect competition
109. Under which of the following forms of market structure does a firm have no control over the price of its product?
- (a) monopoly
 - (b) monopolistic competition
 - (c) oligopoly
 - (d) perfect competition
110. Price discrimination will be profitable only if the elasticity of demand in different markets in which the total market has been divided is:
- (a) uniform
 - (b) different
 - (c) less
 - (d) zero
111. The law of consumer surplus is based on :
- (a) indifferent curve analysis
 - (b) revealed preference theory
 - (c) law of substitution
 - (d) the law of diminishing marginal utility
112. Which of the following cost curves is never 'U' shaped ?
- (a) Average cost curve

- (b) Marginal cost curve
 - (c) Average variable cost curve
 - (d) Average fixed cost curve
113. In the short run, when the output of a firm increases, its average fixed cost:
- (a) increases
 - (b) decreases
 - (c) remains constant
 - (d) first declines and then rises
114. The cost of one thing in terms of the alternative given up is known as:
- (a) production cost
 - (b) physical cost
 - (c) real cost
 - (d) opportunity cost
115. Contraction of demand is the result of
- (a) decrease in the number of consumers
 - (b) increase in the price of the good concerned
 - (c) increase in the prices of other goods
 - (d) decrease in the income of purchasers
116. In the case of an inferior good the income elasticity of demand is:
- (a) positive
 - (b) zero
 - (c) negative
 - (d) infinite
117. The elasticity of substitution between two perfect substitutes is:
- (a) zero
 - (b) greater than zero
 - (c) less than infinity
 - (d) infinite
118. A vertical supply curve parallel to Y axis implies that the elasticity of supply is:
- (a) zero
 - (b) infinity
 - (c) equal to one
 - (d) greater than Zero but less than infinity

119. Elasticity of supply refers to the degree of responsiveness of supply of a good to changes in its:
- (a) demand
 - (b) price
 - (c) costs of production
 - (d) state of technology
120. An isoquant slopes :
- (a) downward to the left
 - (b) downward to the right
 - (c) upward to the left
 - (d) upward to the right
121. Which of the following is considered production in economics?
- (a) Tilling of soil
 - (b) Singing a song before friends.
 - (c) Preventing a child from falling into a manhole on the road
 - (d) Painting a picture for pleasure
122. Which of the following is not a characteristic of land?
- (a) its supply for the economy is limited
 - (b) it is immobile
 - (c) its usefulness depends on human efforts
 - (d) it is produced by our forefathers
123. Who is the official "lender of the last resort" in India?
- (a) SBI
 - (b) PNB
 - (c) RBI
 - (d) OBC
124. Which of the following statement regarding privatization is correct?
- (a) Privatization is panacea for all economic problems
 - (b) Privatization always leads to attaining social and economic efficiency
 - (c) Privatization may result in lopsided development of industries in the country
 - (d) None of the above
125. Which of the following statements is correct?
- (a) The disinvestments programme has been successfully carried out in India.

- (b) Privatisation upto 100 percent has been carried out in all the PSUs in India.
 - (c) Under strategic sale method of disinvestments, the government sells a major share to strategic buyer
 - (d) None of the above
126. At present 100 per cent FDI is allowed in -
- (a) defence
 - (b) drugs and Pharmaceuticals
 - (c) banks
 - (d) insurance
127. FRBM Act stands for
- (a) Fiscal Revenue and Budget Management
 - (b) Foreign Revenue and Business Management
 - (c) Fiscal Responsibility and Budget Management
 - (d) Foreign Responsibility and Budget Management
128. The share of concessional debt in total external debt of India has:
- (a) remained the same
 - (b) doubled
 - (c) reduced
 - (d) increased
129. Which of the following statements is incorrect?
- (a) The Indian road network is second largest in the world
 - (b) The rural road network connects around 65 per cent of all weather roads
 - (c) Most of the State Road Transport Corporations are running on profits
 - (d) The National highways carry more than 40 per cent of the total road traffic
130. In terms of generation of power _____'s contribution, is the maximum
- (a) hydel
 - (b) nuclear
 - (c) thermal
 - (d) others
131. NTPC stands for
- (a) National Thermal Power Corporation
 - (b) National Tidal Power Corporation
 - (c) National Theological Power Corporation

- (d) National Talent and Potential Corporation
132. Most of the unemployment in India is:
- (a) voluntary
 - (b) structural
 - (c) frictional
 - (d) technical
133. What is India's rank in world population?
- (a) First
 - (b) Second
 - (c) Third
 - (d) Fourth
134. In which state is the sex ratio most favourable to women?
- (a) Andhra Pradesh
 - (b) Uttar Pradesh
 - (c) Kerala
 - (d) Karnataka
135. India's present population is:
- (a) Between 50 – 60 crore
 - (b) Between 60 – 70 crore
 - (c) Between 70 – 80 crore
 - (d) Above 100 crore
136. India accommodates nearly _____ per cent of world's population
- (a) 10
 - (b) 50
 - (c) 17
 - (d) 45
137. Which of the following statements is correct?
- (a) Excise duty is levied on sales volume
 - (b) Custom duties have been drastically cut down since 1991
 - (c) VAT has been adopted by all the states in India
 - (d) Agriculture contributes the maximum to the direct tax revenues in India

138. Find the tax which is direct tax among the following:
- (a) Personal income tax
 - (b) Excise duty
 - (c) Sales tax
 - (d) Service tax
139. Per capita national income means:
- (a) $\text{NNP} \div \text{population}$
 - (b) $\text{Total capital} \div \text{population}$
 - (c) $\text{Population} \div \text{NNP}$
 - (d) None of the above
140. Which of the following is an economic activity?
- (a) Listening to music on the radio
 - (b) Teaching one's own son at home
 - (c) Medical facilities rendered by a charitable dispensary
 - (d) A housewife doing household duties
141. Demand for final consumption arises in:
- (a) household sector only
 - (b) government sector only
 - (c) both household and government sectors
 - (d) neither household nor government sector
142. The net value added method of measuring national income is also known as:
- (a) net output method
 - (b) production method
 - (c) industry of origin method
 - (d) all of the above.
143. Which of the following is incorrect ?
- (a) $\text{GDP at market price} = \text{GDP at factor cost} + \text{net indirect taxes}$
 - (b) $\text{NNP at factor cost} = \text{NNP at market price} - \text{indirect taxes}$
 - (c) $\text{GNP at market price} = \text{GDP at market price} + \text{net factor income from abroad}$
 - (d) None of the above
144. Nearly _____ percent of working population is engaged in the service sector
- (a) 23 per cent

- (b) 45 per cent
 - (c) 80 per cent
 - (d) 50 per cent
145. The industrial sector depends on the agricultural sector because
- (a) the agricultural sector provides food and other products for the consumption purposes of industrial sector
 - (b) the agricultural sector provides raw materials for the development of agro-based industries of the economy
 - (c) the agricultural sector provides market for the industrial products
 - (d) all of the above
146. The Indian industry faced the process of retrogression and deceleration because of:
- (a) unsatisfactory performance of agriculture
 - (b) slackening of real investment in public sector
 - (c) narrow market for industrial goods, especially in rural areas
 - (d) all of the above.
147. Which of the following statements is incorrect?
- (a) About 80 per cent of agricultural area has irrigation facilities
 - (b) About two third area is rain-fed in India
 - (c) Productivity per worker in agriculture is much lower than that in industry
 - (d) Cropping pattern is quite skewed in India.
148. We can say Indian agriculture has become modern since:
- (a) there has been an increase in the use of high yielding varieties of seeds, fertilizers pesticides etc.
 - (b) there has been noticeable positive change in the attitude of farmers towards new techniques of production
 - (c) farmers are increasingly resorting to intensive cultivation, multiple cropping, scientific water management
 - (d) all of the above.
149. Generally an economy is considered underdeveloped if:
- (a) the standard of living of people is low and productivity is also considerably low.
 - (b) agriculture is the main occupation of the people and productivity in agriculture is quite low
 - (c) the production techniques are backward
 - (d) all of the above

150. _____ is the apex bank for agriculture credit in India.

- (a) RBI
- (b) SIDBI
- (c) NABARD
- (d) ICICI

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

151. Laspeyre's and Pasche's method satisfy time reversal test
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
152. A frequency distribution
- (a) Arranges observations in an increasing order
 - (b) Arranges observations in terms of a number of groups
 - (c) Relates to measurable characteristic
 - (d) All these
153. Ogive is used to obtain
- (a) Mean
 - (b) Mode
 - (c) Quartiles
 - (d) All these
154. The value of middlemost item when they are arranged in order of magnitude is called
- (a) Standard deviation
 - (b) Mean
 - (c) Mode
 - (d) Median
155. The errors in case of regression equation are
- (a) Positive
 - (b) Negative
 - (c) Zero
 - (d) All these
156. The probability of an event can assume any value between
- (a) -1 and 1
 - (b) 0 and 1
 - (c) -1 and 0
 - (d) None of these
157. The most important probability distribution is known is
- (a) Binomial distribution
 - (b) Normal distribution

- (c) Chi-Square Distribution
 - (d) Sampling Distribution
158. A measure of precision obtained by sampling is given by
- (a) Standard error
 - (b) Sampling fluctuation
 - (c) Sampling distribution
 - (d) Expectation
159. A range of value is
- (a) A point estimate
 - (b) An interval estimate
 - (c) Both
 - (d) None of these
160. The index no. is a special type of G.M.
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
161. The no. of test of adequacy is _____
- (a) 2
 - (b) 5
 - (c) 3
 - (d) 4
162. If $b^2 - 4ac = 0$, the roots are _____
- (a) Equal and real
 - (b) Unequal and real
 - (c) Complex numbers
 - (d) Imaginary numbers
163. If $(7p+3q) : (3p-2q) = 43:2$ then $p:q$ is _____
- (a) 5:4
 - (b) 4:5
 - (c) 7:2
 - (d) 2:7
164. No. of _____ arrangement can be made by using all the letters of word Monday.
- (a) 120

- (b) 720
 - (c) 41
 - (d) 51
165. Which term of series $7+11+15 \dots$ is equal to 403.
- (a) 50
 - (b) 100
 - (c) 101
 - (d) 51
166. $\log_{\sqrt{2}} 128$ is equal to _____
- (a) 6
 - (b) 12
 - (c) 24
 - (d) 14
167. The number of ways in which 6 boys sit in a round table so that two particular boys sit together
- (a) 48
 - (b) 720
 - (c) 120
 - (d) None of these
168. Rs. 4000 amount to Rs. 6000 in 3 years at the _____ p.a. if interest is reckoned half yearly.
- (a) 12%
 - (b) 14%
 - (c) 16%
 - (d) 8%
169. A graphical representation of _____ can be prepared in 2 different ways.
- (a) Median
 - (b) Mode
 - (c) Mean
 - (d) None
170. The value of deciles divides the total no. of observations into _____ equal parts
- (a) 100
 - (b) 10
 - (c) 2

(d) None of these

171. $\lim_{x \rightarrow 0} \frac{3^{x+1} - 3}{x}$ is equal to

- (a) Does not exist
- (b) Exist and is equal to 4
- (c) Exist and is equal to $3 \log_e 3$
- (d) Exist and is equal to 3

172. Find $\frac{dy}{dx}$ of $\left(\frac{x^2}{a^2} + \frac{y^2}{b^2} = 1 \right)$

- (a) $-b^2x / a^2y$
- (b) $-b_2y / a^2x$
- (c) $-b^2 / a^2$
- (d) 0

173. 6th term of series $ab, a^2b^3, a^3b^5, \dots$ is equal to

- (a) a^6b^{11}
- (b) a^5b^{10}
- (c) a^6b^6
- (d) a^5b^{11}

174. $\int_2^e \log x \, dx$ is equal to

- (a) $\log 2 - 1$
- (b) $-(2 \log 2 - 2)$
- (c) $2 \log 2 - 1$
- (d) 0

175. In how many ways can the letters of words "ACCOUNTANT" be arranged if vowels always occur together

- (a) 7560
- (b) 7650
- (c) 7660
- (d) 7550

176. Find the present value of Rs. 500 due 10 years hence when interest of 10% is compounded half yearly

- (a) Rs. 188.40
- (b) Rs. 193.94
- (c) Rs. 138.94

- (d) Rs. 50.00
177. If $f(x) = x^2 + 3x$ then $f(2) - f(4)$ is equal to
- 15
 - 18
 - 18
 - 12
178. For what value of 'K' the equation $9x^2 - 24x + K = 0$ has equal roots
- 16
 - 15
 - 0
 - 16
179. Two number are in the ratio of 5:6. If 5 is subtracted from each of them their ratio becomes 4:5. Find the numbers
- 25 and 30
 - 15 and 18
 - 60 and 72
 - None of these
180. The equation of right bisector of line joining the points A (3, -4) and B (5, -6) is equal to
- $2x - 2y - 9 = 0$
 - $x + y + 1 = 0$
 - $3x - 2y + 7 = 0$
 - $x - 5y + 4 = 0$
181. The regression equation are $8x - 10y + 66 = 0$ and $40x - 18y = 214$ find the coefficient of correlation
- $4/5$
 - $-4/5$
 - $3/5$
 - 1
182. The mean weight of 150 students in a class is 60 kg. The mean weight of the boys is 70 kg, while that of girls is 55 kg find the number of boys and that of the girls in the class.
- 50 boys and 100 girls
 - 100 boys and 50 girls
 - 75 boys and 75 girls
 - None of these

183. Two cards are drawn from a well shuffled pack of playing cards. Find the probability that both are access.
- (a) 1:221
 - (b) 2:221
 - (c) 10:21
 - (d) None of these
184. A random sample was taken to estimate the mean annual income of 100 families and the mean and standard deviation were found to be Rs. 6300 and Rs. 9.5 respectively find standard error for 95% confidence level.
- (a) 2.25
 - (b) 1.50
 - (c) 2.15
 - (d) 1.862
185. If 10 coins are tossed 100 times, how many times would you expect 7 coins to fall head upward.
- (a) 14
 - (b) 12
 - (c) 13
 - (d) 11
186. Coefficient of variation of two series are 60% and 80% respectively. Their standard deviation are 20 and 16 respectively what are their A.M.
- (a) 15 and 20
 - (b) 33.3 and 20
 - (c) 33.3 and 15
 - (d) 12 and 16
187. The height of 8 boys in a class (in cumulative) are 135, 138, 160, 141, 155, 146, 158, 149 Find 61st percentile.
- (a) 139.81
 - (b) 151.91
 - (c) 153.98
 - (d) None of these
188. The roots of equation $9^{x+2} - 6.3^{x+1} + 1 = 0$ are
- (a) - 2
 - (b) - 2 and + 2

- (c) -2 and $+3$
 (d) $-2, 0$
189. How many diagonals can be drawn in a plane figure of 16 sides.
 (a) 100
 (b) 50
 (c) 104
 (d) 54
190. The sum of squares of first n natural numbers is equal to
 (a) $\frac{n(n+1)}{2}$
 (b) $\frac{n}{6}(n+1)(2n+1)$
 (c) $\left[\frac{n}{6}(n+1)\right]^2$
 (d) None of these
191. Find the gradient of curve $y = 3x^2 - 5x + 4$ at the point $(1, 2)$
 (a) 1
 (b) 3
 (c) 4
 (d) 5
192. "Is greater than" over the set of all natural number is known as
 (a) Transitive
 (b) Symmetric
 (c) Reflexive
 (d) Equivalence
193. Find the least value of n for which the sum $1+3+3^2+3^3$ _____ to n terms of greater than 7000.
 (a) 8
 (b) 9
 (c) 7
 (d) 15
194. The number of subsets of the set $\{1, 2, 3, 4\}$ is
 (a) 13

- (b) 12
- (c) 16
- (d) 15

195. $\int \sqrt{x^2 + a^2} \, dx$ is equal to

- (a) $\frac{x}{2}\sqrt{x^2 + a^2} + \frac{a^2}{2}\log|x^2 + \sqrt{x^2 + a^2}|$
- (b) $\frac{x}{2}\sqrt{x^2 - a^2} + \frac{a^2}{2}\log|x^2 - \sqrt{x^2 - a^2}|$
- (c) $\frac{x}{2}\sqrt{x^2 - a^2} - \frac{a^2}{2}\log|x^2 + \sqrt{x^2 + a^2}|$
- (d) None of these

196. If $c(n, 8) = c(n, 6)$, find $c(n, 2)$

- (a) 14
- (b) 91
- (c) 19
- (d) 41

197. An experiment succeeds twice as often as it fails. What is the probability that in next five trials there will be three success.

- (a) 192/243
- (b) 19/243
- (c) 80/243
- (d) 50/243

198. If $a:b = 4:5$, find the value of $(5a-3b):(6a + 3b)$

- (a) 7:39
- (b) 15:39
- (c) 1:3
- (d) 5:39

199. What is the modal value for the numbers 4, 3, 8, 15, 4, 3, 6, 3, 15, 3, 4.

- (a) 3
- (b) 4
- (c) 15
- (d) None of these

200. If $p^q = q^p$ then value of $\left(\frac{p}{q}\right)^{\frac{p}{q}} - p^{\frac{p-1}{q}}$ reduces to

- (a) p
- (b) q
- (c) 0
- (d) None of these



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-2 / 2007

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

PART-I

1. Which of the following is not a sub-field of accounting?
 - (a) Management accounting
 - (b) Cost accounting
 - (c) Financial accounting
 - (d) Book-keeping
2. Capital brought in by the proprietor is an example of _____.
 - (a) Increase in asset and increase in liability
 - (b) Increase in liability and decrease in asset
 - (c) Increase in asset and decrease in liability
 - (d) Increase in one asset and decrease in another asset
3. Cost of removal of business to a more convenient locality is _____.
 - (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Deferred revenue expenditure
 - (d) Capital loss

4. Salary Rs. 2000 payable to clerk is credited to _____
- (a) Salary account
 - (b) Cash account
 - (c) Clerks Account
 - (d) None of the above
5. Total of purchase return book is posted periodically to the credit of _____
- (a) Purchase return account
 - (b) Cash book
 - (c) Journal proper
 - (d) None of the three
6. No Journal entry is required to be passed when there is _____
- (a) Normal loss
 - (b) Abnormal loss
 - (c) Loss of bad debts
 - (d) Loss by riots.
7. Stock is valued at cost or market value, whichever is less, is based on _____
- (a) Entity concept
 - (b) Money measurement concept
 - (c) Accrual concept
 - (d) Conservation
8. Account sale is sent by _____
- (a) Consignor
 - (b) Consignee
 - (c) Supplier
 - (d) None of the three
9. Which of the following statement is not true?
- (a) If del credere commission is allowed, bad debts will not be recorded in the books of the consignor.
 - (b) If del credere commission is allowed, bad debts will be debited in consignment account.
 - (c) If del Credere commission is allowed by consignor to consignee, loss of bad debts is shared by both
 - (d) Del credere commission is generally relevant for credit sales.

10. In the absence of any provision in the partnership agreement, profits and losses are shared:
- (a) In the ratio of capitals
 - (b) Equally
 - (c) In the ratio of capital invested by partners to the firm
 - (d) None of the above

PART-II

11. Loss on issue of debentures is treated as _____
- (a) Intangible asset
 - (b) Current asset
 - (c) Current liability
 - (d) Miscellaneous expenditure
12. Dividends are usually paid as a percentage of _____
- (a) Authorised shares capital
 - (b) Net profit
 - (c) Paid up capital
 - (d) Called up capital
13. Interest received on debenture redemption fund investment is
- (a) General reserve account
 - (b) Debenture Redemption in fund A/c
 - (c) Capital reserve account
 - (d) None of them.
14. The parties to joint venture are called _____
- (a) Co ventures
 - (b) Partners
 - (c) Principal and agent
 - (d) Friends
15. The owner of the consignment stock is _____
- (a) Consignee
 - (b) Consignor
 - (c) Debtors
 - (d) None
16. In case of credit balance, the words _____ are written on the credit side.
- (a) To balance b/d

- (b) To balance c/d
 - (c) By balance b/d
 - (d) By balance c/d
17. Prepaid insurance given in trial balance is recorded in _____
- (a) Trading account
 - (b) Profit & Loss account
 - (c) Balance sheet
 - (d) None of the three
18. Present liability of uncertain amount which can be measured reliably by using a substantial degree of estimation is termed as _____
- (a) Provision
 - (b) Liability
 - (c) Contingent liability
 - (d) None of the above
19. When preparing a Bank reconciliation statement, if you start with balance as per cash book, then dividends directly collected by bank but not yet entered in cash book within the period are _____
- (a) Added
 - (b) Deducted
 - (c) Not required to be adjusted
 - (d) None of the above
20. Goodwill is a _____
- (a) Current asset
 - (b) Intangible fixed asset
 - (c) Tangible fixed asset
 - (d) Investment

PART –III

21. A trader purchased a machinery costing Rs. 1,00,000 on 1st Oct. 2005. Transportation and installation charges were incurred amounting Rs. 10,000 and Rs. 4,000 respectively. Dismantling charges of the old machine in place of which new machine was purchased amounted Rs. 10,000. Market value of machine was estimated at Rs. 1,20,000 on March 31, 2006, while finalizing the annual accounts. Trader values the machinery at Rs. 1,20,000 in his books which of the following concepts was violated by the trader?
- (a) Cost concept
 - (b) Matching concept

- (c) Realisation
 - (d) Periodicity concept
22. Accounting has certain norms to be observed by the accountants in recording of transactions and preparation of final statements. These norms reduce the vagueness and chances of misunderstanding by harmonizing the varied accounting practices. These norms are _____
- (a) Accounting regulations
 - (b) Accounting guidance notes
 - (c) Accounting standards
 - (d) Accounting frame work

PART-IV

23. Opening Stock 8,500
Purchases 30,700
Direct Expenses 4,800
Indirect Expenses 5,200
Closing Stock 9,000
Cost of goods sold will be:
- (a) Rs. 30,000
 - (b) Rs. 35,000
 - (c) Rs. 32,000
 - (d) Rs. 40,000
24. The plant and machinery account of a firm had a debit balance of Rs. 1,47,390 on Jan. 1, 2006. It has purchased on Jan 1, 2003. Firm has been following the practice of charging full years depreciation every year on diminishing balance system @ 15%. Cost of machinery in 2003 will be _____
- (a) Rs. 240,000
 - (b) Rs. 250,000
 - (c) Rs. 200,000
 - (d) Rs. 260,000
25. A new firm commenced business on Jan. 1, 2006 purchased goods costing Rs. 19,500 during the year. A sum of Rs. 400 was spent on carriage inward and Rs. 1000 on wages. At the end of the year the cost of goods still unsold was Rs. 12,000. Sales during the year Rs. 25,000. What is the gross profit earned by the firm _____
- (a) Rs. 16,100
 - (b) Rs. 18,200
 - (c) Rs. 20,000

(d) Rs. 15,100

26.	<i>Dr.</i>	<i>Cr.</i>
	<i>Rs.</i>	<i>Rs.</i>
Cost of goods sold	1,50,000	—
Closing Stock	—	40,000
Debtors	—	60,000
Fixed Assets	50,000	—
Opening Stock	60,000	—
Sundry Expenses	—	20,000
Sales	—	2,00,000
Capital	90,000	—
	<u>3,50,000</u>	<u>3,50,000</u>

Total of current trial balance will be _____

- (a) Rs. 3,20,000
 (b) Rs. 3,60,000
 (c) Rs. 3,00,000
 (d) Rs. 4,00,000
27. Journal entry for wages paid Rs. 2000 for installation of machinery will be _____
 (a) Dr. wages A/c and Cr. Cash A/c Rs. 20000
 (b) Dr. Machinery A/c and Cr. Cash A/c Rs. 20000
 (c) Dr. machinery repairs A/c and Cr. Cash A/c Rs. 20000
 (d) None of the above
28. Capital introduced in the beginning by Syam Rs. 40,000, further capital introduced during the year Rs. 1000 Drawings Rs. 200 per month and closing capital is Rs. 53,600. The amount of profit or loss for the year is _____
 (a) Rs. 15,000 profit
 (b) Rs. 5,000 loss
 (c) Rs. 20,000 profit
 (d) Information is insufficient for any comment.
29. Goods purchased Rs. 1,00,000. The goods were sold Rs. 80,000. Margin 20% on sales. Closing stock is _____
 (a) Rs. 36,000
 (b) Rs. 40,000
 (c) Rs. 50,000
 (d) None of the above.

30. Following balances are given in trial balance

Debenture redemption fund	50,000
Debenture redemption fund investment	50,000
Interest on debenture redemption fund Investment	3,000
Increase in Debenture redemption fund by	10,000
Debenture redemption fund in Balance Sheet will be _____	

- (a) Rs. 60,000
- (b) Rs. 63,000
- (c) Rs. 50,000
- (d) Rs. 65,000

31. Following information pertains to X Ltd.

	Rs.
Equity share capital called up	4,60,000
Calls in arrears	7,500
Calls in advance	5,000
Proposed dividend	5%

The amount of dividend payable will be _____

- (a) Rs. 22,625
- (b) Rs. 23,000
- (c) Rs. 20,000
- (d) None of the three

32. Pavan Ltd. Authorized capital 60,000 shares of 10 each. 4000 fully paid shares were issued to promoters for their services. This amount will be debited to _____

- (a) Preliminary expenses
- (b) Goodwill
- (c) Sundry expenses
- (d) None of the three

33. X Ltd. Purchased the business of Y Ltd. for Rs. 9,00,000 payable in fully paid shares of 100 each at a premium of 25%. The number of shares to be issued by X Ltd. to settle the purchase consideration will be

- (a) 7000
- (b) 5000
- (c) 7200

- (d) None of the three
34. Gopal was holding 100 shares of Rs. 10 each of a company on which he had paid Rs. 3 an application and Rs. 2 on allotment but could not pay Rs. 2 on first call. Directors forfeited the above share. Share capital will be debited by:
- Rs. 1000
 - Rs. 700
 - Rs. 500
 - Rs. 800
35. Pavan Ltd. Invited application for 30,000 shares payable as under:
- Rs. 3 per share on application;
 - Rs. 3 per share on allotment;
 - Rs. 2 per share on First call;
 - Rs. 2 per share on final call;
- Ashok, who had been allotted 500 shares failed to pay both the calls. His shares were forfeited and reissued at Rs. 9 per share to Hari, as fully paid up. Amount transferred to capital Reserve will be _____
- Rs. 2,000
 - Rs. 2,500
 - Rs. 2,800
 - Rs. 1,500
36. Z Ltd. Forfeited 600 shares of Rs. 10 each, on which first call of Rs. 3 per share was not received; the second and final call of Rs. 2 per share has not yet been called. Forfeited share A/c will be credited with
- Rs. 3,000
 - Rs. 2,000
 - Rs. 1,500
 - Rs. 1,000
37. When preparing a Bank reconciliation statement, if you start with a debit balance as per cash book, cheques sent to Bank but not collected within the period should be _____
- Added
 - Deducted
 - Not required to be adjusted
 - Name of the above
38. A company purchased plant for Rs. 5,000. The useful life of the plant is 10 years and the turnover value is Rs. 500. When the management wants to depreciate it by Straight line

method. Rate of depreciation will be.

- (a) 8%
 - (b) 9%
 - (c) 10%
 - (d) None of the three
39. X sells goods at Cost plus 60%. Total sales were Rs. 16,000. cost price of the goods will be:
- (a) Rs. 12,000
 - (b) Rs. 10,000
 - (c) Rs. 13,000
 - (d) None of the three
40. A trader sells goods at a profit of 25% on sale. In a particular month he sold goods costing Rs. 34,200 sale price of goods will be
- (a) Rs. 45,000
 - (b) Rs. 45,600
 - (c) Rs. 45,500
 - (d) Rs. 42,000
41. A manager gets 5% commission on sales, cost price of goods sold is Rs. 40,000 which he sells at a margin of 20% on sale. Manager Commission will be
- (a) Rs. 2000
 - (b) Rs. 2500
 - (c) Rs. 2800
 - (d) None of the three
42. A manager gets 5% commission on net profit after charging such commission. If gross profit is Rs. 48,000 and expenses of indirect nature other than manager's commission are Rs. 6,000. Commission amount will be _____
- (a) Rs. 2100
 - (b) Rs. 2000
 - (c) Rs. 2200
 - (d) Rs. 2400
43. On January 1, Mohan paid wages amounting Rs. 10,000. This is
- (a) An event.
 - (b) A transaction.
 - (c) Either (a) or (b).

- (d) Neither (a) nor (b).
44. Omega Stationers used Stationery for business purposes Rs. 300. Amount will be credited to:
- Sales A/c
 - Purchases A/c
 - Cash A/c
 - None of the three
45. A machinery of Rs. 3,000 was sold for Rs. 4200. Depreciation provision to date was Rs. 400 and commission paid to the selling agent was Rs. 420 and wages paid to the workers for removing the machine was Rs. 30. Profit on sale of machinery will be
-
- Rs. 1200
 - Rs. 1000
 - Rs. 1150
 - None of the three
46. Cost of goods sold 158600
 Stock in hand at the close of the year 25,400
 Stock in hand at the beginning of the year 44,000
 Purchases amount will be
- Rs. 1,40,000
 - Rs. 1,35,000
 - Rs. 1,30,000
 - Rs. 1,45,000
47. Opening balance of Capital Rs. 5,000
- | | |
|----------------------|-------|
| Net profit | 2,770 |
| Income tax | 550 |
| Drawings | 650 |
| Interest on capital | 500 |
| Interest on Drawings | 120 |
- Capital at end will be
- Rs. 6950
 - Rs. 6000
 - Rs. 6500
 - Rs. 6600

48. Trial balance of a trader shows the following balances

	Rs.
Opening Stock	9600
Purchases less returns	11850
Salaries and wages	3200
Commission on Purchases	200
Carriage out	300
Sales	24900
Closing Stock	3500

Gross profit will be

- (a) Rs. 6750
- (b) Rs. 6500
- (c) Rs. 3250
- (d) Rs. 3200

49. Jan 1, 2006 Provision for Bad Debts	2,500
Dec. 31, 2006 Bad debts	1,870
Debtors	20,000

Make a provision for bad debts

Debts 5% on debtors. Provision for bad debts in Profit and Loss A/c will be

- (a) Rs. 370
- (b) Rs. 400
- (c) Rs. 500
- (d) None of the three

50. Goods destroyed by fire Rs. 25000 and Insurance company admitted full claim. Claim receivable will be recorded in _____

- (a) Trading A/c
- (b) P/L Account
- (c) Balance Sheet
- (d) P/L Appropriation A/c

51. On 1st January, 2005 Badry of Bombay consigned 100 cases (cost price Rs. 7500) at a proforma invoice price of 25% profit on sales to his agent Anil of Agra. On the same date Badri paid non recurring expenses of Rs. 600. On 5th Jan. Anil took delivery and paid Rs. 1200 for Octroi. On 31st January he sold 80 cases for Rs. 10500. He charged Rs. 775 as his commission. Consignment profit will be

- (a) Rs. 2285

- (b) Rs. 2200
 (c) Rs. 2500
 (d) Rs. 2000
52. If sales revenue are Rs.4,00,000, cost of goods sold is 3,10,000 and operating expenses are Rs.60,000, the gross profit is
 (a) Rs. 90,000
 (b) Rs. 30,000
 (c) Rs. 3,40,000
 (d) Rs.60,000
53. A, B and C are partners in a business sharing profits and losses in the ratio of 3:2:1. On 30th June, 2006, C retired from business, when his capital A/c after all necessary adjustments showed a balance of Rs. 10,950. It was agreed that he should be paid Rs. 4950 in cash. On retirement and the balance in three equal yearly instalments with interest at 6% per annum. Amount of last instalment with interest will be:
 (a) Rs. 2120
 (b) Rs. 2100
 (c) Rs. 2200
 (d) Rs. 2500
54. A, B and C share profit and losses in the ratio of 3:2:1. Upon admission of D they agreed to share in the ratio of 5:4:2:1 sacrificing ratio will be:
 (a) $\frac{1}{12}$: NIL : NIL
 (b) NIL : $\frac{1}{12}$: NIL
 (c) NIL : NIL : $\frac{1}{12}$
 (d) None of the three
55. Rs. 35,000 was spent on painting the new factory. It is a _____
 (a) Capital expenditure
 (b) Revenue expenditure
 (c) Deferred revenue expenditure
 (d) None of the above
56. The total cost of goods available for sale with a company during the current year is Rs. 12,00,000. Total sales during the period are Rs. 13,00,000. If the gross profit margin is

$33\frac{1}{3}\%$ on cost. Closing inventory of the current year will be _____

- (a) Rs. 4,00,000
- (b) Rs. 3,00,000
- (c) Rs. 2,25,000
- (d) Rs. 2,50,000

57. Opening Debtors Rs.10,200

Cash Received from debtors during the year

(as per cash book) Rs. 30,400

Returns Inwards Rs. 2,700

Bad debts Rs. 1,2 00

Debtors at end Rs. 13,800

Cash Sales (As per cash book) Rs. 28,400

Total Sales will be

- (a) Rs. 66,300
- (b) Rs. 66,000
- (c) Rs. 65,000
- (d) Rs. 66,500

58. A company wishes to earn 20% profit margin on selling price. Which of the following is the profit mark upon cost, which will achieve the required profit margin?

- (a) 25%
- (b) 30%
- (c) 20%
- (d) None of the above.

59. Anwar Ltd. Purchased building worth Rs. 99,00,000 and issued 12% debentures of 100 each at a premium of 10%. Premium amount will be

- (a) Rs. 9,00,000
- (b) Rs. 8,00,000
- (c) Rs. 7,00,000
- (d) Rs. 10,00,000

60. Green Ltd. Issued 5,000, 6% debentures of Rs.100 each at a discount of 5% repayable after 5 years at a premium of 5%. Total loss on issue of debentures will be _____

- (a) Rs. 40,000
- (b) Rs. 50,000
- (c) Rs. 60,000
- (d) Rs. 70,000

SECTION – B : MERCANTILE LAWS (40 MARKS)

PART –I

61. Consent is not said to be free when it is caused by
- (a) Coercion
 - (b) Undue Influence
 - (c) Fraud
 - (d) All of these
62. Which of the following statements are correct?
- (a) In the case of fraud, the person making the representation believes it to be true.
 - (b) In the case of misrepresentation, the maker does not believe it to be true.
 - (c) Fraud does not afford a ground for bringing an action in tort for damages; whereas misrepresentation does.
 - (d) In the case of misrepresentation, the fact the plaintiff had means of discovering the truth by exercising ordinary diligence can be good defence against the repudiation of the contract but such a defence cannot be set up in the case of fraud other than fraudulent silence.
63. Which of the following statement is true?
- (a) A contract with a minor is voidable at the option of the minor.
 - (b) An agreement with a minor can be ratified after he attains majority.
 - (c) A person who usually of an unsound mind cannot enter into contract even when he is of a sound mind.
 - (d) A person who usually of a sound mind cannot enter into contract when he is of unsound mind.
64. On the valid of the contractual obligations by the parties, the contract
- (a) is discharged.
 - (b) becomes enforceable.
 - (c) becomes void
 - (d) None of these.
65. Consideration in simple term means:
- (a) Anything in return.
 - (b) Something in return
 - (c) Everything in return
 - (d) Nothing in return
66. Which of the following statement is true?
- (a) There can be a stranger to a contract
 - (b) There can be a stranger to a consideration

- (c) There can be a stranger to a contract & consideration
 - (d) None of the above
67. An agreement is void if it is opposed to public policy. Which of the following is not covered by heads of public policy?
- (a) Trading with an enemy
 - (b) Trafficking in public offices
 - (c) Marriage brokerage contracts
 - (d) Contracts to do impossible acts
68. Ordinarily, a minor's agreement is
- (a) Voidable initio
 - (b) Voidable
 - (c) Valid
 - (d) Unlawful
69. A contract is discharged by rescission which means the
- (a) Change in one or more terms of the contract
 - (b) Acceptance of lesser performance.
 - (c) Abandonment of rights by a party
 - (d) Cancellation of the existing contract
70. In case of a firm carrying on the business of banking
- (a) There should be at least seven members and maximum number of members should not exceed fifty.
 - (b) There should be at least two members and maximum number of members should not exceed ten.
 - (c) There should be at least ten members and maximum number of members should not exceed twenty.
 - (d) There should be at least two members and maximum number of members should not exceed fifty.
71. The bidder at an auction sale can withdraw his bid:
- (a) Any time during auction
 - (b) Before fall of hammer
 - (c) Before payment of price.
 - (d) None of these
72. In case of sale on approval, the ownership is transfer to the buyer when he:
- (a) Accepts the goods
 - (b) Adopts the transaction
 - (c) Fails to return goods

- (d) In all the above cases
- 73. The heir of the deceased partner
 - (a) Has a right to become a partner in the firm of the deceased partner.
 - (b) Does not have a right to become a partner in the firm of the deceased partner.
 - (c) Can become a partner in the firm of the deceased partner only if the surviving partner give their consent in this regard.
 - (d) Both (b) & (c)
- 74. The Sale of Goods Act, 1930 came into force on
 - (a) 15th March, 1930
 - (b) 30th July, 1930
 - (c) 30th June, 1930.
 - (d) 1st July, 1930
- 75. An auction sale is complete on the:
 - (a) Delivery of goods.
 - (b) Payment of price.
 - (c) Fall of hammer.
 - (d) None of the above.
- 76. A share in a partnership be transferred like any other
 - (a) Property
 - (b) Goods
 - (c) Currency
 - (d) Investment
- 77. The maximum number of partners is mentioned in
 - (a) The Partnership Act
 - (b) The General Clauses Act
 - (c) The Companies Act
 - (d) The Societies Registration Act
- 78. Active partner is one who
 - (a) Takes part in the business of the firm
 - (b) Actively participates in co-curricular activities
 - (c) Actively shares the profits.
 - (d) Makes a show of authority.
- 79. A minor may be :
 - (a) Admitted to the benefits of the partnership
 - (b) A partner of the firm

- (c) Representative of the firm
- (d) Entitled to carry on the business of the firm

PART –II

80. The agent should be in possession of goods with the consent of the _____
- (a) Owner
 - (b) Seller
 - (c) Buyer
 - (d) Principal
81. All contracts are _____
- (a) Agreement
 - (b) Promises,
 - (c) Set of promises
 - (d) Proposals
82. Agreement with a minor is altogether _____
- (a) Void
 - (b) Voidable
 - (c) Illegal
 - (d) enforceable
83. Delivered by acknowledgement is _____
- (a) Actual Delivery
 - (b) Constructive Delivery
 - (c) Symbolic Delivery
 - (d) None of the above
84. Total substitution of new contract in place of old contract takes place in case of _____
- (a) Remission
 - (b) Recission
 - (c) Novation
 - (d) Alteration
85. 'Buyer' means a person who
- (a) Buys Goods
 - (b) Agrees to buy goods
 - (c) Has bought goods
 - (d) Buy or agrees to buy goods

86. An offer made to the public in general which anyone can accept and do the desired act is _____
- (a) General Offer
 - (b) Special Offer
 - (c) Cross Offer
 - (d) Counter Offer
87. Contract of sale is _____
- (a) Executory Contract
 - (b) Executed contract
 - (c) Executory Contract or Executed Contract
 - (d) None of the above
88. Quasi- Contracts arise _____
- (a) Where obligation are created without a contract
 - (b) Where obligation are created under a contract
 - (c) Out of natural causes
 - (d) Out of man-made causes
89. Conditions and warranties _____
- (a) Must be expressed
 - (b) Must be implied if not expressed
 - (c) May either be expressed or implied
 - (d) None of the above
90. The maxim 'delegates non protest delegate' means _____
- (a) A person whom authority has been given cannot delegate the authority to another
 - (b) A person whom authority has been given can delegate the authority to another with prior permission
 - (c) A person whom authority has been given to indemnify agent for injury caused by principal's neglect can be delegated
 - (d) An authority can be delegated under protest by the person to whom authority has been given.
91. Goods are said to be in a deliverable state when _____
- (a) The buyer may take delivery of them
 - (b) The buyer would, under contract, be bound to take delivery of them
 - (c) The seller is in a position to delivery them
 - (d) All of the above
92. In case of a sale the position of a buyer is that of _____
- (a) Owner of the goods
 - (b) Bailee of the goods
 - (c) Hirer of the goods

- (d) None of the above
- 93. In case of an agreement to sell, subsequent loss or destruction of the goods is the liability of
 - (a) The buyer
 - (b) The seller
 - (c) Both the buyer and the seller
 - (d) The insurance company
- 94. True test of partnership is _____
 - (a) Sharing of profits
 - (b) Sharing of profit and losses
 - (c) Mutual agency
 - (d) Existence of an agreement to share profit of the business
- 95. The reconstitution of the firm takes place in case of _____
 - (a) Admission of a partner
 - (b) Retirement of a partner
 - (c) Expulsion or death of a partner
 - (d) All of the above
- 96. The liabilities of a minor when admitted to the benefits of the Partnership _____
 - (a) Is confined to his share of the profits and property in the firm
 - (b) Is as that of any other partner in the firm
 - (c) Is similar as that of any other partner in the firm
 - (d) Is unlimited
- 97. In case of an agreement to sell, the ownership in the goods remains with _____
 - (a) The buyer
 - (b) The seller
 - (c) Both the buyer and seller
 - (d) The Central Government or the state government, as the case may be
- 98. Expulsion of a partner, which is not in accordance with provisions of section 33 of the Indian partnership Act, 1932 is _____
 - (a) Null and void
 - (b) Null and void to some extent
 - (c) Is unconstitutional
 - (d) In good faith and in the interest of the partnership

PART –III

99. State whether X and Y are partners in the following circumstances:
- (a) X agrees Y to carry passengers by taxi from Delhi to Gurgaon on the following terms, namely, Y is to pay X Rs. 100 per mile per annum, and X and Y are to share the costs of repairing and replacement of the car, and to divide equally between them the proceeds of fares received from passengers.
 - (b) X and Y are co-owners of a house let to a tenant. X and Y divide the net rents (after deduction of the incidental taxes; etc.) between themselves.
 - (c) X and Y buy 200 bales of cotton agreeing to share the same between them.
 - (d) X and Y agree to work together as carpenters but X shall receive all profit and shall pay wages to Y.
100. An auctioneer in Mumbai advertised in a newspaper that a sale of office furniture would be held on December 23, 2005 a broker came from Hyderabad to attend the auction, but all the furniture was withdrawn. The broker from Hyderabad sued the auctioneer for loss of his time and expenses. Which of the following statement(s) is correct?
- (a) The broker can get damages from the auctioneer for loss of his time and expenses.
 - (b) The broker will not get damages from the auctioneer for loss of his time and expenses.
 - (c) An invitation to make offer is a valid offer.
 - (d) A declaration of intention by a person will give right of action to another.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

101. Which of the following statements is correct?
- (a) Robbins has made economics as a form of welfare economics
 - (b) The law of demand is always true
 - (c) All capital is wealth but all wealth is not capital
 - (d) None of the above
102. State which of the following represents macro from the national point of view.
- (a) Turnover ratio of Reliance Ltd.
 - (b) Capital output ratio of Indian Industries
 - (c) Debt equity ratio of TELCO
 - (d) All the above
103. Which of the following can be regarded as law of economics?
- (a) Ceteris Paribus, if the price of a commodity rises the quantity demanded of it will fall
 - (b) Higher the income, greater is the expenditure
 - (c) Taxes have no relation with the benefits which a person derives from the state
 - (d) None of the above
104. When as a result of decrease in the price of good, the total expenditure made on it decreases we say that price elasticity of demand is:
- (a) less than unity
 - (b) unity
 - (c) zero
 - (d) greater than unity
105. The point elasticity at the mid-point on the demand curve is:
- (a) one
 - (b) zero
 - (c) less than one
 - (d) less than zero
106. If as a result of 50 per cent increase in all inputs, the output rises by 75 per cent, this is a case of:
- (a) increasing returns to a factor
 - (b) increasing returns to scale
 - (c) constant returns to a factor
 - (d) constant returns to scale

107. The income of a household rises by 20 per cent, the demand for computer rises by 25 per cent, this means computer (in Economics) is a/an
- (a) inferior good
 - (b) luxury good
 - (c) necessity
 - (d) can't say
108. Which of the following is not a property of the indifference curve ?
- (a) Indifference curves are convex to the origin
 - (b) Indifference curves slope downwards from left to right
 - (c) No two indifference curve can cut each other
 - (d) None of the above
109. The structure of the cold drink industry in India is best described as:
- (a) Perfectly competitive
 - (b) Monopolistic
 - (c) Oligopolistic
 - (d) Monopolistically competitive
110. If the price of apples rises from Rs. 30 per kg to Rs. 40 per kg and the supply increases from 240 kg to Rs. 300 kg. Elasticity of supply is:
- (a) .77
 - (b) .67
 - (c) (-) .67
 - (d) (-) .77
111. Which of the statement is correct ?
- (a) Land is highly mobile factor of production
 - (b) Man cannot create matter
 - (c) The services of housewife are termed as production in economics
 - (d) None of the above
112. Under which market structure, average revenue of a firm is equal to its marginal revenue:
- (a) Oligopoly
 - (b) Monopoly
 - (c) Perfect competition
 - (d) Monopolistic competition
113. If a seller realizes Rs. 10,000 after selling 100 units and Rs. 14,000 after selling 120 units. What is the marginal revenue here?
- (a) Rs. 4000

- (b) Rs. 450
 - (c) Rs. 200
 - (d) Rs. 100
114. Under which market condition, though the firms earn normal profits in the long run, there is always excess capacity with them:
- (a) Perfect competition
 - (b) Monopoly
 - (c) Oligopoly
 - (d) Monoplistic competition
115. Price discrimination is profitable when:
- (a) the elasticity of the product in different markets is same
 - (b) the elasticity of the product in different market is different
 - (c) the elasticity of the product in different market is zero
 - (d) none of the above.
116. The cost of one thing in terms of the alternative given up is known as:
- (a) opportunity cost
 - (b) real cost
 - (c) actual cost
 - (d) deferred cost
117. Which of the following statements is incorrect?
- (a) Even monopolist can earn losses
 - (b) Firms in a perfectly competitive market are price takers
 - (c) It is always beneficial for a firm in the perfectly competitive market to discriminate prices
 - (d) Economic laws are less exact than the laws of physical sciences
118. In economics, what a consumer is ready to pay minus what he actually pays, is termed as:
- (a) Consumer's equilibrium
 - (b) Consumer's surplus
 - (c) Consumer's expenditure
 - (d) None of the above
119. The producer is in equilibrium at a point where the cost line is:
- (a) above the isoquant
 - (b) below the isoquant
 - (c) cutting the isoquant
 - (d) tangent to isoquant

120. If the price of 'X' rises by 10 per cent and the quantity demanded falls by 10 per cent, 'X' has:
- (a) Inelastic demand
 - (b) Unit elastic demand
 - (c) Zero elastic demand
 - (d) Elastic demand
121. Which of the following is not an economic activity?
- (a) A son looking after his ailing mother
 - (b) A chartered accountant doing his own practice
 - (c) A soldier serving at the border
 - (d) A farmer growing millets
122. If real national income rises by 10 per cent and population increases by 2 per cent, per capita income will increase by:
- (a) 5 per cent
 - (b) 8 per cent
 - (c) 12 per cent
 - (d) 6 per cent
123. Which of the following statement is correct?
- (a) Cropping pattern in India is quite balanced
 - (b) India is passing through the first stage of demographic transition
 - (c) India's population is second largest in the world
 - (d) None of these
124. Which sector of the Indian economy contributes the largest to national income?
- (a) Primary sector
 - (b) Manufacturing sector
 - (c) Secondary sector
 - (d) Tertiary sector
125. Economics development is
- (a) synonymous with economic growth
 - (b) narrower concept than economic growth
 - (c) broader concept than economic growth
 - (d) none of the above
126. Which of the following is correct:
- (a) $\text{GDP at market price} = \text{GDP at factor cost} + \text{net indirect taxes}$
 - (b) $\text{NNP at factor cost} = \text{GNP at market price}$

- (c) GNP at market price = NNP at market price plus net income from abroad
 - (d) All of the above
127. Fiscal policy is concerned with :
- (a) public revenue, public expenditure and public debt
 - (b) controlling the BOP situation
 - (c) controlling the banks
 - (d) none of the above
128. In order to control credit and investment, the Central Bank should:
- (a) decrease Cash reserve ratio
 - (b) decrease Bank rate
 - (c) buy securities in the open market
 - (d) sell securities in the open market
129. Pick up the correct statement:
- (a) Inflation is a persistent fall in the price level
 - (b) The Indian direct tax structure relies on a very narrow population base
 - (c) Mixed income of self-employed means gross profits received by proprietors
 - (d) All of the above
130. Which of the following is an economic activity?
- (a) Medical facilities rendered by a charitable dispensary
 - (b) Teaching one's own nephew at home
 - (c) A housewife doing household duties
 - (d) Watching television
131. Which of the following statement is correct ?
- (a) Income tax was abolished in India in 1991
 - (b) Gift tax abolished in India in 1998
 - (c) All the States have adopted VAT
 - (d) Estate duty was abolished in 1995
132. Demand for intermediate consumption arises in:
- (a) household consumers
 - (b) government enterprises only
 - (c) corporate enterprises only
 - (d) all producing sectors of the economy
133. Transfer payments refer to payment which are made:
- (a) without any exchange of goods and services

- (b) to workers on transfer from one job to another
 - (c) as compensation to employees
 - (d) none of the above
134. Net National Product at factor cost is:
- (a) equal to national income
 - (b) more than national income
 - (c) less than national income
 - (d) always more than the gross national product
135. The net value added method of measuring national income is also known as:
- (a) net output method
 - (b) production method
 - (c) industry of origin method
 - (d) all the above
136. Which of the following is incorrect?
- (a) $\text{GDP at market price} = \text{GDP at factor cost} + \text{net indirect taxes}$
 - (b) $\text{NNP at factor cost} = \text{NNP at market prices} - \text{net indirect taxes}$
 - (c) $\text{GNP at market prices} = \text{GDP at market prices} + \text{net factor income from abroad}$
 - (d) None of the above
137. What is India's world rank in population?
- (a) First
 - (b) Second
 - (c) Third
 - (d) Fourth
138. In which state or union territory is the literacy rate highest in the country?
- (a) Delhi
 - (b) Chandigarh
 - (c) Karnataka
 - (d) Kerala
139. Which year is known as 'year of great divide' for India's population?
- (a) 1921
 - (b) 1951
 - (c) 1991
 - (d) 1981
140. Which is the other name that is given to the average revenue curve?
- (a) Profit curve

- (b) Demand curve
 - (c) Average cost curve
 - (d) Indifference curve
141. A monopolist is able to maximize his profits when:
- (a) his output is maximum
 - (b) he charges a high price
 - (c) his average cost is minimum
 - (d) his marginal cost is equal to marginal revenue
142. Which is the other name that is given to the demand curve?
- (a) Profit curve
 - (b) Average Revenue curve
 - (c) Average Cost Curve
 - (d) Indifference Curve
143. What is the shape of the demand curve faced by a firm under perfect competition?
- (a) Horizontal
 - (b) Vertical
 - (c) Positively sloped
 - (d) Negatively sloped
144. A horizontal supply curve parallel to the quantity axis implies that the elasticity of supply is:
- (a) zero
 - (b) infinity
 - (c) equal to one
 - (d) greater than zero but less than one.
145. The second glass of lemonade gives lesser satisfaction to a thirsty boy, this is a clear case of:
- (a) Law of demand
 - (b) Law of diminishing returns
 - (c) Law of diminishing marginal utility
 - (d) Law of supply
146. Which of the following statement is incorrect?
- (a) An indifference curve slopes downward to the right
 - (b) Convexity of a curve implies that the slope of the curve diminishes as one moves from left right
 - (c) The elasticity of substitution between two goods to a consumer is zero
 - (d) The total effect of a change in the price of a good on its quantity demanded is called the price effect

147. The second chapter gives lesser satisfaction to a hungry boy. This is a clear case of:
- (a) Law of demand
 - (b) Law of diminishing returns
 - (c) Law of diminishing utility
 - (d) Law of supply
148. Three steel plants in Bhilai Rulkela and Durgapur were set up in the
- (a) First plan
 - (b) Second plan
 - (c) Third plan
 - (d) Fourth plan
149. About _____ per cent of the sick units in India are small units
- (a) 10 per cent
 - (b) 5 per cent
 - (c) 30 per cent
 - (d) 98 per cent
150. Which of the following has been specifically established to meet the requirements of credit of the farmers and villagers?
- (a) ICICI Bank
 - (b) Regional Rural Bank
 - (c) State Bank of India
 - (d) EXIM Bank

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

151. The class having maximum frequency is called
- (a) Modal class
 - (b) Median class
 - (c) Mean Class
 - (d) None of these
152. The errors in case of regression equation are
- (a) Positive
 - (b) Negative
 - (c) Zero
 - (d) All these
153. Karl Pearson's coefficient is defined from
- (a) Ungrouped data
 - (b) Grouped data
 - (c) Both
 - (d) None
154. If $P(A \cap B) = 0$ then two events A and B are
- (a) Mutually exclusive
 - (b) Equally like
 - (c) Independent
 - (d) Exhaustive
155. A binomial distribution is
- (a) Never Symmetrical
 - (b) Never Negatively skewed
 - (c) Symmetrical when $p = 0.5$
 - (d) never positively skewed
156. As the sample size decreases, standard error
- (a) Increases
 - (b) Decreases
 - (c) Remains constant
 - (d) Increases proportionately
157. Standard deviation of sampling distribution is itself the standard error
- (a) True
 - (b) False

- (c) Both
 - (d) None of these
158. Theoretically, A.M. is the best average in the construction of index nos. but in practice, mostly the G.M. is used
- (a) False
 - (b) True
 - (c) Both
 - (d) None of these
159. The result of ODI matches between INDIA and ENGLAND follows
- (a) Binomial distribution
 - (b) Poisson distribution
 - (c) Normal distribution
 - (d) (b) or (c)
160. If $P(AB) = P(A) \times P(B)$ two events A and B are said to be
- (a) Dependent
 - (b) Equally like
 - (c) Independent
 - (d) None
161. Correlation Co-efficient is _____ of the units of measurements
- (a) Dependent
 - (b) Independent
 - (c) Both
 - (d) None of these
162. $\log 64/8$ is equal to _____
- (a) $\log 64 - \log 8$
 - (b) 2^3
 - (c) $8 \log 64$
 - (d) None of these
163. If _____, the roots are real but unequal
- (a) $b^2 - 4ac = 0$
 - (b) $b^2 - 4ac > 0$
 - (c) $b^2 - 4ac < 0$
 - (d) $b^2 - 4ac \leq 0$
164. _____ is the mean proportional between $4p^2$ and $9q^2$
- (a) $6pq$

- (b) $36pq$
 - (c) $6p^2q^2$
 - (d) None of these
165. r , bxy , byx all have _____ sign.
- (a) Different
 - (b) Same
 - (c) Both
 - (d) None of these
166. The 8th term of series 4, 8, 16 is _____.
- (a) 1024
 - (b) 256
 - (c) 32
 - (d) 2048
167. The total no. of seating arrangement of 5 person in a row is _____.
- (a) $5!$
 - (b) $4!$
 - (c) $2 \times 5!$
 - (d) None of these
168. In _____ the quantities are in ratios
- (a) A.M.
 - (b) G.M.
 - (c) H.M.
 - (d) None of these
169. The present value of Rs. 10,000 due in 2 years at 5% p.a. compound interest when the interest is paid on half yearly is Rs. _____.
- (a) 9070
 - (b) 9069
 - (c) 9061
 - (d) 9060
170. The equation of line passing through the points (1, -1) and (3, -2) is given by _____.
- (a) $2x + y + 1 = 0$
 - (b) $2x + y + 2 = 0$
 - (c) $x + y + 1 = 0$
 - (d) $x + 2y + 1 = 0$

171. $\lim_{x \rightarrow 3} \frac{x^2 - 9}{x - 3}$ is equal to

- (a) 0
- (b) 6
- (c) Does not exist
- (d) -6

172. The derivative of $y = \sqrt{2x+1}$ is

- (a) $1/\sqrt{2x+1}$
- (b) $-1/\sqrt{2x+1}$
- (c) $1/2\sqrt{2x+1}$
- (d) None of these

173. $\int \frac{1}{x} dx$ is equal to

- (a) $x \log x$
- (b) $\frac{1}{x^2}$
- (c) $\log x + c$
- (d) none of these

174. If $f(x) = \frac{1}{x} - x$, $f\left(\frac{1}{2}\right)$ is

- (a) $3/2$
- (b) $2/3$
- (c) 1
- (d) 0

175. The sum of square of first natural numbers.

- (a) $\frac{n}{2}(n+1)$
- (b) $\frac{n}{6}(n+1)(2n+1)$
- (c) $\left[\frac{n}{2}(n+1)\right]^2$
- (d) None of these

176. P_{10} is the index for time
- (a) 1 on 0
 - (b) 0 on 1
 - (c) 1 on 1
 - (d) 0 on 0
177. If a sample of 500 eggs produces 25 rotten eggs, then the estimate of SE of the proportion of rotten eggs in the sample is
- (a) 0.01
 - (b) 0.05
 - (c) 0.028
 - (d) 0.0593
178. The mode of the nos. 7, 7, 9, 7, 10, 15, 15, 15, 10 is
- (a) 7
 - (b) 10
 - (c) 15
 - (d) 7 and 15
179. There are 11 trains plying between Delhi & Kanpur. The number of ways in which a person can go from Delhi to Kanpur and return by a different train.
- (a) 121
 - (b) 100
 - (c) 110
 - (d) None of these
180. If in a party every person gives a gift to each other and total number of gifts taken is 132. The number of guests in the party is
- (a) 11
 - (b) 12
 - (c) 13
 - (d) 14
181. The sum of certain numbers of terms of an AP series $-6, -3, 0, \dots$ is 225. The number of terms is
- (a) 16
 - (b) 15
 - (c) 14
 - (d) 13

182. If each item is reduced by 12 A.M. is
- Reduced by 12
 - Increased by 12
 - Unchanged
 - None of these
183. If x and y are perfectly related by $2x + 3y + 4 = 0$ and SD of x is 6 then SD of y is
- 22
 - 4
 - 25
 - 8.30
184. If $f(x+1) = 2x + 7$ then $f(-2)$ is
- 1
 - 2
 - 3
 - 4
185. The roots of the equation $4^{x+1} + 4^{1-x} = 10$ are
- $\frac{1}{2}, -\frac{1}{2}$
 - 2, -2
 - 1, -1
 - None of these
186. An employer recruits experienced and fresh workmen for his firm under the condition that he cannot employ more than 12 people. It can be related by the inequality
- $x + y \neq 12$
 - $x + y \leq 12$
 - $x + y \geq 12$
 - None of these
187. There are 5 bags of wheat weighing on an average 102 kgs and another 8 bags weighing 98 kgs on an average. What is combined mean of 13 bags.
- 109.54
 - 99.54
 - 95.54
 - None of these
188. The standard deviation of 25, 32, 43, 53, 62, 59, 48, 31, 24, 33 is
- 13.23

- (b) 12.33
 (c) 11.13
 (d) None of these
189. A bag contains 5 white and 10 blackballs. Three balls are taken out at random. Find the probability that all three balls drawn are black .
 (a) 16/91
 (b) 42/91
 (c) 24/91
 (d) None of these
190. A card is drawn from a well shuffled pack of playing Cards. Find the probability that it is a king or a Queen
 (a) 1/13
 (b) 1/4
 (c) 2/13
 (d) 2/4
191. If x and y are related as $4x + 3y + 11 = 0$ and mean deviation of x is 2.70. what is mean deviation of y?
 (a) 7.20
 (b) 14.40
 (c) 3.60
 (d) None of these
192. $\int x.e^{ax} dx$ is
 (a) $\frac{e^{ax}}{a} \left(x - \frac{1}{a} \right)$
 (b) $-\frac{e^{ax}}{a}$
 (c) $\log x$
 (d) $\frac{e^{ax}}{a} \left(\frac{1}{a} - x \right)$
193. $\frac{d}{dx} \sqrt{\log x}$
 (a) $\frac{1}{2x\sqrt{\log x}}$
 (b) $2x \cdot \sqrt{\log x}$

(c) $\frac{1}{\sqrt{\log x}}$

(d) $\frac{1}{x}$

194. Evaluate $\int_0^{\pi/2} \left(\frac{\sqrt[4]{\cos x}}{\sqrt[4]{\sin x} + \sqrt[4]{\cos x}} \right) dx$

(a) -1

(b) 0

(c) $\frac{\pi}{4}$

(d) 1

195. In how many ways can 7 persons be seated at a round table if 2 particular persons sit together.

(a) 420

(b) 1440

(c) 240

(d) None of these

196. Three numbers are in A.P. whose sum is 69 and the product of first two is 483. Numbers are

(a) 25, 23, 21

(b) 21, 23, 25

(c) 19, 22, 25

(d) None of these

197. The line joining $(-1, 1)$ and $(2, -2)$ and the line joining $(1, 2)$ and $(K, 3)$ are perpendicular to each other for the value of K.

(a) 2

(b) 0

(c) -2

(d) None

198. A machine for which the useful life is estimated to be 5 years cost Rs. 5000. rate of depreciation is 10% p.a. The scrap value at the end of its life is:

(a) 2952.45

(b) 2500.00

(c) 3000.00

(d) 2559.50

199. The sum of series 8, 4, 0 to 50 terms is

- (a) 18900
- (b) 9000
- (c) -4500
- (d) None of these

200. The number of subset of set {2, 4, 6} is

- (a) 12
- (b) 8
- (c) 6
- (d) None of these



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST
Model Test Paper – BOS/CPT-3 / 2007

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

PART-I

1. Reserve for doubtful debts account is a
 - (a) Real account
 - (b) Personal account
 - (c) Nominal account
 - (d) None of the above
2. Bank overdraft has a
 - (a) Debit balance
 - (b) Credit balance
 - (c) Negative balance
 - (d) None of the above
3. Under annuity method, interest is calculated on
 - (a) Original cost
 - (b) Scrap value
 - (c) Written down value
 - (d) None of the three

4. Journal Proper records
 - (a) Bills receivables
 - (b) Bills payables
 - (c) Cash payments
 - (d) Opening entry
5. Inventories should be out of godown in the sequence in which they arrive is based on
 - (a) FIFO
 - (b) LIFO
 - (c) HIFO
 - (d) Weighted average
6. When adjusted purchase is shown in the debit column of the trial balance then
 - (a) Both opening and closing stock appear in trial balance
 - (b) Opening stock is shown in trial balance and not the closing stock
 - (c) Closing stock is shown in trial balance and not opening stock
 - (d) Both opening and closing stock do not appear in trial balance
7. "Business unit" is separate and distinct from the person who supply capital to it is based on –
 - (a) Money measurement concept
 - (b) Going concern concept
 - (c) Entity concept
 - (d) Dual aspect concept
8. All the expenditures and receipts of revenue nature go to
 - (a) Trading A/c
 - (b) Profit and Loss A/c
 - (c) Balance sheet
 - (d) Either to (a) or (b)
9. If two or more transactions of the same nature are journalized together having either the debit or the credit account common is known as
 - (a) Compound journal entry
 - (b) Separate journal entry
 - (c) Posting
 - (d) None of the above

10. Following is not the example of external users

- (a) Government
- (b) Management
- (c) Investors
- (d) Suppliers and other creditors

PART-II

11. If effect of an error is cancelled by the effect of some other error, it is commonly known as _____

- (a) Error of principle
- (b) Compensating errors
- (c) Error of omission
- (d) Error of commission

12. General reserve at the time of retirement of a partner is transferred to _____

- (a) Revaluation A/c
- (b) Memorandum Revaluation A/c
- (c) Partners' capital accounts
- (d) Profit & Loss Adjustment account

13. Interest on Partner's capital is _____

- (a) An expenditure
- (b) An appropriation
- (c) A gain
- (d) None of the three

14. Noting charges are paid at the time of _____ of the bill

- (a) Retirement
- (b) Dishonour
- (c) Renewal
- (d) None of the above

15. A _____ is sent to a customer when he returns goods

- (a) Debit note
- (b) Credit note
- (c) Proforma invoice
- (d) None of the above

16. In double entry book keeping system, every transaction affects at least ____ account

- (a) One

- (b) Two
 - (c) Three
 - (d) Four
17. The left hand side of an account is known as _____ and the right hand side of an account is known as _____
- (a) Debt side; Credit side
 - (b) Credit side; Debit side
 - (c) Liability; Asset
 - (d) None of the three
18. A proforma invoice is sent by
- (a) Consignor to consignee
 - (b) Debtor to consignor
 - (c) Debtor to consignor
 - (d) Debtor to consignee
19. Profit and loss of realization account is shared among the partners in _____ ratio
- (a) Old profit sharing ratio
 - (b) New profit sharing ratio
 - (c) Capital ratio
 - (d) Equal ratio
20. Loss on issue of debentures is treated as
- (a) Intangible asset
 - (b) Current asset
 - (c) Current liability
 - (d) Miscellaneous expenditure

PART-III

21. Some funds are required for conducting day to day operations of an enterprise. They are represented by excess of current assets over current liabilities. Here, Current assets are those assets which are converted into cash or consumed within a years time. (Debtors and stock are examples of current assets). While current liability falls due for payment in a relatively short period, normally not more than twelve months. Such funds are termed as _____
- (a) Working capital
 - (b) Opening capital
 - (c) Closing capital
 - (d) None of the three
22. A, B and C are partners in the firm sharing profits and losses in 5:3:2 ratio. The firm's

balance sheet as on 31.03.2006 shows the reserve balance of Rs. 25,000, profit of the last year Rs. 50,000, Joint life policy of Rs. 10,00,000 and fixed assets of Rs. 12,00,000. On 1st June, C died and on the same date assets were revalued. The executor of the deceased partner will get along with the capital of C

- (a) Share in the reserve account of the firm
- (b) Proportionate share of profit upto the date of death
- (c) Share in joint life policy
- (d) All of the above

PART IV

23. A bill of exchange matures on 16th July. It is a public holiday. Bill will mature on
- (a) 17th July
 - (b) 15th July
 - (c) 16th July
 - (d) 18th July
24. He, She and Me are partners in a firm sharing profits and losses in the ratio of 5:3:2. They took Joint Life Policy of Rs. 50,000, Rs.1,00,000 and Rs.1,50,000 for He, She and Me respectively. The share of C in the policy will be
- (a) Rs.1,50,000
 - (b) Rs.90,000
 - (c) Rs.60,000
 - (d) Rs.3,00,000
25. Trial Balance (Total method)

		<i>Dr.</i>	<i>Cr.</i>
<i>S.No.</i>	<i>Name of the account</i>	<i>(Rs.)</i>	<i>(Rs.)</i>
1	Cash account	11045	7865
2	Capital account		10000
3	Bank account	7000	100
4	Purchases account	725	
5	Sales account		950
6	Krishna	375	375
7	Salary	5	10
8	Rent Account	150	
		19300	19300

Amount of total balance according to balance method will be:

- (a) Rs.10,955
- (b) Rs.10,900

(c) Rs.10,000

(d) Rs.10,500

26. Trial balance containing obvious errors is given below

<i>Name of the account</i>	<i>Dr. Rs.</i>	<i>Cr Rs..</i>
Cost of goods sold	1,50,000	
Closing stock		40,000
Debtors		60,000
Creditors		30,000
Fixed Assets	50,000	
Opening Stock	60,000	
Expenses		20,000
Sales		2,00,000
Capital	90,000	
	3,50,000	3,50,000

Total of corrected trial balance will be

(a) Rs.3,00,000

(b) Rs.3,20,000

(c) Rs.2,90,000

(d) Rs.3,10,000

27. On Jan 1, 2001 the position of V. Mathur was as follows

Stock in hand Rs. 2400; Bills payable Rs. 400; Cash at Bank Rs. 1800; Plant and machinery Rs. 1000; Owing by debtors Rs. 500; Owing to creditors Rs. 800; Investments 2000; Loan from Raja Ram Rs. 1500.

V. Mathur's capital on the above date will be

(a) Rs. 5000

(b) Rs. 4000

(c) Rs. 6000

(d) None of the three

28. Goods worth Rs. 1000 taken by the proprietor for personal use should be credited to

(a) Sales A/c

(b) Purchase A/c

(c) Expenses A/c

(d) Proprietor's personal A/c

29. The profit and loss account shows

(a) The financial position of the concern

35. Balance as per Pass Book is Rs. 2,430
 Cheques paid but not yet credited Rs. 1,390
 Bank Charges entered in pass book Rs. 260
 Cheques issued but not presented for payment Rs. 1,710
 Balance as per Cash Book will be
 (a) Rs. 2370
 (b) Rs. 2500
 (c) Rs. 2300
 (d) Rs. 2380

36. Overdraft as per Cash Book Rs. 6,340
 Cheque deposited but not credited Rs. 2,360
 Cheques issued but not presented for payment Rs. 2,368
 Overdraft as per Pass Book will be
 (a) Rs. 6,332
 (b) Rs. 6000
 (c) Rs. 6300
 (d) Rs. 6330

37. Following figures have been taken from the trial balance of a trader –
 Opening Stock Rs. 14,500
 Purchases Rs. 75,995
 Carriage Inward Rs. 1,700
 Wages Rs. 825
 Sales Rs. 93,750
 Goods sent on Consignment Rs. 20,000
 Amount of profit will be
 (a) 20730
 (b) 20500
 (c) 20200
 (d) 21000

38. Jan. 2006 Balance of Provision for Doubtful debts Rs. 1,200
 Bad debts during the year Rs. 1,000

Debtors at the end of the year

Rs. 20,000

Make a provision for Bad Debts 5% on debtors Provision amount debited to P/L A/c will be

- (a) Rs. 1,000
 - (b) Rs. 800
 - (c) Rs. 700
 - (d) Rs. 600
39. A trader purchased furniture on Jan 1, 2004 for Rs. 5,200. Its scrap value is 200 and life 10 years. Depreciate furniture according to fixed instalment method. Balance of furniture a/c at the end of third year will be
- (a) Rs.3500
 - (b) Rs.3700
 - (c) Rs.4000
 - (d) Rs.3400
40. A seven years lease has been purchased for a sum of Rs. 60,000 and it is proposed to depreciate it under annuity method charging 4% interest. Reference to annuity table, Rs. 9996.55 should be charged to depreciation A/c. Balance of lease A/c at the end of the 1st year will be
- (a) Rs. 52403.45
 - (b) Rs. 52000
 - (c) Rs. 50000
 - (d) None of the above
41. After preparing the trial balance the accountant find that the total of the credit side is short by Rs. 1500. This difference will be -
- (a) Credited to suspense account
 - (b) Debited to suspense account
 - (c) Adjusted to any of the debit balance a/c
 - (d) Adjusted to any of the credit balance a/c
42. On 01.12.06, X draws a bill on Y for 30 days after sight. The date of acceptance is 08.12.06. The due date of the bill will be -
- (a) 8.01.07
 - (b) 10.01.07
 - (c) 11.01.07
 - (d) 09.10.07

43. Capital introduced in the beginning by Ram Rs. 16,080; further capital introduced during the year in the form of machinery Rs. 2000; personal expenses during the year –

Drawings in cash	Rs.	3,000
Life Insurance Premium	Rs.	250
Closing capital	Rs.	21,925

The amount of profit or loss for the year will be

- (a) Profit 7095
 - (b) Profit 7085
 - (c) Loss 5000
 - (d) Loss 6000
44. The total of debit and credit side of Mr. Raja Ram as on 31st March, 2006 were Rs. 20,000 and Rs. 10,000 respectively. The difference was transferred to suspense A/c. On 4th April 2006, it was found that the total of sales book was carried forward as 5,000 instead of 4,000. The balance of suspense A/c after rectification of this error will be -
- (a) Rs.11,000
 - (b) Rs. 10,000
 - (c) Rs. 9,000
 - (d) Rs. 12,000
45. The total of 'Discount allowed' column in the cash book for the month of September, 2006 amounting to Rs. 250 was not posted Rectifying entry for the same will be -
- (a) Suspense A/c Dr 250; To Discount A/c 250
 - (b) Discount A/c Dr. 250; To Suspense A/c 250
 - (c) Discount A/c Dr. 250; To Customer A/c 250
 - (d) None of the three
46. Closing entry for transfer of Net profit Rs. 6300 to capital A/c will be
- (a) Capital A/c Dr 6300; To P/L A/c 6300
 - (b) P/L A/c Dr. 6300; To Capital A/c 6300
 - (c) Trading A/c Dr. 6300; to P/L A/c 6300
 - (d) None of the three
47. Gross profit is the difference between
- (a) Sales and purchases
 - (b) Sales and cost of sales
 - (c) Sales and total expenses
 - (d) None of the three

48. Credit balances in the ledger will be
- A revenue or an asset
 - An expense or on asset
 - A revenue or a liability
 - None of the three
49. Miss Rakhi consigned 1,000 Radio sets costing Rs. 900 each to Miss Gita, her agent on July 1, 2006. Miss Rakhi incurred the following expenses.

<u>Carriage</u>	<u>Freight</u>	<u>Insurance</u>
Rs. 650	Rs. 7,000	Rs. 3,250

Miss Gita received the delivery of 950 radio sets. 750 sets were sold for Rs. 9,00,000 and Miss Gita incurred total expenses Rs. 13,000. Agents commission 6% on sales. Insurance company admitted claim of Rs. 35,000. Consignment stock was valued Rs. 1,84,391. Consignment Profit will be -

- 152036
 - 152000
 - 150000
 - None of the three
50. Amount spent on "Structural alterations" under pressure of law is a
- Capital expenditure
 - Revenue expenditure
 - Deferred revenue expenditure
 - Capital loss
51. Goodwill is to be calculated at one year's purchase of the average of the last 3 years profit. The profit of the first year was Rs. 6,000, second year twice the profit of the first year and the third year one and half times of the profit of the second year goodwill amount will be -
- Rs.10,000
 - Rs.12,000
 - Rs.11,000
 - Rs.13,000
52. A, B and C share the profit losses in the ratio of 3:2:1. D is admitted. He gets $\frac{1}{6}$ in share entirely from A. New ratio will be
- $\frac{1}{3} : \frac{1}{3} : \frac{1}{6} : \frac{1}{6}$
 - 3:1:1:1

- (c) 2:2:2:1
(d) None of the three
53. A, B and C share profit and losses in the ratio of 3:2:1 upon admission of D. They agreed to share 5:4:2:1 sacrificing ratio will be
(a) 1/12:NIL:NIL
(b) NIL:1/12:NIL
(c) NIL: NIL:1/12
(d) None of the three
54. A, B and C entered into a joint venture with equal risks contributing Rs. 20,000, Rs. 27,500 and Rs. 35,000 respectively. The amounts were banked in a joint account. Joint Transactions were as follows:
- | | | |
|-----------------------------|-----|--------|
| Purchase of goods | Rs. | 66,600 |
| Expenses on goods purchased | Rs. | 6,629 |
| Total sales | Rs. | 89,000 |
- C, who effected these transactions, was allowed 6% commission on sales. Profit on joint venture will be -
(a) Rs. 10,431
(b) Rs. 10,000
(c) Rs. 11,000
(d) Rs. 12,000
55. Gopal was holding 100 shares of 10 each of a company on which he had paid Rs. 3 on application and Rs. 2 allotment, but could not pay Rs. 2 on first call. Forfeited shares a/c will be credited with
(a) Rs. 500
(b) Rs. 400
(c) Rs. 600
(d) None of the three
56. A Ltd. makes an issue of 10,000 equity shares of Rs. 100 each, payable as follows –
- | | | |
|------------------------------|-----|----|
| On application and allotment | Rs. | 50 |
| On first call | Rs. | 25 |
| On second and final call | Rs. | 25 |
- Members holding 400 shares did not pay the second call and the shares are duly forfeited, 300 of which are reissued as fully paid at Rs. 80 per share. Amount transferred to capital reserve will be
(a) 16,500
(b) 15,000

- (c) 15,000
(d) None of the three
57. The following information pertains to X Ltd.
- | | | |
|------------------------------------|-----|-----------|
| (1) Equity share capital called up | Rs. | 10,00,000 |
| (2) Calls in arrear | Rs. | 50,000 |
| (3) Calls in advance | Rs. | 20,000 |
| (4) Proposed dividend | | 10% |
- The amount of proposed dividend payable is
- (a) 95,000
(b) 90,000
(c) 98,000
(d) 1,00,000
58. X Ltd. purchased the business of Y Ltd. for Rs. 90,000 payable in fully paid shares of 10 each; shares were issued at a premium of 25%. Number of shares issued against purchased consideration will be –
- (a) 6,000 shares
(b) 7,200 shares
(c) 8,000 shares
(d) 7,000 shares
59. A company on non-receipt of First Call money of Rs.2 per share and Final Call money of Rs.3 per share from Rahul, debited Call-in-Arrears account by Rs. 2,000 and Rs.3,000 respectively. After due notice 1,000 shares of Rs.10 each were forfeited from Rahul. The amount to be credited to First Call Account at the time of entry for forfeiture will be
- (a) Rs.2,000.
(b) Rs.3,000.
(c) Nil.
(d) Rs.10,000.
60. X Ltd. purchased assets of Y Ltd. as under –
- Plant and machinery of Rs. 20,00,000 at Rs. 18,00,000; Land and building of Rs. 30,00,000 at Rs. 42,00,000 for purchase consideration of Rs. 55,00,000 and paid Rs. 10,00,000 in cash and remaining by issue of 8% debentures of 100 each at a premium of 20%. No. of debentures issued to vendors will be
- (a) 37,000
(b) 37,500
(c) 35,500
(d) 38,000

SECTION – B : MERCANTILE LAWS (40 MARKS)

PART -I

61. Contracts may be classified on the basis of their validity, formation or performance. Contracts classified on the basis of formation are of the following types:
- (a) Express contracts.
 - (b) Implied contracts.
 - (c) Quasi contracts.
 - (d) All of the above.
62. Which of the following statement is false, Consideration:
- (a) Must move at the desire of the promisor
 - (b) May move from any person.
 - (c) Must be illusory.
 - (d) Must be of some value.
63. Generally, the following damages are not recoverable?
- (a) Ordinary damages.
 - (b) Special damages.
 - (c) Remote damages.
 - (d) Nominal damages.
64. A contract is discharged by novation which means the
- (a) cancellation of the existing contract.
 - (b) change in one or more terms of the contract.
 - (c) Substitution of existing contract for a new one.
 - (d) None of these.
65. One the valid performance of the contractual obligation by the parties, the contract
- (a) Is discharged.
 - (b) becomes enforceable.
 - (c) becomes void.
 - (d) None of these.
66. An offer may lapse by:
- (a) Revocation
 - (b) Counter offer.
 - (c) Rejection of offer by offeree.
 - (d) All of these
67. In case of illegal agreements, the collateral agreements are:
- (a) Valid

- (b) Void
 - (c) Void able
 - (d) Any of these.
68. Which of the following is false? An acceptance:
- (a) Must be communicated.
 - (b) Must be absolute and unconditional.
 - (c) Must be accepted by a person having authority to accept.
 - (d) May be presumed from silence of offeree
69. Which of the following statements is not true about minor's position in a firm?
- (a) He cannot become a partner in an existing firm.
 - (b) He can become a partner in an existing firm.
 - (c) He can be admitted only to the benefits of any existing a major.
 - (d) He can become partner on becoming a major.
70. A contract for a sale of goods where property would pass to the buyer on payment of total price would be;
- (a) Sale
 - (b) Agreement to sell
 - (c) hire-purchase contract.
 - (d) Sale on approval.
71. The Sale of Goods Act, 1930 deals with the
- (a) movable goods only.
 - (b) immovable goods only.
 - (c) both movable and immovable goods.
 - (d) All goods except ornaments.
72. Selection of goods with the intention of using them in performance of the contract and with the mutual consent of the seller and the buyer is known as
- (a) Distribution
 - (b) Appropriation
 - (c) amortization.
 - (d) Storage
73. Mercantile Agent is having an authority to
- (a) sell and consign goods.
 - (b) raise money on the security of goods.
 - (c) sell or buy goods.
 - (d) any of the above.

74. Which of the following is not a form of delivery?
- (a) constructive delivery.
 - (b) structured delivery.
 - (c) actual delivery.
 - (d) symbolic delivery.
75. Under sale of goods Act, 1930 the terms "goods" means every kind of the movable property and it includes
- (a) Stock and share
 - (b) Growing crops, grass
 - (c) Both (a) and (b)
 - (d) None of the above
76. Which of the following is correct:
- (a) Liability of a partner in a partnership firm is unlimited.
 - (b) Liability of a member of a HUF is unlimited.
 - (c) Both the above.
 - (d) None of the above.
77. Which of the following is not the right of a partner i.e, which he cannot claim as a matter of right?
- (a) Right to take part in business
 - (b) Right to have access to account books.
 - (c) Right to share profits.
 - (d) Right to receive remuneration.
78. On which of the following grounds, a partner may apply to the court for dissolution of the firm?
- (a) Insanity of a partner
 - (b) Misconduct of a partner
 - (c) Perpetual losses in business
 - (d) All of the above.
79. Which of the following is not disability of an unregistered firm?
- (a) It can not file a suit against third parties
 - (b) Its partners cannot file a suit against a firm
 - (c) It can claim a set-off exceeding Rs. 100.
 - (d) It can be sued by a third party.

PART –II

80. A Hindu widow borrowed money from a lender for the purpose of filling a suit for maintenance. The lender advanced money at 100 percent rate of interest. The act of the money lender is induced by
- (a) coercion
 - (b) Undue Influence
 - (c) Fraud
 - (d) Misrepresentation
81. A mistake as to a law not in force in India has the same effect as _____
- (a) Mistake of fact
 - (b) Mistake of India law
 - (c) fraud
 - (d) misrepresentation
82. A stipulation in a contract of sale of goods whose violation by seller gives a right of rescission to buyer, is called _____
- (a) Guarantee
 - (b) warranty
 - (c) condition
 - (d) term.
83. The communication of an acceptance is complete as against acceptor _____
- (a) When it is put in course of transmission to him so as to be out of reach of the acceptor
 - (b) When it comes to the knowledge of the proposer
 - (c) When both the proposer and acceptor declare the acceptance
 - (d) When the acceptor accepts his acceptance in court of law
84. Every person attains majority on completion of _____ years of age
- (a) 21 years
 - (b) 18 years
 - (c) 16 years
 - (d) 20 years
85. Doctrine of Caveat Emptor means _____
- (a) let the seller beware.
 - (b) let the buyer beware.
 - (c) let the creditor beware.
 - (d) None of the above

86. The essence of a right of lien is to _____
- (a) deliver the goods.
 - (b) retain the possession.
 - (c) regain the possession
 - (d) none of the above
87. Discharge by mutual agreement may involve _____
- (a) Novation
 - (b) Recission
 - (c) Alteration
 - (d) All of the above
88. Where the goods are delivered to a carrier or wharfinger for the purpose of transmission to the buyer, the delivery is _____
- (a) Invalid and ineffective
 - (b) Valid and effective
 - (c) Conditional
 - (d) None of these
89. _____ consideration is no consideration in England.
- (a) Past
 - (b) Present
 - (c) Future
 - (d) Past and present
90. The relationship of principal and agent may arise by _____
- (a) Express or implied agreement
 - (b) Ratification
 - (c) Operation of law
 - (d) All of the above
91. A contract for the sale of "future goods" is _____
- (a) Sale
 - (b) Agreement to sell
 - (c) Void
 - (d) Hire-purchase contract
92. Right of an unpaid seller include _____
- (a) Right against the law
 - (b) Right in stoppage in transit
 - (c) Right of re-sale

- (d) All of the above
- 93. A stipulation in a contract of sale of goods whose violation by seller gives a right of rescission to buyer, is called _____
 - (a) Guarantee.
 - (b) Warranty.
 - (c) Condition.
 - (d) Term.
- 94. Total substitution of new contract in place of the old contract takes place in case of _____
 - (a) Remission
 - (b) Recission
 - (c) Novation
 - (d) Alteration
- 95. Non-registration of a partnership firm _____
 - (a) Is a criminal offence
 - (b) Renders the partnership illegal
 - (c) Is compulsory to activate the partnership
 - (d) Is not compulsory but desirable
- 96. A partner may be expelled from the firm on the fulfillment of the condition that the expulsion power is exercised _____
 - (a) As given by express contract
 - (b) By majority of partners
 - (c) In absolute good faith
 - (d) All of the above.
- 97. Right of lien is to _____
 - (a) Retain possession
 - (b) Regain possession
 - (c) Remove possession
 - (d) Recharge possession
- 98. Partner by holding out is also known as _____
 - (a) Active Partner
 - (b) Dormant partner
 - (c) Partner by estoppel
 - (d) Partner by stoppage

PART -III

99. Under which circumstances the unpaid seller can exercise right of re-sale
- (a) when the goods are of perishable nature.
 - (b) when he gives notice to the buyer
 - (c) When he gives notice to the buyer of his intention to re-sale and the buyer does not within reasonable time pay the price.
 - (d) Both (a) and (b)
100. A timber merchant agreed to supply best teak at a certain agreed price to a builder. Later the merchant supplied timber, which was identified as ordinary class of timber and demanded the payment from the builder which of the following statements is/are true?
- (a) Builder can reject the goods can claim damages.
 - (b) Builder has accept the goods.
 - (c) Builder has to pay the price by taking delivery of teak wood.
 - (d) Timber merchant cannot plead the doctrine of caveat emptor.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

101. Which of the following is not an essential condition of pure competition?
- (a) Large number of buyers and sellers
 - (b) Homogeneous product
 - (c) Freedom of entry
 - (d) Absence of transport cost
102. Which of the following is not a characteristic of a "Price taker"?
- (a) $TR = PXQ$
 - (b) $AR = \text{Price}$
 - (c) Negatively – sloped demand curve
 - (d) $\text{Marginal Revenue} = \text{Price}$
103. Which of the following is not a condition of perfect competition ?
- (a) A large number of firms
 - (b) Perfect mobility of factors
 - (c) Informative advertising to ensure that consumers have good information
 - (d) Freedom of entry and exit into and out of the market
104. All of the following are characteristics of a monopoly except?
- (a) there is a single firm
 - (b) the firm is a price taker
 - (c) the firm produces a unique product
 - (d) the existence of some advertising
105. A monopolist is able to maximize his profits when:
- (a) his output is maximum
 - (b) he charges a high price.
 - (c) his average cost is minimum
 - (d) his marginal cost is equal to marginal revenue.
106. Which is the other name that is given to the long run average cost curve?
- (a) profit curve
 - (b) planning curve
 - (c) demand curve
 - (d) indifference curve

107. Price discrimination will be profitable only if the elasticity of demand in different market in which the total market has been divided is:
- (a) uniform
 - (b) different
 - (c) less
 - (d) zero
108. The kinked demand curve model of oligopoly assumes that:
- (a) response to a price increase is less than the response to a price decrease
 - (b) response to a price increase is more than the response to a price decrease
 - (c) elasticity of demand is constant regardless of whether price increases or decreases
 - (d) elasticity of demand is perfectly elastic if price increases and perfectly inelastic if price decreases
109. Agricultural goods markets depict characteristics close to:
- (a) Perfect competition
 - (b) Oligopoly
 - (c) Monopoly
 - (d) Monopolistic competition
110. Which of the statements is correct?
- (a) The tertiary sector contributes the maximum to the GDP.
 - (b) India is a basically a socialist economy
 - (c) The distribution of income and wealth in India is quite equitable
 - (d) None of the above
111. NABARD is the apex bank for _____ credit in India.
- (a) real estate
 - (b) small scale industries
 - (c) agriculture
 - (d) none of the above
112. The share of agriculture in India's national income has _____ over the years.
- (a) remained constant
 - (b) decreased
 - (c) increased
 - (d) first decreased and then increased

113. Which is of the following is incorrect?
- (a) Special schemes have been started to promote agro-products.
 - (b) India has been a big importer of food grains especially since 1990s.
 - (c) High yielding varieties programme has resulted in improvement in production and productivity of food grains in India
 - (d) None of the above
114. Agriculture sector faces the problem of:
- (a) slow and uneven growth
 - (b) inadequate and incomplete land reforms
 - (c) inadequate finance
 - (d) all of the above
115. The Tenth plan aims at achieving a growth rate of _____ in the industrial sector.
- (a) 5 per cent
 - (b) 8 per cent
 - (c) 10 per cent
 - (d) 6 per cent
116. Which of the following statements is correct?
- (a) The industrial pattern on the eve of independence was quite balanced
 - (b) During the planning period the structure of Indian industry has shifted in favour of basic and capital goods and intermediate goods.
 - (c) Most of the big industrial units in India are sick.
 - (d) None of the above
117. Over the planning period the share of industrial sector in the GDP of India has _____
- (a) increased
 - (b) decreased
 - (c) remained constant
 - (d) remained above 50 per cent
118. India has the _____ largest scientific and technical manpower in the world
- (a) Fifth
 - (b) Tenth
 - (c) Eighth
 - (d) Second

119. Demand for final consumption arises in:
- (a) household sector only
 - (b) government sector only
 - (c) both household and government sectors
 - (d) neither household for government sectors
120. Which of the following is an economic activity ?
- (a) Playing friendly cricket match
 - (b) Teaching one's own daughter at home
 - (c) Manufacturing chairs at subsidised rate
 - (d) A housewife doing household duties
121. Per capita national income means
- (a) $\text{NNP} / \text{population}$
 - (b) $\text{Total capital} / \text{population}$
 - (c) $\text{Population} / \text{NNP}$
 - (d) None of the above
122. India's rank in world Population comes after _____
- (a) U.S.A.
 - (b) China
 - (c) Australia
 - (d) Canada
123. In which state is the sex ratio most favourable to women?
- (a) Andhra Pradesh
 - (b) Uttar Pradesh
 - (c) Kerala
 - (d) Karnataka
124. India's present population is:
- (a) more than that of China
 - (b) less than that of China
 - (c) less than that of Pakistan
 - (d) less than that of England
125. NTPC stands for:
- (a) National Thermal Power Corporation

- (b) National Tidal Power Corporation
 - (c) National Theological Power Corporation
 - (d) National Talent and Potential Corporation
126. Which of the following is correct in relation to banks in the post reform period?
- (a) Bank rate has been increased to 10 per cent
 - (b) CRR has been increased to 8 per cent
 - (c) CRR has been reduced in stages
 - (d) Public sector banks have been asked to raise their funds from their private resources only
127. _____ refers to disposal of public sector's units in equity in the market.
- (a) Globalisation
 - (b) Privatisation
 - (c) Disinvestment
 - (d) Liberalisation
128. Population per bank in India is :
- (a) around 5000
 - (b) around 20000
 - (c) around 16000
 - (d) around 45000
129. Commercial banks suffer from :
- (a) regional imbalances
 - (b) increasing overdues
 - (c) lower inefficiency
 - (d) all the above
130. Money includes
- (a) currencies and demand deposits
 - (b) bonds, government securities
 - (c) equity shares
 - (d) all of the above.
131. M1 in the money stock in India refers to:
- (a) post office saving deposits
 - (b) total post office deposits
 - (c) currency plus demand deposits plus other deposits with RBI

- (d) time deposits with banks
132. Which of the following is not a characteristic of land?
- (a) Its supply for the economy is limited
 - (b) It is immobile
 - (c) Its usefulness depends on human efforts
 - (d) It is produced by our forefathers
133. Which of the following statements is true ?
- (a) Accumulation of capital depends solely on income
 - (b) Savings can also be affected by the state
 - (c) External economies go with size and internal economics with location
 - (d) The supply curve of labour is an upward slopping curve
134. The marginal product of a variable input is best described as:
- (a) total product divided by the number of units of variable input
 - (b) the additional output resulting from a one unit increase in the variable input
 - (c) the additional output resulting from a one unit increase in both the variable and fixed inputs
 - (d) The ratio of the amount of the variable input that is being used to the amount of the fixed input that is being used.
135. Diminishing marginal returns imply
- (a) decreasing average variable costs
 - (b) decreasing marginal costs
 - (c) increasing marginal costs
 - (d) decreasing average fixed costs
136. To economists, the main difference between the short run and the long run is that:
- (a) in the short run all inputs are fixed, while in the long run all inputs are variable
 - (b) in the short run the firm varies all of its inputs to find the least cost combination of inputs
 - (c) in the short-run, at least one of the firm's input levels is fixed
 - (d) in the long run, the firm is making a constrained decision about how to use existing plant and equipment efficiently
137. Which cost increases continuously with the increase in production?
- (a) Average cost
 - (b) Marginal cost
 - (c) Fixed cost

- (d) Variable cost
138. In the short run, when the output of firm increases, its average fixed cost:
- (a) increases
 - (b) decreases
 - (c) remains constant
 - (d) first declines and then rises
139. Which of the following is an example of an "explicit cost"?
- (a) The wages a proprietor could have made by working as an employee of a large firm
 - (b) The income that could have been earned in alternative uses by the resources owned by the firm
 - (c) The payment of wages by the firm
 - (d) The normal profit earned by a firm.
140. Marginal cost is defined as :
- (a) the change in total cost due to a one unit change in output
 - (b) total cost divided by output
 - (c) the change in output due to a one unit change in an input
 - (d) total product divided by the quantity of input
141. Which of the following is not a determinant of the firm's cost function?
- (a) The production function
 - (b) The price of labour
 - (c) Taxes
 - (d) The price of the firm's output
142. A firm's average total cost is Rs. 300 at 5 units of output and Rs. 320 at 6 units of output the marginal cost of producing the 6th unit is:
- (a) Rs. 20
 - (b) Rs. 120
 - (c) Rs. 320
 - (d) Rs. 420
143. Which of the following is a function of an entrepreneur?
- (a) Initiating a business enterprise
 - (b) Risk bearing
 - (c) Innovating
 - (d) All of the above
144. The law of scarcity
- (a) does not apply to rich, developed countries

- (b) applies only to the less developed countries
 - (c) implies that consumers wants will be satisfied in a socialistic system
 - (d) implies that consumers wants will never be completely satisfied
145. Who expressed the view that "economics is neutral between end"?
- (a) Robbins
 - (b) Marshall
 - (c) Pigou
 - (d) Adam Smith
146. An example of positive economic analysis would be:
- (a) an analysis of the relationship between the price of food and the quantity purchased
 - (b) determining how much income each person should be granted
 - (c) determining the fair price for food
 - (d) deciding how to distribute the output of the economy
147. Which of the following does not suggest a macro approach for India ?
- (a) Determining the GNP of India
 - (b) Identifying the causes of inflation in India
 - (c) Finding the causes of failure of X and Co.
 - (d) Analyse the causes of failure of industry in providing large scale employment
148. What is one of the future consequences of an increase in the current level of consumption in the India
- (a) Slower economic growth in the future.
 - (b) Greater economic growth in the future
 - (c) No change in our economic growth rate
 - (d) Greater capital accumulation in the future
149. Capital intensive technique would get chosen in a :
- (a) labour surplus economy
 - (b) capital surplus economy
 - (c) developed economy
 - (d) developing economy
150. Consider the following and decide which if any economy is without scarcity:
- (a) The pre-independent Indian Economy, where most people were farmers
 - (b) A mythical economy where everybody is a billionaire
 - (c) Any economy where income is distributed equally among its people
 - (d) None of the above

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

151. Representation of data is done by
- (a) Diagrams
 - (b) Pictures
 - (c) Charts
 - (d) All these
152. Ogive is a
- (a) Line diagram
 - (b) Bar diagram
 - (c) Both
 - (d) None of these
153. Which result is true?
- (a) $HM \leq GM \leq AM$
 - (b) $HM \geq GM \geq AM$
 - (c) $HM < GM < AM$
 - (d) $GM > AM > HM$
154. The range of 12, 15, 17, 9, 21, 25
- (a) 3
 - (b) 16
 - (c) 25
 - (d) 12
155. Median is effected by extreme values
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
156. In a scatter diagram, if the plotted points lie on a single line, then the correlation is:
- (a) Perfect positive
 - (b) Perfect negative
 - (c) Both (a) and (b)
 - (d) Either (a) or (b)
157. For any two events A and B
- (a) $P(A \cap B) < P(A) + P(B)$
 - (b) $P(A \cap B) > P(A) + P(B)$

- (c) $P(A \cap B) \leq P(A) + P(B)$
 (d) $P(A \cap B) \geq P(A) + P(B)$
158. The mode and mean of a normal distribution
 (a) May be equal
 (b) May be different
 (c) Are always equal
 (d) (a) or (b)
159. A statistic is described as
 (a) A function of sample observation
 (b) A function of population units
 (c) A characteristic of a population
 (d) A part of population
160. The index no. is not a special type of average
 (a) False
 (b) True
 (c) Both
 (d) None of these
161. Fisher's ideal formula does not satisfy _____ test.
 (a) Unit test
 (b) Circular test
 (c) Time reversal test
 (d) None of these
162. Under Algebraic method we get _____ Linear equations
 (a) Two
 (b) Three
 (c) One
 (d) None of these
163. 24, 32, _____, 40 are in proportion.
 (a) 25
 (b) 20
 (c) 30
 (d) None of these
164. $\log_3 \log_3 27$ is equal to _____
 (a) 0

- (b) -1
(c) 3
(d) 1
165. If _____, the roots are imaginary .
(a) $b^2 - 4ac = 0$
(b) $b^2 - 4ac > 0$
(c) $b^2 - 4ac < 0$
(d) $b^2 - 4ac \geq 0$
166. The letters of the words ALLAHABAD and INDIA are arranged in all possible ways. The ratio of the number of these arrangement is _____
(a) 9 : 5
(b) 126:1
(c) 1:1
(d) 2:5
167. The 13th term of series 93, 90, 87 is _____
(a) 57
(b) - 54
(c) 50
(d) 54
168. Rs. 3,52,000 will produce Rs. 28,600 interest in _____ years at 2.5% p.a. simple interest.
(a) 2 years 2 months
(b) 3 years 3 months
(c) 4 years 4 months
(d) 5 years 5 months
169. The mean of binomial distribution with parameters n and p is _____
(a) $n(1-p)$
(b) $np(1-p)$
(c) np
(d) $\sqrt{np(1-p)}$
170. If $P(A) = 6/9$ then the odds against the event is _____
(a) 3/9
(b) 6/3
(c) 3/6

(d) $3/15$

171. $\lim_{x \rightarrow 2} \frac{\sqrt{3-x} - 1}{2-x}$ is equal to

(a) $1/2$

(b) 2

(c) 0

(d) does not exist

172. The derivative of $y = \log x^x$ is

(a) $1/x$

(b) $\log x$

(c) $1/x \cdot \log x$

(d) $1 + \log x$

173. $\int \frac{dx}{e^x + 1}$ is equal to

(a) $-\log(1+e^x) + K$

(b) $(e^x+1)^{-2} + K$

(c) $\frac{1}{1+e^x} + K$

(d) None

174. If $f(x) = 2x + 3$ then $f(2x) - 2f(x) + 3$ is equal to

(a) 1

(b) 0

(c) -1

(d) None of these

175. Which term of series $3, \sqrt{3}, 1, \frac{1}{\sqrt{3}}, \dots$ is $\frac{1}{243}$?

(a) 13

(b) 14

(c) 15

(d) 12

176. Fisher's ideal index no. is equal to

(a) Laspeyse's index $\times$ Pasche's index

(b) $\sqrt{\text{Laspeyre's Index} \times \text{Pasche's Index}}$

- (c) $\frac{\sum P_0 q_1}{\sum P_1 q_1}$
- (d) None of these
177. A sample of 100 gave a mean of 7.4 kg and a standard deviation of 1.2 kg. Find 95% confidence limits for population mean.
- (a) 7.164 and 7.635
- (b) 5.164 and 5.635
- (c) 4.001 and 5.001
- (d) None of these
178. A dice is tossed thrice, if getting a four is considered a success, find the variance of probability distribution of number of success.
- (a) $1/2$
- (b) $1/4$
- (c) $5/12$
- (d) $7/12$
179. A pair of dice is rolled. If the sum on the dice is 9. Find the probability that one of dice showed 3.
- (a) $1/9$
- (b) $1/4$
- (c) $1/2$
- (d) 1
180. The two regression lines obtained from certain data were $y = x + 5$ and $16x = 9y - 94$. Find the variance of x if variance of y is 16.
- (a) $4/16$
- (b) 9
- (c) 1
- (d) $5/16$
181. If ${}^n P_{13} : {}^{n+1} P_{12} = 4 : 3$ then value of n is
- (a) 15
- (b) 14
- (c) 13
- (d) 12
182. In a group of 23 children 10 drink tea but not coffee and 15 like tea. The number of children drinking coffee but not tea is
- (a) 6

- (b) 7
(c) 8
(d) 9
183. In a GP series the product of first three term is $729/8$. The middle term is
(a) $3/2$
(b) $9/2$
(c) $2/9$
(d) None of these
184. In how many ways 5 physics, 3 chemistry and 3 maths books be arranged keeping the books of the same subject together.
(a) $5! \times 3! \times 3!$
(b) $5 P_3$
(c) $5! \times 3!$
(d) $5! \times 3! \times 3! \times 3$
185. If a loan of Rs. 50,000 is paid back in equal instalments for 20 years and 10% interest on balance loan. What will be equal instalment .
(a) 5872.98
(b) 5000.00
(c) 4999.98
(d) None of these
186. The lines $x - y - 3 = 0$, $3x - 2y - 5 = 0$ and $4x - 3y - 20 = 0$ are
(a) concurrent
(b) Not concurrent
(c) Parallel to each other
(d) Perpendicular to each other
187. Solving equation $3x^2 - 2x - 16 = 0$ we get root as
(a) $-2, 8/3$
(b) $2, 3/8$
(c) ± 2
(d) None of these
188. If a number of which the half is greater than $1/10^{\text{th}}$ of number by 20 then the number is
(a) 50
(b) 40
(c) 80
(d) None of these

189. Sum of three numbers in A.P. is 12 and the sum of their cube is 408. The numbers are
- 3, 4, 5
 - 1, 4, 7
 - 2, 4, 6
 - None of these
190. The number of subset of a set containing n element is:
- $2n$
 - 2^n
 - 2^{-n}
 - None of these
191. Wages of 8 workers expressed in Rs. as follows – 80, 96, 51, 72, 67, 50, 70. find Coefficient of range.
- 30.5
 - 35.3
 - 31.00
 - 31.51
192. $\int e^{px} dx$ is equal to
- e^x
 - e^{px} / p
 - $\log x$
 - None of these
193. Evaluate $\int_{-3}^3 (x^3 + x) dx$
- 0
 - 3
 - 3
 - 1
194. If Arithmetic Mean and coefficient of variation of x are 5 and 20 respectively. What is the variance of $(15-2x)$?
- 16
 - 2
 - 64
 - 32

195. If $y = e^x - e^{-x}$ the $\frac{dy}{dx} - \sqrt{y^2 + 4}$ is equal to
- (a) 1
 - (b) -1
 - (c) 0
 - (d) None of these
196. 6 seats of articled clerks are vacant in a 'Chartered Accountant firm'. How many different batches of candidates can be chosen out of 10 candidates if one candidate is always selected.
- (a) 124
 - (b) 125
 - (c) 126
 - (d) None of these
197. The A.M. between two numbers is 34 and their G.M. is 16 the numbers are
- (a) 4, 64
 - (b) 4, 32
 - (c) 32, 64
 - (d) None of these
198. For a group of 8 students the sum of squares of differences in ranks for Accounts and Economics marks was found to be 50. What is the rank correlation coefficient.
- (a) 0.50
 - (b) 0.40
 - (c) 0.30
 - (d) 0.20
199. A sum of money triples itself in 20 years. The number of years it would double itself.
- (a) 25 years
 - (b) 15 years
 - (c) 10 years
 - (d) None of these
200. The value of $(\log_b a \times \log_c b \times \log_a c)^5$ is equal to
- (a) 5
 - (b) 0
 - (c) 1
 - (d) None of these



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-4 / 2007

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

PART-I

1. Commission received in advance account has a
 - (a) Credit balance
 - (b) Debit balance
 - (c) Negative balance
 - (d) None of the above
2. Insurance unexpired account is a
 - (a) Personal account
 - (b) Real account
 - (c) Nominal account
 - (d) None of the above
3. On March 31, 2006 Narain Enterprises purchased a loader from Laxmi Motors for Rs. 1,75,000. This is -
 - (a) An event
 - (b) A transaction
 - (c) A transaction as well as an event
 - (d) Neither a transaction under an event

4. A sum of Rs. 1,10,000 was spent on painting the new factory. It is a
 - (a) Capital expenditure
 - (b) Deferred revenue expenditure
 - (c) Revenue expenditure
 - (d) None of the above.
5. What is the order in which the accounting transactions and events are recorded in the books:
 - (a) Journal, subsidiary books, P/L A/c and Ledger
 - (b) Ledger, Journal, Balance Sheet and Profit and Loss A/c
 - (c) Journal, Ledger P/L A/c and balance sheet
 - (d) P/L A/c Ledger and Balance sheet
6. Cash discount allowed to a debtor should be credited to
 - (a) Discount account
 - (b) Customers account
 - (c) Sales account
 - (d) None of the above
7. B/R is a
 - (a) Current asset
 - (b) Fixed asset
 - (c) Tangible asset
 - (d) Intangible asset
8. Which of the following account will have debit balance?
 - (a) Reserve for doubtful debts account
 - (b) Outstanding wages
 - (c) Capital account (Machinery brought in business)
 - (d) Loan to contractor
9. Which of the following error is an error of principle?
 - (a) Wages paid to Ram has been debited to his account
 - (b) The total of purchase journal has not been posted to purchase A/c
 - (c) Sales to X Rs. 20, posted to his A/c as Rs. 2
 - (d) Furniture purchased on credit from Nigam for Rs. 300 posted to Machinery Account

10. A bill has been drawn on 26.02.2006 payable after 90 days. The due date of the bill will be -
- (a) 30.05.2006
 - (b) 29.05.2006
 - (c) 28.05.2006
 - (d) 27.05.2006

PART-II

11. Balance of goods sent on consignment account is transferred to -
- (a) Profit & loss account
 - (b) Trading account
 - (c) P/L appropriator account
 - (d) None of the three
12. Memorandum joint venture account is prepared
- (a) When separate set of joint venture books is prepared
 - (b) When each co-venture keeps records of all the joint venture transactions himself.
 - (c) When each Co-venture keeps records of their own joint venture transactions
 - (d) None of the above.
13. In case of Del Credere Commission is provided by consignor to consignee, bad debt is a loss of
- (a) Consignee
 - (b) Consignor
 - (c) Both consignor and consignee
 - (d) Neither of the two
14. The party who sends the goods for sale on fixed commission basis is
- (a) Consignee
 - (b) Consignor
 - (c) Drawee
 - (d) Drawer
15. If the incoming partner brings any additional amount in cash other than his capital contributions then it is termed as
- (a) Capital
 - (b) Reserves
 - (c) Goodwill

- (d) Premium for goodwill
- 16. Discounting, endorsement and collection of bills of exchange is made by
 - (a) Drawer
 - (b) Drawee
 - (c) Bank
 - (d) Creditor
- 17. Sales returns appearing in the trial balance are deducted from
 - (a) Capital
 - (b) Sales
 - (c) Purchases
 - (d) none of the three
- 18. Drawings are deducted from
 - (a) Sales
 - (b) Purchases
 - (c) Expenses
 - (d) Capital
- 19. The trial balance of M/s Narain Manufacturers shows closing stock of Rs. 30,000. It will be recorded in
 - (a) Trading account
 - (b) Profit and loss account
 - (c) Profit and loss appropriation A/c
 - (d) Balance Sheet
- 20. Purchase of fixed assets on credit basis is recorded in
 - (a) Purchase Book
 - (b) Cash Book
 - (c) Journal Proper
 - (d) None of the above

PART-III

- 21. A company issued 25,000 equity shares of Rs. 100 each at a premium of Rs. 15 each payable as Rs. 25 on application. Rs. 40 on allotment and balance in the first call. The applications were received for 75,000 equity shares but the company, issued to them only 25,000 shares on pro-rata basis. Excess money was refunded to them. The last call

on 500 shares were not received and were forfeited after due notice. Above is the case of

- (a) over subscription
 - (b) pro-rata allotment
 - (c) Forfeiture of shares
 - (d) All of the above.
22. A places an order to B for supply of certain goods yet to be manufactured. On receipt of order B purchases raw material, employs workers, produces the goods and delivers them to A. In this case, sale will be presumed to have been made at the time of
- (a) Receipt of order
 - (b) Production of goods
 - (c) Delivery of goods.
 - (d) Purchase of raw material.

PART IV

23. Ramesh drew a 45 days bill on Komal on 25th Jan. 2007. The bill falls due on
- (a) March 14
 - (b) Feb. 28
 - (c) March 10
 - (d) None of the three.
24. Birbal drew a three month bill on Satyapal for Rs.5,000. On due date Satyapal approached Birbal to renew the bill for another month @ 12% p.a. Amount of the new bill will be
- (a) Rs.5,000.
 - (b) Rs.5,050.
 - (c) Rs.4,050.
 - (d) None of the three.
25. Preet accepted a 90 days bill of Rs. 10,000 drawn by Jeet on 05.02.2006. On 13.03.2006, Preet wished to retire the bill. Jeet offered rebate @ 12% p.a. Considering the year of 360 days, rebate amount will be -
- (a) Rs. 150
 - (b) Rs. 180
 - (c) Rs. 184
 - (d) None of the three

26.

Consignment Account

To Goods sent on consignment (at invoice price)	1,00,000	By Consignee A/c (Sales)	1,50,000
To Consignee's A/c (indirect expenses)	40,000	By Stock at Invoice price	10,000
To Profit	20,000		
	<u>1,60,000</u>		<u>1,60,000</u>

Consignor charged 25% profit on cost while sending the goods on consignment. Rectify the above A/c correct profit on consignment will be

- (a) Rs.38000
 - (b) Rs.35000
 - (c) Rs.30000
 - (d) Rs.40000
27. X consigned 100 packets of cosmetics each costing Rs. 300 to his agent at Bareilly. He paid Rs. 500 towards freight and insurance. 15 packets were destroyed in the way. Consignee took delivery of the remaining packets and spent to 700 as godown rent, Rs. 1,000 as clearing charges and Rs. 300 as carriage inwards. Cost of damage will be
- (a) Rs.4500
 - (b) Rs.4575
 - (c) Rs.4000
 - (d) None of the three
28. X consigned 100 packets of cosmetics each costing Rs. 300 to his agent at Bareilly. He paid Rs. 500 towards freight and insurance. 15 packets were destroyed in the way. Consignee took delivery of the remaining packets and spent to 700 as godown rent, Rs. 1,000 as clearing charges and Rs. 300 as carriage inwards. The agent sells away 70 packets. Stock amount will be
- (a) Rs. 4500
 - (b) Rs. 4751
 - (c) Rs. 4651
 - (d) None of the above
29. ELDER and LARGE enter into a joint venture sharing profits and losses equally. ELDER supplied goods to the value of Rs. 2,500 and incurred expenses of Rs. 200. LARGE supplied goods to the value of Rs. 2,000 and his expenses amounted to Rs. 150. LARGE sold the entire lot of goods on behalf of the joint venture and realized Rs. 6,000 LARGE was entitled to a commission of 5% on sales. Profit on the venture
- (a) Rs.850
 - (b) Rs.800
 - (c) Rs.900

(d) Rs.1000

30. Hardcore Computers Ltd. issued to public 15,000 shares of 10 each at a premium of Rs.2. Applications were received for 10,000 shares. The amount payable was as follows:

On application	3 per share
On allotment	4 per share (including premium)
On first and final call	5 per share

All sums were duly received by the company except the following:

Mr. Perfect holder of 100 shares did not pay allotment and call money. Mr. Right holder of 200 shares did not pay call money. The company forfeited all the shares of Mr. Perfect. Share Capital a/c will be debited by -

(a) Rs. 1000

(b) Rs. 900

(c) Rs. 800

(d) None of the three

31. A and B are doing business separately as building contractors., They undertook jointly to construct a building for a newly started joint stock company for a contract price of Rs. 2,00,000. A Bank A/c is opened in their joint names; A depositing Rs. 50,000 and B Rs. 30,000. They will share profits and losses in ratio of 2/3 and 1/3 respectively. Their transactions were as follows:-

Paid wages	Rs.	60,000
Brought materials	Rs.	1,62,000

Contract was completed and the price was duly received. B took stock of materials for the Rs. 6,000. Profit or loss on joint venture will be

(a) Profit Rs. 8,000

(b) Loss 16,000

(c) Profit Rs. 10,000

(d) Loss Rs.15,000

32. J and R are equal partners U is admitted as a partner for $\frac{1}{4}$ share of profits but is unable to contribute premium for goodwill in cash amounting to Rs. 8,000 and so it is decided to raise a loan A/c in the name of U. Journal entry will be

(a) U's loan A/c	Dr.	8000	
To J			8000
(b) U/s loan A/c	Dr.	8000	
To R			4000

(c) US Loan A/c	Dr.	8000
To J		4000
To R		4000

(d) None of the three

33. 33. Amit, Rohit and Sumit are partners sharing profits and losses in the ratio of 5:4:3. Sumit retires and if Amit and Rohit shares profits of Sumit in 4:3, then new profit sharing ratio will be

- (a) 4:3.
(b) 47:37.
(c) 5:4.
(d) 5:3.

34. Rachna and Sapna are partners sharing profits equally. They admitted Ashana for 1/3 share in the firm. The new profit sharing ratio will be

- (a) 3:2:1.
(b) 2:2:1.
(c) 1:1:1.
(d) Cannot be calculated.

35. Find the goodwill of the firm using capitalization method from the following information:

Total capital employed in the firm	Rs. 80,00,000
Reasonable rate of return	15%
Profits for the year	Rs. 12,00,000

- (a) Rs. 68,00,000.
(b) Rs. 12,00,000.
(c) Rs. 11,88,000.
(d) Nil.

36. Following figures have been taken from the trial balance of a trader

Purchases (Adjusted)	Rs.	30,000
Sales	Rs.	40,000
Closing Stock	Rs.	5,000

The amount of profit will be

- (a) Rs. 10,000
(b) Rs. 15,000
(c) Rs. 12,000

- (d) None of the above
37. Bank overdraft as per Cash Book Rs. 13,500
Cheque deposited but not credited Rs. 3,000
Cheque issued by not presented Rs. 6,000
Overdraft as per bank statement will be
(a) Rs. 10,500
(b) Rs. 10,000
(c) Rs. 11,000
(d) None of the three
38. Sundry creditors for goods amounting to Rs. 50,000 are not responding during the last five years and payment for the same may not be made by the concern. Journal entry will be
(a) Sundry Creditors A/c Dr. 50,000
To P/L A/c 50,000
(b) P/L A/c Dr. 50,000
To Sundry Creditors 50,000
(c) Sundry Creditors A/c Dr. 50,000
To Cash A/c 50,000
(d) None of the three.
39. Net salary paid to employees Rs. 45,000 in cash after deducting income tax Rs. 1000, professional tax Rs. 200 employees provident fund Rs. 2000, staff welfare fund Rs. 100 and recovery of loan Rs. 1700. Salary A/c will be debited with -
(a) Rs.50,000
(b) Rs.45,000
(c) Rs.48,000
(d) None of the three
40. Dividend received (net) Rs. 9200 for which tax deducted at source is Rs. 800. Dividend A/c will be credited with -
(a) Rs.10,000
(b) Rs.9,200
(c) Rs.9,000
(d) None of the three
41. Good purchased on credit during last year worth Rs. 60,000 were not recorded in the books of a partnership firm namely ABC and Co. whose profit is shared equally by A, B &

C, but the said amount was included in last years closing stock figure. Adjusting entry will be

(a)	S. Creditors A/c	Dr.	60,000	
	To A			60,000
(b)	Sundry Creditors A/c	Dr.	60,000	
	To A			30,000
	To B			30,000
(c)	A's Capital	Dr.	20,000	
	B's Capital	Dr.	20,000	
	C's Capital	Dr.	20,000	
	To Sundry Creditors			60,000

(d) None of the three

42. Dismantling and demolition charges is a _____

- (a) Capital expenditure
- (b) Revenue expenditure
- (c) Deferred revenue expenditure
- (d) None of the three

43. There was an error in the trial balance. Difference was put to Suspense A/c. Later on, it was found that the opening stock of Rs. 1080 was brought into the books as Rs. 1800. Rectifying entry will be

(a)	Suspense A/c	Dr.	720	
	To Opening Stock			720
(b)	Opening Stock A/c	Dr.	720	
	To Suspense A/c			720
(c)	Trading A/c	Dr.	720	
	To Opening stock			720
(d)	None of the three			

44. The profits for the last four years are given as follows

Year	Rs.
2000	40,000
2001	50,000
2002	60,000
2003	50,000

The value of goodwill on the basis of 3 years purchase of average profits based on the last four years will be

- (a) Rs.1,00,000

- (b) Rs.1,50,000
 - (c) Rs.2,00,000
 - (d) None of the three
45. G Ltd. acquired assets worth Rs. 1,50,000 from AB Ltd. by issue of shares of Rs. 10 each at a premium of Rs. 5. The number of shares to be issued by G. Ltd. to settle the purchase consideration will be
- (a) 10,000 shares
 - (b) 12,000 shares
 - (c) 9,000 shares
 - (d) None of the three.
46. In Jan. 2004 a trader purchased furniture for Rs. 10,000 Depreciation is charged @ 25%. Diminishing balance. At the end of the third year it was sold for Rs. 1,000. Profit or loss as sale will be .
- (a) Profit Rs.2400
 - (b) Profit Rs.2300
 - (c) Loss Rs.2406
 - (d) Loss Rs.3219
47. The plant and machinery account of a firm had a debit balance of Rs. 1,47,390 as on 31st December, 2006. On Jan. 1st, 2003 Co. started business in 2003 and has been following the practice of charging full years depreciation every year on Diminishing balance method @ 15%. Cost of machinery on 01.01.2003 will be
- (a) Rs. 2,40,000
 - (b) Rs. 2,00,000
 - (c) Rs. 2,50,000
 - (d) None of the three
48. Net Profit before charging manager commission is Rs. 22,000 and the manager is to be allowed a commission of 10% on the profit after charging such commission. Commission amount will be
- (a) Rs.2,000
 - (b) Rs.18,000
 - (c) Rs.2,200
 - (d) None of the three
49. X Co. Ltd. issued 1,00,000 debentures of Rs. 100 each at a discount of 4% redeemable after 5 years at a premium of 6%. Loss on issue of debentures will be
- (a) Rs. 10,00,000
 - (b) Rs. 6,00,000

- (c) Rs. 16,00,000
(d) Rs. 4,00,000
50. Rishi is a partner in a firm. He withdrew the following amounts during the year ended on 31st December 2006.
- | | | |
|-------------|-----|--------|
| February 1 | Rs. | 12,000 |
| April 30 | Rs. | 6,000 |
| June 30 | Rs. | 9,000 |
| August 31 | Rs. | 12,000 |
| October 1 | Rs. | 8,000 |
| December 31 | Rs. | 7,000 |
- Interest on drawings @ 9% p.a. will be
- (a) Rs.2295
(b) Rs.2000
(c) Rs.2200
(d) None of the above
51. Interest on capital at 6% p.a. is to be allowed. Capital in the beginning was Rs. 3,00,000. Interest amount will be
- (a) Rs.18,000
(b) Rs.15,000
(c) Rs.16,000
(d) None of the three
52. Depreciation as 5% on office furniture of Rs. 8,000; at 10% on plant and machinery of Rs. 80,000; at 5% on factory building of Rs. 2,00,000 have been charged by the entrepreneur during the year. Total amount of depreciation will be
- (a) Rs.18,400
(b) Rs.18,000
(c) Rs.15,000
(d) None of the three
53. Gaining ratio may be applied when
- (a) A partner is admitted
(b) A partner retires
(c) A business is sold out.
(d) A partner is insolvent

54. A limited company forfeited 100 equity shares of the face value of Rs. 10 each, for non payment of first call of Rs. 2 per share. The forfeited shares were subsequently reissued as fully paid @ 7 each. Amount transferred to capital reserve will be
- Rs. 500
 - Rs. 200
 - Rs. 300
 - None of the three
55. Z Ltd. purchased plant and machinery for Rs. 2,00,000 payable as Rs. 65,000 in cash and the balance by an issue of 6% debentures of Rs. 1000 each at a discount of 10%. Discount on issue of debentures will be
- Rs. 15000
 - Rs. 14000
 - Rs. 10000
 - None of the three
56. A firm had an unrecorded investment of worth Rs.5,000. Entry in the firms journal on admission of a partner will be
- | | | | |
|---------------------------|-----|-------|-------|
| Unrecorded Investment A/c | Dr. | 5,000 | |
| To Revaluation A/c | | | 5,000 |
 - | | | | |
|--------------------------|-----|-------|-------|
| Revaluation A/c | Dr. | 5,000 | |
| To unrecorded Investment | | | 5,000 |
 - | | | | |
|--------------------------|-----|-------|-------|
| Partner capital a/c | Dr. | 5,000 | |
| To unrecorded investment | | | 5,000 |
 - None of the three
57. A company issued debentures of the face value of Rs. 1,00,000 at a discount of 6% on Jan. 1, 2001. These debentures are redeemable by annual drawings of Rs. 20,000 made on 31st Dec. each year. The directors decided to write off discount based on the debentures outstanding each year. Amount of discount to be written off in the 5th year will be
- Rs. 400
 - Rs. 600
 - Rs. 800
 - None of the three.
58. Alok Ltd. forfeited 300 shares of Rs. 10 each fully called up held by Ram for non payment of allotment money of Rs. 3 per share and final call money of Rs.4 per share. Out of these shares 250 were reissued to Sohan for a total payment of Rs. 2000. Amount transferred to capital reserve account will be
- Rs. 250
 - Rs. 900

- (c) Rs. 600
 (d) None of the three.
59. A company issued Rs. 2,00,000 15% debentures at a discount of 5% redeemable after 10 years at a premium of 10%. Loss on issue of debentures will be
- (a) Rs. 30,000
 (b) Rs. 15,000
 (c) Rs. 20,000
 (d) None of the three
60. The following information pertains to Suraj Ltd.
- | | | |
|-----------------------------------|-----|----------|
| 1. Equity share capital called up | Rs. | 5,00,000 |
| 2. Calls in arrears | Rs. | 40,000 |
| 3. Calls in advance | Rs. | 25,000 |
| 4. Proposed dividend | | 15% |
- Amount of dividend payable is
- (a) Rs. 69,000
 (b) Rs. 75,000
 (c) Rs. 70,000
 (d) None of the three.

SECTION – B : MERCANTILE LAWS (40 MARKS)

PART –I

61. An agreement made without consideration is valid under section 25 of the Indian Contract Act, 1872 if
- (a) The agreement is expressed in writing
 - (b) The agreement is made on account of natural love and affection of the parties to the agreement stand in a near relation to each other.
 - (c) The document is registered under the law for the time being in force for registration of such document.
 - (d) All of the above
62. As per Section 11 of the Indian Contract Act, 1872 every person is competent to contract provided he:
- (a) is of the age of majority according to law to which he is subject.
 - (b) is of sound mind
 - (c) is not disqualified from contracting by any law to which he is subject.
 - (d) All of the above
63. A person employed to do any act for another or to represent and another in dealings with the third parties is:
- (a) Principal
 - (b) Agent
 - (c) Servant
 - (d) Bailee
64. When the consent of a party is not free, the contract is
- (a) Void
 - (b) Voidable
 - (c) Valid
 - (d) Illegal
65. Moral pressure is involved in the case of
- (a) Coercion
 - (b) Undue Influence
 - (c) Misrepresentation
 - (d) Fraud
66. A agrees to pay Rs. 1000 to B if it rains, And B promises to pay a like amount to A, if it does not rain, this agreement is called
- (a) Quasi Contract
 - (b) Contingent Contract
 - (c) Wagering agreement

- (d) Voidable contract
- 67. When offer is made to a definite person, it is known as
 - (a) General Offer
 - (b) Cross Offer
 - (c) Counter Offer
 - (d) Special Offer
- 68. An agreement to pay money's worth on the happening or non-happening of a specified uncertain event, is a
 - (a) Wagering agreement
 - (b) Contingent contract
 - (c) Quasi contract
 - (d) Uncertain agreement
- 69. A contingent contract dependent on the happening of specified uncertain event within fixed time can be enforced if the event
 - (a) Does not happen within fixed time
 - (b) Becomes impossible before the expiry of fixed time
 - (c) Happened within the fixed time
 - (d) Both (a) and (b)
- 70. Essentials of Contract of Sale are
 - (a) At least 2 parties
 - (b) Subject matter must be goods
 - (c) None of the above
 - (d) Both (a) and (b)
- 71. The heir of the deceased partner
 - (a) Has a right to become a partner in the firm of the deceased partner.
 - (b) Does not have a right to become a partner in the firm of the deceased partner
 - (c) Can become a partner in the firm of the deceased partner only if the surviving partners give their consent in this regard
 - (d) Both (b) and (c)
- 72. Valid contract:
 - (a) In case of this collateral agreement are void.
 - (b) Not enforceable in a court of law
 - (c) An agreement enforceable by law at the option of one or more of the parties thereon but not at the option of the other or others
 - (d) Enforceable at the option of the parties.

73. A person to whom money has been paid, or anything delivered under coercion
- (a) Becomes the owner of such money or those goods
 - (b) Is allowed to sell the goods and retain the money realized from such sale
 - (c) Has no obligation to return the money, he may do so only a good gesture.
 - (d) Must repay the money or return those goods.
74. Following conditions are implied in a Contract of Sale of Goods unless the circumstances of the contract show a different intention:
- (a) Condition as to title
 - (b) Sale by description:
 - (c) Sale by sample
 - (d) All of the above
75. A minor may be :
- (a) A partner of a firm
 - (b) Representative of the firm
 - (c) Entitled to carry on the business of the firm
 - (d) Admitted to the benefits of the partnership
76. A partnership firm is compulsorily dissolved where
- (a) All partner have becomes insolvent
 - (b) Firm's business has become unlawful
 - (c) The fixed term has expired
 - (d) In cases (a) and (b) only.
77. A partnership may be registered with
- (a) Registrar of companies
 - (b) Registrar of partners
 - (c) Registrar of firms
 - (d) District court
78. Dissolution by agreement is:
- (a) Dissolution by the adjudication of all the partner or of all the partner but one as insolvent
 - (b) Dissolution as a result of any agreement between all the partners
 - (c) Dissolution by the business of the firm becoming unlawful
 - (d) All of the above
79. Types of partner includes
- (a) Active partner
 - (b) Sleeping partner

- (c) Nominal partner
- (d) All of the above

PART -II

80. There can be a stranger to a consideration but a stranger to a contract signifies that a consideration may move from _____
- (a) Promisee or any other person
 - (b) Promisee
 - (c) Promisor
 - (d) An independent person
81. Coercion involves _____
- (a) Physical force
 - (b) Mental pressure
 - (c) Moral pressure
 - (d) Threat
82. _____ does not exist
- (a) Liability for special damages
 - (b) Liability for exemplary damages
 - (c) Liability for nominal damages
 - (d) Liability for disciplinary damages
83. Recission means _____
- (a) Substituting a new contract for the old one
 - (b) Cancellation of the old contract
 - (c) Modifying or altering the terms of contract so that it has the effect of substituting a new contract for the old one
 - (d) Dispensing away the performance of the promise made by the other party
84. A _____ agreement is one, which is enforceable at the option of one party
- (a) Voidable
 - (b) void
 - (c) valid
 - (d) illegal
85. The position of stranger to a contract and that of stranger to consideration is _____
- (a) Partially different
 - (b) Partially same
 - (c) Entirely different
 - (d) same

86. Agreement to share profits _____
- (a) Implies an agreement to share losses
 - (b) Does not necessarily mean an agreement to share losses
 - (c) Must be coupled with an agreement to share losses
 - (d) Is same as agreement to share losses
87. A person who is mentally derange due to same mental strain or other personal experience and suffers from intermittent intervals of sanity and insanity is _____
- (a) Idiot person
 - (b) Lunatic person
 - (c) Intoxicated person
 - (d) All of the above
88. The relationship of principal and agent may arise by _____
- (a) Express or implied agreement
 - (b) Ratification
 - (c) Operation of law
 - (d) All of the above
89. Goods are said to be in a deliverable state when _____
- (a) The buyer may take delivery of them
 - (b) The buyer would, under contract, be bound to take delivery of them
 - (c) The seller is in a position to deliver them
 - (d) All of the above
90. A contract to pay B Rs. 2,00,000/- if B's house is destroyed by fire. It is _____
- (a) A wagering contract
 - (b) A contingent contract
 - (c) A wagering contract plus a contingent contract
 - (d) Neither a contingent contract nor a wagering contract
91. Rights of an unpaid seller include _____
- (a) Right against the goods
 - (b) Right of stoppage in transit
 - (c) Right of re-sale
 - (d) All of the above
92. Seller' means a person who _____
- (a) Sells goods
 - (b) Agrees to sell goods
 - (c) Sells or agree to sell goods
 - (d) Has sold goods

93. Where in an auction sale, the seller appoints more than one bidder, the sale is _____
- (a) Void
 - (b) Illegal
 - (c) Conditional
 - (d) Voidable
94. Goods are said to be in a deliverable state when _____
- (a) The buyer may take delivery of them
 - (b) The buyer would, under contract be bound to take delivery of them
 - (c) The seller is in a position to deliver them
 - (d) All of the above
95. A person who finds goods belonging to another and takes them into his custody _____
- (a) Becomes the owner of those goods thereafter
 - (b) Is subject to the same responsibility as a bailee
 - (c) Is allowed to sell them and retain the money realized from such sale
 - (d) Has no obligation to return those goods, he may do so only as a good gesture
96. Each of the partner is _____
- (a) Principals as well agents
 - (b) Only agents of the firm
 - (c) Only representatives of the firm
 - (d) Only co-partners of the firm
97. True test of partnership is
- (a) Sharing of profits
 - (b) Sharing of profits and losses
 - (c) mutual agency
 - (d) Existence of an agreement to share profits of the business
98. Registration of firm is _____
- (a) Compulsory
 - (b) Optional
 - (c) Occasional
 - (d) None of the above

PART -III

99. A contracted with Housing Corporation for construction of number of houses. In calculating his price for the houses, A by mistake deducted a particular sum twice over. The Corporation affixed its seal to the contract, which correctly represented its intention
- (a) The contract is now binding

- (b) The contract can be avoided by A
 - (c) There is no contract at all since there no consensus ad idem
 - (d) The contract is not binding
100. A had offered B, a price of Rs.1,000,000/- for B's flat but B was not ready to sell the flat at all. A says to be that "I shall kill you if you do not agree to sell me your house for Rs.1,000,000/-" B thereafter did all that was the desire of A in order to save his life. What is immediate answer?
- (a) A can enforce the contract
 - (b) B can enforce the contract
 - (a) A has applied coercion
 - (d) The contract is unenforceable

SECTION – C : GENERAL ECONOMICS (50 MARKS)

101. Which of the following is the best general definition of the study of Economics?
- (a) Inflation and unemployment in a growing economy
 - (b) Business decision making under foreign competition
 - (c) Individual and social choice in the face of scarcity
 - (d) The best way to invest in the stock market
102. Labour intensive technique would get chosen in a :
- (a) labour surplus economy
 - (b) capital surplus economy
 - (c) developed economy
 - (d) developing economy
103. Which of the following is not one of the four central questions that the study of economics is supposed to answer?
- (a) Who produces what?
 - (b) When are goods produced?
 - (c) Who consumes what?
 - (d) How are goods produced?
104. The various combinations of goods that can be produced in any economy when it uses its available sources and technology efficiently are depicted by :
- (a) demand curve
 - (b) production curve
 - (c) supply Curve
 - (d) production possibilities curve
105. Rational decision making requires that:
- (a) one's choices be arrived at logically and without errors.
 - (b) one's choices be consistent with one's goals
 - (c) one's choices never vary
 - (d) one's makes choices that do not involve trade offs.
106. Contraction of demand is the result of :
- (a) decrease in the number of consumers
 - (b) increase in the price of the good concerned
 - (c) increase in the prices of other goods
 - (d) decrease in the income of purchasers

107. In the case of a straight line demand curve meeting the two axes the price – elasticity of demand at the mid-point of the line would be :
- (a) 0
 - (b) 1
 - (c) 1.5
 - (d) 2
108. If the demand for a good is inelastic, an increase in its price will cause the total expenditure of the consumers of the good to:
- (a) remain the same
 - (b) increase
 - (c) decrease
 - (d) any of these
109. All of the following are determinants of demand except
- (a) tastes and preferences
 - (b) quantity supplied
 - (c) income
 - (d) price of related goods
110. The price of hot dogs increases by 22% and the quantity of hot dog demanded falls by 25% this indicates that demand for hot dog is -
- (a) elastic
 - (b) inelastic
 - (c) unitarily elastic
 - (d) perfectly elastic.
111. If electricity demand is inelastic, and electric rates increase, which of the following is likely to occur?
- (a) Quantity demanded will fall by a relatively large amount
 - (b) Quantity demanded will fall by a relatively small amount
 - (c) Quantity demanded will rise in the short run, but fall in the long run
 - (d) Quantity demanded will fall in the short run, but rise in the long run
112. An indifference curve slopes down towards right since more of one commodity and less of another results in :
- (a) same satisfaction
 - (b) greater satisfaction
 - (c) maximum satisfaction
 - (d) decreasing expenditure
113. A vertical supply curve parallel to Y axis implies that the elasticity of supply is:
- (a) zero

- (b) infinity
 - (c) equal to one
 - (d) greater than zero but less than infinity
114. Which of the following cost curves is never 'U' shaped?
- (a) Average cost curve
 - (b) Marginal cost curve
 - (c) Average variable cost curve
 - (d) Average fixed cost curve
115. Which of the following statement is true of the relationship among the average cost functions?
- (a) $ATC = AFC = AVC$
 - (b) $AVC = AFC + ATC$
 - (c) $AFC = ATC + AVC$
 - (d) $AFC = ATC - AVC$
116. A firm's average fixed cost is Rs. 20 at 6 units of output. What will it be at 4 units of output?
- (a) Rs. 60
 - (b) Rs. 30
 - (c) Rs. 40
 - (d) Rs. 20
117. In describing a given production technology, the short run is best described as lasting:
- (a) upto six month from now
 - (b) upto five years from now
 - (c) as long as all inputs are fixed
 - (d) as long as at least one input is fixed
118. What is the shape of the demand curve faced by a firm under perfect competition?
- (a) Horizontal
 - (b) Vertical
 - (c) Positively sloped
 - (d) Negatively sloped
119. Which is the first order condition for the profit of a firm to be maximum?
- (a) $AC = MR$
 - (b) $MC = MR$
 - (c) $MR = AR$
 - (d) $AC = AR$

120. In which form of the market structure is the degree of control over the price of its product by a firm very large?
- (a) Monopoly
 - (b) Imperfect competition
 - (c) Oligopoly
 - (d) Perfect competition
121. The kinked demand hypothesis is designed to explain in the context of oligopoly
- (a) price and output determination
 - (b) price rigidity
 - (c) price leadership
 - (d) collusion among rivals
122. The structure of the tooth paste industry in India is best described as:
- (a) perfectly competitive
 - (b) monopolistic
 - (c) monopolistically competitive
 - (d) oligopolistic
123. When _____ we know that the firm are earning just normal profits:
- (a) $AC = AR$
 - (b) $MC = MR$
 - (c) $MC = AC$
 - (d) $AR = MR$
124. The green revolution is also known as :
- (a) wheat revolution
 - (b) rice revolution
 - (c) maize revolution
 - (d) forest revolution
125. The area under irrigation has over the years in India
- (a) remained constant
 - (b) decreased
 - (c) increased
 - (d) first increased and then decreased
126. Abolition of Intermediaries and tenancy reforms are both part of :
- (a) industrial reforms in India
 - (b) external sector reforms in India
 - (c) land reforms in India

- (d) banking reforms in India
127. In absolute terms, the number of people engaged in agricultural activities over the planning period has
- (a) remained constant
 - (b) increased
 - (c) decreased
 - (d) first increased and then decreased
128. Which of the following has been specifically established to meet the requirements of credit of the farmers and villagers?
- (a) ICICI Bank
 - (b) Regional Rural Banks
 - (c) State Bank of India
 - (d) EXIM Bank
129. Mahalanobis model stressed upon the establishment of :
- (a) consumer goods industries
 - (b) export oriented industries
 - (c) agro-based industries
 - (d) capital and basic goods industries
130. About _____ per cent of the sick units in India are small units.
- (a) 10 per cent
 - (b) 5 per cent
 - (c) 30 per cent
 - (d) 90 per cent
131. Oil and Natural Gas Corporation, Indian Oil Corporation, Steel Authority of India, and Bharat Heavy Electricals are all example of:
- (a) small Scale Units
 - (b) private Sector Units
 - (c) public Sector Units
 - (d) sick Units
132. The service sector in India now accounts for :
- (a) more than 80 per cent of GDP
 - (b) more than 70 per cent of GDP
 - (c) more than 50 per cent of GDP
 - (d) more than 90 per cent of GDP

133. BPO stands for :
- (a) Bharat Petro Organisation
 - (b) Business Process Outsourcing
 - (c) Big Portfolio Outsourcing
 - (d) Business Partners organization
134. National income differs from net national product at market price by the amount of :
- (a) current transforms from the rest of the world
 - (b) net indirect taxes
 - (c) national debt interest
 - (d) it does not differ
135. Demand for intermediate consumption arises in:
- (a) consumer household
 - (b) government enterprises only
 - (c) corporate enterprises only
 - (d) all producing sector of an economy
136. Net value added is equal to :
- (a) payments accruing to factors of production
 - (b) compensation to employees
 - (c) wages plus rent plus rent
 - (d) value of output minus depreciation
137. Find the tax which is direct tax among the following
- (a) Personal income tax
 - (b) Excise duty
 - (c) Sales tax
 - (d) Service tax
138. Which of the following statements is correct?
- (a) Income tax was abolished in India in 1991
 - (b) Gift tax was abolished in India in 1998
 - (c) All the states have adopted VAT system of indirect taxation
 - (d) Estate duty was abolished in 1995
139. The annual addition to India's population is almost equal to the total population of:
- (a) Bangladesh
 - (b) Australia
 - (c) Japan
 - (d) China

140. Which years is known as years of great divide for India's population?
- (a) 1991
 - (b) 2001
 - (c) 1981
 - (d) 1921
141. India passing through _____ stage of demographic transition
- (a) fourth
 - (b) third
 - (c) first
 - (d) second
142. India accommodates nearly _____ percent of world's population
- (a) 10
 - (b) 50
 - (c) 17
 - (d) 45
143. EAS stand for
- (a) Easy Assistance Scheme
 - (b) Endless Assistance Scheme
 - (c) Employment Assurance Scheme
 - (d) Employment Assessment Scheme
144. Every _____ person in the world is an India.
- (a) Second
 - (b) Third
 - (c) Sixth
 - (d) Tenth
145. According to the latest data (2005) Plant Load Factor (PLF) is lowest in :
- (a) southern region
 - (b) northern region
 - (c) western region
 - (d) north eastern region
146. _____ measures the operational efficiency of a thermal plant.
- (a) Power load factor
 - (b) Power leakage factor
 - (c) Plant load factor
 - (d) Plant leakage factor

147. Who is regulatory authority for telecom in India?
- (a) SEBI
 - (b) TRAI
 - (c) MTNL
 - (d) BSNL
148. Which of the following statements is correct with regard to external sector in the pre-reform period?
- (a) The foreign trade policy was very liberal, it allowed import of all types of goods.
 - (b) Import of food grains was strictly prohibited
 - (c) The balance of payments situation was quite comfortable
 - (d) None of the above
149. The pre-condition for privatization to be successful requires:
- (a) liberalisation and de-regulation of the economy.
 - (b) capital markets should be sufficiently developed
 - (c) none of the above
 - (d) both of the above (a) & (b)
150. Privatisation in India has taken place in all of the cases except :
- (a) CMC
 - (b) BALCO
 - (c) VSNL
 - (d) None of the above

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

151. Pie diagram is used for
- (a) Comparing different components and their relation to the total
 - (b) Representing qualitative data in a circle
 - (c) Representing quantitative data in a circle.
 - (d) (b) or (c)
152. Which of the following measures of central tendency is based on only 50% of the central values
- (a) Mean
 - (b) Mode
 - (c) Median
 - (d) Both (a) and (b)
153. If all the observations are divided by 3, then
- (a) New SD would be also divided by 3
 - (b) New SD would be multiplied by 3
 - (c) New SD increased by 3
 - (d) New SD decreased by 3
154. More laborious numerical calculation involves in A.M. than GM.
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
155. To find the median graphically use
- (a) Ogive
 - (b) Frequency Polygon
 - (c) Histogram
 - (d) None of these
156. Which measures of dispersion is the quickest to compute
- (a) Standard deviation
 - (b) Mean deviation
 - (c) Quartile deviation
 - (d) Range

157. 2nd decile is greater than 1st decile
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
158. Correlation coefficient is not a pure number
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
159. Probability of throwing an even no. with an ordinary six faced dice is:
- (a) 1
 - (b) $-1/2$
 - (c) $1/2$
 - (d) 0
160. In audit test statistical methods are not used
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
161. Fisher's Ideal formula does not satisfy_____ test
- (a) Circular test
 - (b) Unit test
 - (c) Time Reversal test
 - (d) None of these
162. We use t-distribution when the sample size is _____
- (a) Big
 - (b) Small
 - (c) Moderate
 - (d) None of these
163. The mean of binomial distribution with parameters n and p is _____
- (a) $n(1-p)$

- (b) $np(1-p)$
- (c) np
- (d) $\sqrt{np(1-p)}$

164. $P(B/A)$ is defined only if _____

- (a) A is Pure event
- (b) B is a sure event
- (c) B is an impossible event
- (d) A is not an impossible event

165. $A \cup A$ is equal to

- (a) A
- (b) ϕ
- (c) $2A$
- (d) None of these

166. The sum of m terms of AP is n and the sum of n terms of AP is m . The sum of $m+n$ terms is _____

- (a) $-(m+n)$
- (b) $(m+n)$
- (c) $(m-n)^2$
- (d) m^2-n^2

167. The null set is given by

- (a) 0
- (b) $\{\phi\}$
- (c) ϕ
- (d) $\{0\}$

168. If P is a set of natural number then $P \cap P'$ is

- (a) ϕ
- (b) Sample Space
- (c) 0
- (d) $(P \cup P)'$

169. In normal distribution as the distance from _____ decreases, the curve goes far and far to the Horizontal axis.

- (a) Median

- (b) Mode
 - (c) Mean
 - (d) None of these
170. The no. of factors must be known is _____ in determining the sample size for estimating a population mean.
- (a) 2
 - (b) 5
 - (c) 4
 - (d) 3
171. The compounded ratio of 4:9 and sub-duplicate ratio of 9:16 is
- (a) 1:4
 - (b) 1:3
 - (c) 3:1
 - (d) None of these
172. If $x = 9$ then $2x^{1/2} 3x^{-1}$ is equal to
- (a) 2
 - (b) 3
 - (c) 4
 - (d) 0
173. If $x = \sqrt{2 - \sqrt{2 - \sqrt{2}}} \dots \infty$ then it is equal to
- (a) -2
 - (b) 1
 - (c) 2
 - (d) 0
174. The equation of a straight line passing through (3, -2) and making equal intercepts on axis
- (a) $x + y - 1 = 0$
 - (b) $x + y - 5 = 0$
 - (c) $3x - 2y + 1 = 0$
 - (d) None of these
175. If $P + \sqrt{P} = 6/25$ then value of P is equal to
- (a) 1/5

- (b) $2/5$
 (c) $1/25$
 (d) $2/25$
176. Rs. 80,000 is invested to earn a monthly interest of Rs. 1200 at the rate of _____ p.a. SI.
 (a) 12%
 (b) 14%
 (c) 16%
 (d) 18%
177. $\frac{d}{dx} (x \log x)$ is equal to
 (a) $(1 + \log x)$
 (b) $1/\log x$
 (c) $\log x$
 (d) $x/\log x$
178. $\lim_{x \rightarrow 0} \frac{3^x - 1}{\sqrt{1+x} - 1}$ is equal to
 (a) $3 \log_e 2$
 (b) $2 \log_e 3$
 (c) $\log_e 6$
 (d) does not exist
179. If $f'(x) = 3x^2 - 2/x^3$ then $f(x) = ?$
 (a) $x^3 + 1/x^2 + K$
 (b) $x^2 + 1/x^3 + K$
 (c) $x^2 - 2/x^3 + K$
 (d) None of these
180. A person pays Rs. 975 in monthly instalment, each instalment is less than former by Rs. 5. The amount of first instalment is Rs. 100. In what time entire amount paid
 (a) 26 months
 (b) 16 months
 (c) 15 months
 (d) 20 months

181. How many three digit numbers are there, with distinct digits, with each digits odd
- 120
 - 60
 - 30
 - 15
182. The difference between CI and SI on a certain sum for 2 years at 6% p.a. is Rs. 13.50. Find the sum
- 3750
 - 2750
 - 4750
 - None of these
183. If $f(x)=x^2-1$ and $g(x) = \frac{x+1}{2}$ then $\frac{f(3)}{f(3)+g(3)}$ is
- $\frac{5}{4}$
 - $\frac{4}{5}$
 - $\frac{3}{5}$
 - $\frac{5}{3}$
184. The sum of two numbers are 16 and twice the square of larger part exceeds the square of smaller part by 164. Numbers are
- 10 and 6
 - 12 and 4
 - 11 and 5
 - None of these
185. If $3y - 2x = 4$ and $4y - px = 2$ are perpendicular to each other, the value of p is equal to
- 6
 - 6
 - 2
 - 1
186. The mean height of 8 student is 152 cm. Two more students of heights 143 cm and 156 cm join the group. New mean height is equal to
- 153
 - 152.5
 - 151.5

- (d) 151
187. Find the three numbers in G.P whose sum is 52 and the sum of their product in pairs is 624.
- (a) 4, 12, 36
(b) 10, 16, 26
(c) 5, 17, 30
(d) None of these
188. In how many ways can the letters of the word PENCIL be arranged so that N is always next to E
- (a) 60
(b) 40
(c) 720
(d) 120
189. If with rise of 10% in prices the wages are increased by 20%. Find the percentage of real wage increase
- (a) 109.29%
(b) 9.09%
(c) 9.29%
(d) None of these
190. A sample of 100 gave a mean of 7.4 kg and a standard deviation of 1.2 kg. The standard error of mean will be
- (a) 0.12
(b) 0.001
(c) 0.0001
(d) 1
191. A letter lock has three rings each marked with 10 different letters. In how many ways it is possible to make an unsuccessful attempt to open the lock.
- (a) 1000
(b) 999
(c) 5040
(d) None of these
192. A candidate is selected for interview for 3 posts for the first there are 3 candidates, for the second there are 4 and for the third there are 2. What are the chances of his getting

at least one.

- (a) $3/4$
- (b) $2/3$
- (c) $1/10$
- (d) 1

193. Equations of two lines of regression are $4x+3y+7 = 0$ and $3x+4y +8 = 0$, the mean of x and y are

- (a) $5/7$ and $6/7$
- (b) $-4/7$ and $-11/7$
- (c) 2 and 4
- (d) None of these

194. If the first Quartile is 104 and quartile deviation is 18, the third quartile will be

- (a) 140
- (b) 116
- (c) 20
- (d) 0

195. What is the present value of Re 1 to be received after 2 years compounded annually at 10%?

- (a) 0.56
- (b) 0.78
- (c) 0.99
- (d) 0.83

196. The value of $\int_0^1 x(1-x)^n dx$ is equal to

- (a) 0
- (b) 1
- (c) $\frac{1}{(n+1)(n+2)}$
- (d) $(n+1)(n+2)$

197. In a class 30 students, 20 students like maths, 18 like science and 12 like both the subject. Find the number of student who like no subject.

- (a) 4
- (b) 5

- (c) 8
(d) None of these
198. $\frac{d}{dx} e^{2 \log x}$ is equal to
(a) 2
(b) $2x$
(c) x^2
(d) 0
199. If the quartile deviation of x is 6 and $4x + 8y = 20$, What is the quartile deviation of y
(a) 3
(b) 4
(c) 5
(d) 1
200. For a group of 8 students, the sum of square of differences in ranks for maths and Economics marks was found to be 50. What is the value of rank correlation coefficient.
(a) 0.50
(b) 0.40
(c) 1.00
(d) -1.00



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-5 / 2007

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

PART-I

1. A bill has been drawn on 26.02.2006 payable after 90 days the due date of the bill will
 - (a) 30.05.2006
 - (b) 29.05.2006
 - (c) 28.05.2006
 - (d) 27.05.2006
2. Carriage outward is debited to
 - (a) Trading Account
 - (b) Profit and loss account
 - (c) Profit and loss appropriations account
 - (d) Balance sheet
3. Amount spent, for the construction of temporary huts, which were necessary for construction of the cinema house and demolished when the cinema house was ready is a
 - (a) Revenue expenditure
 - (b) Capital expenditure
 - (c) Deferred revenue expenditure
 - (d) None of the above

4. Material costing Rs. 700 in the erection of the machinery and wages paid for it amounting to Rs. 400 should be debited to
 - (a) Material account
 - (b) Wages account
 - (c) Purchases account
 - (d) Machinery account
5. Difference of totals of both debit and credit side of the trial balance is transferred to
 - (a) Trading account
 - (b) Miscellaneous account
 - (c) Difference account
 - (d) Suspense account
6. Which of the following is correct
 - (a) Capital is equal to assets minus liabilities
 - (b) Capital is equal to assets plus liabilities
 - (c) Assets are equal to liabilities minus capital
 - (d) Liabilities is equal to capital plus assets
7. All of the following have debit balance except one. That account is
 - (a) Wages outstanding account
 - (b) Loan to contractor
 - (c) Debtors Account
 - (d) Goodwill
8. In the absence of any provision in the partnership agreement, profits and losses are shared
 - (a) In the ratio of capitals
 - (b) In the ratio of loans given by them to the partnership firm
 - (c) Equally
 - (d) None of the above
9. Which of following statement is not true
 - (a) Book keeping is mainly concerned with recording of financial data
 - (b) Goods given as sample should be credited to purchase A/c
 - (c) The balance of petty cash is an asset
 - (d) In case of a debt becoming bad the amount should be credited to bad debts A/c

10. Fundamental accounting assumptions are

- (a) Going concern
- (b) Accrual
- (c) Consistency
- (d) All of the three.

PART-II

11. The purpose of accommodation bill is

- (a) To finance actual purchase or sale of goods
- (b) To facilitate trade transmission
- (c) When both parties are in need of funds
- (d) None of the three

12. Municipal tax Rs. 50,000 under dispute is a

- (a) Current liability
- (b) Contingent liability
- (c) Revenue loss
- (d) None of the above.

13. If del-credere commission is allowed for bad debt, consignee will debit the bad debt amount to

- (a) Commission earned account
- (b) Consignor A/c
- (c) Debtors A/c
- (d) General trading a/c

14. As per section 37 of the Indian Partnership Act, 1932, the executors would be entitled at their choice to the interest calculated from the date of death till the date of payment on the final amount due to the dead partner at _____ percent per annum

- (a) 7
- (b) 4
- (c) 6
- (d) 12

15. Dividends are usually paid as a percentage of _____

- (a) Authorised share capital
- (b) Net Profit
- (c) Paid up capital

- (d) Called up capital
16. Writing of transaction in the ledger is called
- (a) Posting
 - (b) Journalizing
 - (c) Balancing
 - (d) Casting
17. Commission provided by the consignor to the consignee to promote credit sale is known as
- (a) Ordinary commission
 - (b) Del- Credere commission
 - (c) Over riding commission
 - (d) Special commission
18. Memorandum Joint venture account is a
- (a) Personal a/c
 - (b) Real a/c
 - (c) Nominal a/c
 - (d) None of the above
19. In the ledger there are _____ columns
- (a) 4
 - (b) 6
 - (c) 8
 - (d) 10
20. Carriage charges paid for a new plant purchased if debited to carriage a/c would effect _
- (a) Plant account
 - (b) carriage account
 - (c) Plant and Carriage account
 - (d) None of the above

PART-III

21. If a machinery is purchased for Rs. 1,00,000 the asset would be recorded in the books at Rs. 1,00,000 even if its market value at that time happens to be Rs. 1,40,000. In case a year after, the market value of the asset comes down to Rs. 90,000 it will ordinarily continue to be shown at Rs. 1,00,000 and not Rs. 90,000 due to
- (a) Realisation concept
 - (b) Present value concept

- (c) Replacement concept
 - (d) Cost concept
22. A businessman purchased goods for Rs. 25,00,000 and sold 70% of such goods during the accounting year ended 31st March 2005. The market value of the remaining goods was Rs. 5,00,000. He valued the closing stock at Rs. 5,00,000 and not Rs. 7,50,000 due to
- (a) Money measurement
 - (b) Conservatism
 - (c) Cost
 - (d) Periodicity

PART-IV

23. Sharma of Allahabad sends goods costing Rs. 1,00,000 at an invoice price of the Rs. 1,20,000 to Kalapil of Katak. Sharma incurs the following expenditure in relation to such consignment:
- | | | |
|------------------------|-----|-------|
| 1. Packing and loading | Rs. | 5000 |
| 2. Transportation | Rs. | 10000 |
| 3. Insurance | Rs. | 5000 |
- 1/10th of the consignment is damaged in transit. Amount of abnormal loss will be
- (a) Rs. 14,000
 - (b) Rs. 10,000
 - (c) Rs. 12,000
 - (d) None of the above.
24. Suresh of Delhi consigned 600 fans to Naresh of Agra to be sold on his account and at his risk. The cost of each fan is Rs. 300 Suresh paid Rs. 6000 as freight and insurance Naresh paid Rs. 1500 as octroi and cartage. Rs. 2000 as rent; and Rs. 1500 as insurance. 500 fans were sold by Naresh for Rs. 1,80,000 Naresh was entitled to a commission of 4% on sale @ Rs. 350 per fan and 20% of any surplus price realized. Consignment profit will be
- (a) Rs. 12250
 - (b) Rs. 12000
 - (c) Rs. 10000
 - (d) Rs. 13000
25. Original cost = Rs. 1,26,000
 Salvage Value = Rs. 6000
 Use Life = 6 years
 Annual depreciation under SLM will be
- (a) Rs. 21000

- (b) Rs. 20000
 - (c) Rs. 15000
 - (d) Rs. 14000
26. At the end of the accounting period the provision is made for the amount outstanding for the electricity that has been consumed during the said period the statement is based on
- (a) Accrual concept
 - (b) Matching
 - (c) Realisation
 - (d) Money measurement
27. Under the diminishing balance method, depreciation
- (a) Increases every year
 - (b) Decreases every year
 - (c) Is constant every year
 - (d) None of the above
28. Which inventory valuation method best matches the cost of goods sold with current replacement cost?
- (a) LIFO
 - (b) FIFO
 - (c) Weighted average method
 - (d) Specific identification method.
29. Which financial statement represents the accounting equation, $\text{Assets} = \text{Liabilities} + \text{Owners equity}$
- (a) Income statement
 - (b) Balance sheet
 - (c) Statement of cash flow
 - (d) None of the three
30. The total of the purchase day book is posted periodically to the debit of
- (a) Purchases account
 - (b) Cash book
 - (c) Journal proper
 - (d) None of the above
31. Legal expenses incurred in defending a suit for breach of contract to supply goods is a
- (a) Revenue expenditure

- (b) Capital expenditure
- (c) Deferred revenue expenditure
- (d) None of the three

32. A running business was purchased by Ram with following assets and liabilities

Cash in hand	1000
Cash at Bank	5000
Stock	20000
Land and building	100000
Plant and machinery	50000
Owing from Mr. X	12500
Prepaid Insurance	500
Owing to Z Ltd.	3750
Interest received in advance	250

Rama's capital will be

- (a) 18500
- (b) 180000
- (c) 175000
- (d) None of the above

33. Following are the sales return of Jindal & Co. a saree dealer

Date		Credit Note
05.01.2006	201	Goyal & Co. Rampur returned 2 Polyster sarees @ 125
10.01.2006	202	Accepted return of goods (which were sold for cash) from Garf & Co. Bhiwani, 2 Kota Sarees @ Rs. 50
17.01.2006	203	Mittal & Co. Hissar returned 2 silk sarees @ Rs. 325
31.01.2006		Mohan returned one old type writer @ Rs. 500

Total of sarees return book will be

- (a) Rs. 900
- (b) Rs. 800
- (c) Rs. 1000
- (d) None of the three

34. Following is an incorrect trial balance

	<i>Dr. Balance</i> (Rs.)	<i>Cr Balance</i> (Rs.)
Sen Gupta Capital	-	1556
Sen Gupta Drawings	564	-
Leasehold premises	750	-
Sells	-	2750
Dues from customers		530
Purchases	1259	
Purchases return	264	
Loan from Bank		256
Creditors	528	
Trade expenses	700	
Cash at Bank	226	
Bills payable	100	
Salaries and wages	600	
Opening stock	-	264
Rent and taxes	463	
Sales return		98

Total of corrected trial balance will be

- (a) Rs. 5454
 - (b) Rs. 5400
 - (c) Rs. 5600
 - (d) Rs. 5000
35. Ankush Ltd. had issued 10,000, 10% Redeemable Preference Shares of Rs.100 each, fully paid up. The company decided to redeem these preference shares at par, by issue of sufficient number of equity shares of Rs. 10 each at a premium of Rs.2 per share as fully paid up. The amount to be transferred to capital redemption reserve account will be
- (a) Rs. 10,00,000.
 - (b) Rs. 12,00,000.
 - (c) Rs. 8,00,000.
 - (d) Nil.
36. Bill of Rs.10,000 accepted by Rajesh was endorsed by Ritesh to Dinesh on account of final settlement of Rs.10,500. The benefit of Rs.500 earned by Ritesh was:
- (a) Credited to discount allowed account by Rs. 500.
 - (b) Credited to discount received account by Rs.500.
 - (c) Credited to rebate account by Rs.500.
 - (d) Not shown in the books of Ritesh at all.

37. No journal entry is required to be passed when there is
- Normal loss
 - Abnormal Loss
 - Loss of bad debts
 - Loss by theft
38. A building worth Rs. 10,00,000 is insured for Rs. 6,00,000. It is completely destroyed by fire. The loss to be admitted by the insurance company will be
- Rs. 10,00,000
 - Rs. 6,00,000
 - Rs. 8,00,000
 - None of the three
39. Cost of goods sold 80,700, opening stock 5,800 and closing stock 6,000 then amount of purchases will be
- Rs. 80500
 - Rs. 74900
 - Rs. 74700
 - Rs. 80900
- 40.
	Rs.
Opening stock	8500
Purchases	30,700
Direct expenses	4800
Indirect expenses	52000
Closing Stock	9000
Cost of goods sold will be	
- Rs. 35000
 - Rs. 30000
 - Rs. 40000
 - None of the three
- 41.
Cost of goods sold	Rs.	70,800
Sales	Rs.	1,30,200
Gross Profit will be		
- 59400
 - 59000

- (c) 60000
- (d) None of the above

42. Stock at start	2400	Carriage inward	524
Purchases	15205	Manufacturing wages	2800
Sales	20860	Manufacturing wages outstanding	96
Closing stock	3840	Loss due to fire	1000
Return outward	185	Indirect expenses	200
Return Inward	860		

On the basis of the above information, Gross Profit will be

- (a) Rs. 4000
- (b) Rs. 5000
- (c) Rs. 6000
- (d) None of the three

43. Accounts payable	60000	Long Term Loan	300000
Capital	100000	Wages payable	120000
Cash in hand	124000	Investments	20000
Prepaid expenses	2000	Net Profit	96,000
Cash at Bank	290000	Bills receivable	80,000
Inventories	160000		

Total of Balance Sheet will be

- (a) Rs. 676000
- (b) Rs. 600000
- (c) Rs. 680000
- (d) None of the three.

- 44 Depreciation on motor car, whose cost is Rs. 58,000 with an accumulated depreciation reserve of Rs.11,600, at 20% p.a. on diminishing balance will be

- (a) Rs. 9000
- (b) Rs. 9280
- (c) Rs. 10000
- (d) None of the three.

45. Balance of Provision for bad debts on Jan 1, 2006 Rs. 1250; Bad debts during the year Rs. 300; Provision for bad debts is 5% on Debtors of Rs. 10,000. Provision credited to Profit and Loss account will be

- (a) Rs. 400
- (b) Rs. 500

- (c) Rs. 450
(d) None of the three
46. Depreciable amount of the machinery is Rs.11,00,000. The machine is expected to produce 30 lakhs units in its 10 year life and expected distribution of production units is as follows:
- | | |
|-----------|---------------------------|
| 1-3 year | 5 lacs units each year |
| 4-6 year | 3 lacs units each year |
| 7-10 year | 1.5 lacs units each year. |
- Annual depreciation for 1-3 year, using production units method will be
- (a) Rs.1,10,000.
(b) Rs.55,000.
(c) Rs. 65,000.
(d) Rs. 1,83,333.
47. A and B enter into a joint venture in timber trading. A pays for purchase of timber Rs. 2,00,000 and expenses Rs. 2,000. He draws a bill of exchange on B for Rs.1,00,000 and discounts it with Bank for Rs. 95,000. B sells the timber for Rs. 2,50,000 and pays expenses Rs. 3,000 B is entitled to get a commission of 10% on sale A is entitled to get an interest of Rs. 12,000 on his capital. Profit on venture will be
- (a) Rs. 3000
(b) Rs. 4000
(c) Rs. 5000
(d) None of the three.
48. Received final dividend of Rs. 500 from Ajit, whose account had already been written off as bad debt was credited to a newly opened account and was included in the list of creditors rectifying entry will be -
- | | | | |
|------------------------|-----|-----|-----|
| (a) Ajit | Dr. | 500 | |
| To Bad Debts recovered | | | 500 |
| (b) Bank | Dr. | 500 | |
| To bad debts | | | 500 |
| (c) Debtors | Dr. | 500 | |
| To Bad debts recovered | | | 500 |
| (d) None of the three. | | | |
49. When balance as per cash book is the starting point, and cheques issued for payment Rs. 400 was wrongly credit by Bank as Rs.900 then in the bank reconciliation statement

cash balance will be

- (a) Added by Rs. 1300
 - (b) Subtracted by Rs. 1300
 - (c) Added Rs. 900
 - (d) Subtracted by Rs. 400
50. Over draft as per pass book is given Rs. 10000
- (a) Cheques deposited in the Bank but not recorded in Cash Book Rs. 100
 - (b) Cheques drawn but not presented for payment Rs. 6000
 - (c) Bank charges recorded twice in cash book Rs. 30

Overdraft as per Cash Book will be

- (a) Rs. 16000
 - (b) Rs. 16130
 - (c) Rs. 15000
 - (d) None of the three.
51. Ratan and Karan entered into partnership on April 1, 2002. They invested capital Rs.15,000 and Rs.10,000 respectively. It was agreed that 8% p.a. interest will be calculated both on capital and drawings. Drawings were made as follows

	<i>RATAN</i>	<i>KARAN</i>
June 30	600	800
Sept. 30	500	700
Dec. 31	400	600

Karan was entitled to a salary of Rs. 250 p.m.

Profit before adjusting interest and salary was Rs. 8848. Divisible profit will be

- (a) Rs. 4000
 - (b) Rs. 3000
 - (c) Rs. 5000
 - (d) None of the three.
52. X and Y have been sharing profit and losses in the ratio of 5:3; C is admitted as a partner. He acquires his $\frac{1}{8}$ th share only from B. New ratio will be
- (a) 5:2:1
 - (b) 4:2:1
 - (c) 2:2:1
 - (d) None of the three
53. A and B are equal partners in a firm their capital shows credit balance of Rs. 18,000 and Rs.12,000 respectively. A new partner C is admitted with $\frac{1}{5}$ th share in profits. He brings

- Rs. 14,000 for his capital. Value of hidden goodwill at the time of C's admission will be
- Rs. 26000
 - Rs. 25000
 - Rs. 20000
 - None of the three.
54. A, B and C are partners, sharing profits in the ratio of 4:3:2. D is admitted for $\frac{2}{9}$ th share of profits and brings Rs. 30,000 as his capital and 10,000 for his share of goodwill. The new profit sharing ratio between partners will be 3:2:2:2 goodwill amount will be credited in the capital accounts of:
- A only
 - A, B and C (Equally)
 - A and B (Equally)
 - A and C (Equally)
55. X, Y and Z were partners sharing profits in proportion to 5:3:2. Goodwill does not appear in the books, but it is agreed to be worth Rs. 1,00,000. X retires from the firm and Y and Z decide to share future profits equally. X's share of goodwill will be debited to Y's and Z's capital A/cs in the ratio.
- $\frac{1}{2}:\frac{1}{2}$
 - 2:3
 - 3:2
 - None of the three.
56. X Ltd. invited applications for 1,00,000 shares of Rs. 10 each at a discount of 6% discount per share will be -
- Rs. 1.00
 - 0.80 Paisa
 - 0.60 paisa
 - None of the three.
57. A company makes an issue of 5000 equity shares of Rs. 100 each at 10% discount allowed at the time of allotment. The net amount is payable as follows:
- | | Rs. |
|------------------------------|-----|
| On application and allotment | 40 |
| On first call | 25 |
| On final call | 25 |

A shareholder holding 100 shares did not pay final call money. His shares were forfeited. Amount credited to Discount on issue of shares A/c will be

- (a) Rs. 1,000
- (b) Rs. 500
- (c) Rs. 1,500
- (d) None of the three.

58. 1,000 shares of Rs.100 each were issued to a promoter of the company for their legal services, rendered in the formation of the company. For this, company credited Share Capital Account and debited

- (a) Goodwill account by Rs. 1,00,000.
- (b) Legal services account by Rs.1,00,000.
- (c) Promoter's account by Rs.1,00,000.
- (d) Formation expenses account by Rs.1,00,000.

59. In the trial balance of a joint stock company, the following balances are given

	Dr.	Cr.
	Rs.	Rs.
(i) 10% Mortgage Debentures (Payable after five years)		1,00,000
(ii) Discount allowed on issue of debentures	2000	

Amount of discount written off per year will be

- (a) Rs. 500
- (b) Rs. 800
- (c) Rs. 400
- (d) None of the three.

60. Called up share capital (46,000 shares 10 each)	Rs.	4,60,000
Calls in arrear	Rs.	7,500
Proposed dividend		5%

Amount of proposed dividend will be

- (a) Rs. 22625
- (b) Rs. 25000
- (c) Rs. 23000
- (d) None of the three.

SECTION – B : MERCANTILE LAWS (40 MARKS)

PART-I

61. Which of the following is correct?
- (a) A wagering agreement is void
 - (b) A contingent contract is valid
 - (c) A wagering agreement is void while a contingent contract is valid
 - (d) None of the above
62. The following are the essential elements which need to co-exist in order to make a valid contract:
- (a) Offer & Acceptance.
 - (b) Intention to create legal acceptance
 - (c) Capacity of parties -Competency
 - (d) All of the above
63. The rights of a principal are the following
- (a) Right to recover damages
 - (b) Right to obtain an account of secret profits and recover them and resist a claim for remuneration
 - (c) Right to resist agent's claim for indemnity against incurred liability
 - (d) All of the above
64. An offer may be made to the following
- (a) A particular person
 - (b) A particular group or body of person
 - (c) The public at large i.e the whole world
 - (d) All of the above
65. Following conditions are implied in a contract of sale of goods unless the circumstances of the contract show a different intention:
- (a) Condition as to title
 - (b) Sale by description.
 - (c) Sale by sample.
 - (d) All of the above
66. Delivery of goods in case of transit made by handing over documents of title to goods is
- (a) Actual delivery
 - (b) Constructive delivery
 - (c) Symbolic delivery
 - (d) All of the above

67. A void contract is a contract without any legal effect and cannot be enforced in a court of law. The following are instances of void contracts:
- (a) Agreements entered under mistake of fact
 - (b) Agreements by way of wager.
 - (c) Agreements made consideration.
 - (d) All of the above
68. Necessary condition for existing goods is
- (a) They should be in existence at the contract of sale
 - (b) They should be owned or possessed by the seller
 - (c) Both of the above
 - (d) None of the above
69. When the consent of a party is not free the contract is
- (a) Void
 - (b) Voidable
 - (c) Valid
 - (d) Illegal
70. A voidable contract is one which
- (a) Can be enforced at the option of both aggrieved party
 - (b) Can be enforced at the option of both the parties
 - (c) Cannot be enforced in a court of law
 - (d) Court prohibits.
71. When the consent of a party is obtained by fraud, the contract is
- (a) Valid
 - (b) Void
 - (c) Illegal
 - (d) Voidable
72. The Sale of Goods Act, 1930 came into force on
- (a) 1st March, 1930
 - (b) 1st October, 1932
 - (c) 1st April, 1932
 - (d) 1st June, 1932
73. Under which circumstances, the unpaid seller can exercise right of re-sale
- (a) When the goods are of perishable nature
 - (b) When he gives notice to buyer.

- (c) When he gives notice to the buyer of his intention to re-sale and the buyer does not within a reasonable time pay the price.
 - (d) Both (a) and (b)
74. If the buyer rejects the whole quantity of goods due to short delivery or excess delivery, the contract is treated as
- (a) subsisting
 - (b) Cancelled
 - (c) Void
 - (d) invalid
75. Legally, a contract of sale includes
- (a) sale
 - (b) Agreement to sell
 - (c) barter
 - (d) Both (a) and (b)
76. State whether the following statements are false or true
- (a) Every partner cannot participate in the conduct of business
 - (b) Every partner is bound to attend diligently to his duties in the conduct of the business
 - (c) Every partner can have access to inspect and take a copy of the books of accounts of the firm
 - (d) Even in the absence of any contract between the partners a partner is entitled to receive remuneration for taking part in the business.
77. State which of the following statements are not correct?
- (a) An unregistered firm can enforce by suit its dues from a Third party
 - (b) A partner of an unregistered firm cannot sue for his dues from the firm or from other partners.
 - (c) Neither the firm nor the partners when sued can claim a set-off
 - (d) Non registration of a firm does not affect the right of an Official Assignee Receiver or Court to realize the property of an insolvent partner.
78. A new partner can be admitted in the firm with the consent of
- (a) All the partners
 - (b) Simple majority of partners
 - (c) Special majority of partners
 - (d) New partner only

79. On which of the following grounds, a partner may apply to the court for dissolution of the firm?
- (a) Insanity of a partner
 - (b) Misconduct of a partner
 - (c) Perpetual losses in business
 - (d) All of the above

PART -II

80. Minor's estates are liable to reimburse the supplier, who supplies him with _____
- (a) Necessaries
 - (b) luxuries
 - (c) Necessities
 - (d) All the things
81. A contracts to pay B Rs.100000 if the latter's house is burnt to ashes. This is an example of _____
- (a) Contingent
 - (b) Quasi-contract
 - (c) Guarantee
 - (d) bailment
82. Profits of a partnership firm must be distributed among the partners as per the partnership deed while the profits of a company _____
- (a) Must be distributed to its shareholders
 - (b) Mayor may not be distributed to its shareholder
 - (c) Mayor may not be distributed to its board of directors, shareholders and other stakeholders
 - (d) Are not distributable at all
83. An offer made to the public in general which anyone can accept and do the desired act is _____
- (a) General offer
 - (b) Special offer
 - (c) Cross offer
 - (d) Counter offer
84. A agrees to sell his car to B at a price which B may be able to pay .This agreement is _____
- (a) void
 - (b) valid
 - (c) voidable

- (d) contingent
- 85. Quasi contracts arise _____
 - (a) Where obligations are created without a contract
 - (b) Where obligations are created under a contract
 - (c) Out of natural causes
 - (d) Out of man-made causes
- 86. Consideration must move at the desire of the _____
 - (a) Promisor
 - (b) promisee
 - (c) Any person
 - (d) Promisee or promissory or any other person
- 87. Agreement for the creation of monopolies _____
 - (a) Is allowed in the interest of economy
 - (b) Is oppose to public policy and hence void
 - (c) Is not detrimental to any nation
 - (d) Is Impossible because of perfect competition in today's scenario
- 88. Implied contract, even if not in writing or express words is perfectly _____ if other conditions are satisfied
 - (a) void
 - (b) valid
 - (c) voidable
 - (d) illegal
- 89. The relationship of principal and agent may arise by _____
 - (a) Express or implied agreement
 - (b) Ratification
 - (c) Operation of law
 - (d) All of the above
- 90. There can be stranger to a consideration but not a stranger to a contract signifies that a consideration may move from _____
 - (a) Promisee or any other person
 - (b) Promisee
 - (c) Promisor
 - (d) An independent person
- 91. In case of sale the position of a buyer is that of _____
 - (a) Owner of the goods

- (b) Bailee of the goods
 - (c) Hirer of the goods
 - (d) None of the above
92. In India the age majority is regulated by _____
- (a) The Indian Majority Act, 1875
 - (b) The Indian Minority Act, 1875
 - (c) The Indian Contract Act, 1872
 - (d) The Constitution of India
93. A new partner is held liable for all acts of the firm done
- (a) Before he become a partner
 - (b) After he become a partner
 - (c) Any time after even he ceases to be a partner and up to his death
 - (d) Before or after he became a partner
94. A partner may retire with the consent of _____
- (a) Any partner
 - (b) Some of the partner
 - (c) None of the partner
 - (d) All of the other partner
95. A person can be introduced as a partner in a firm with the consent of _____
- (a) All of the partner
 - (b) Any partner
 - (c) None of the partner
 - (d) Some of the partner
96. Death of a partner has the effect of _____
- (a) Dissolving the firm
 - (b) Result in continuance of the business of the firm
 - (c) His heirs joining the firm
 - (d) Computation of profits upto the date of death
97. If a minor elects to becomes partner after attaining majority, he will be liable for the debts of the firm _____
- (a) From the date of admission as a minor partner
 - (b) from the date of attaining majority
 - (c) from the date of his notice to the public that he elects to become partner
 - (d) As decided by all other partner

98. Death of partner has the effect of _____
- (a) Dissolving the firm
 - (b) Result in continuance of the business of the firm
 - (c) His heirs joining the firm
 - (d) Computation of profits upto the date of death

PART -III

- 99 A & B are the only two partner in a firm B was murdered by C who wanted to become a partner of the firm but B has raised objection to it A now wants to take D as a partner in the said firm D is father of C light of the situation answer which of the following is correct?
- (a) The original partnership is dissolved.
 - (b) The original partnership is not dissolved and A&D can continue.
 - (c) A &D has to enter into fresh agreement and create a new partnership
 - (d) Both (a) and (c)
100. A B tyre Co.Ltd sold tyres to a dealer C, who sold those to A, a sub-dealer on the condition that those tyres would not be sold at a price lower than the list price fixed by A B tyre Co. Ltd and if the tyres were sold at a price lower than the list price a penalty of Rs. 2 for every tyre sold below the list price would be recovered as damages. A sold five tyres below the list price A B tyre Co. Ltd filed a suit against C Is AB tyre Co. Ltd. entitled to maintain the suit
- (a) No since A B tyre Co. Ltd was not a party to the contract
 - (b) No since only 5 tyres are involved and the amount is insignificant.
 - (c) Yes as A B tyre Co. Ltd is the producer of the tyres
 - (d) Yes as A B tyre Co. Ltd sold the tyre to C who in turn sold to A

SECTION – C : GENERAL ECONOMICS (50 MARKS)

101. Which of the following statements is correct?
- (a) Employment and economic growth are studied in micro economics.
 - (b) Micro economics deals with balance of trade
 - (c) Economic condition of a section of the people is studied in Micro Economics
 - (d) External value of money is dealt with in micro-economics
102. Identify the correct statement :
- (a) In capitalist economy people are not free to spend their income as they like
 - (b) In socialist economy the right to work is guaranteed but the choice of occupation gets restricted
 - (c) In socialist economy a relative inequality in income is an important feature.
 - (d) In today's world only U.S.A. is a purely socialist country
103. When quantity demanded changes by larger percentage than does price, elasticity is termed as:
- (a) inelastic
 - (b) perfectly elastic
 - (c) elastic
 - (d) perfectly inelastic
104. Which of the following statement is not correct?
- (a) $GDP \text{ at market price} = GNP \text{ at market price} - \text{Net income from abroad}$
 - (b) $GDP \text{ at factor cost} = GDP \text{ at market price} - \text{net indirect taxes}$
 - (c) $NDP \text{ at factor cost} = NDP \text{ at market price} - \text{net indirect taxes}$
 - (d) $NNP \text{ at factor cost} = NNP \text{ at market price} - \text{net income from abroad}$
105. Identify the item which is not a factor payment
- (a) Free uniform to defense personnel
 - (b) Salaries to the members of Parliament
 - (c) Imputed rent of an owner occupied building
 - (d) Scholarships given to scheduled caste students.
106. Money in dynamic sense:
- (a) Serves as encouragement to division of labour
 - (b) Serves as smooth transformer of saving into investments
 - (c) Serves as both a and b of the above
 - (d) Serves neither as a or b of the above.

107. Which of the following is not a quantitative measure of credit control?
- (a) Bank Rate Policy
 - (b) Open Market Operation
 - (c) Consumer Credit Regulation
 - (d) Variable Reserve Requirement
108. Integration of the domestic economy with the world economy is called:
- (a) disinvestment
 - (b) privatization
 - (c) liberalisation
 - (d) globalisation
109. Which of the following is not an indirect tax reform:
- (a) reducing the peak rate of custom duties
 - (b) rectifying anomalies like inverted duty structure
 - (c) the tax rate on foreign companies has also been reduced from 55% to 40%
 - (d) introduction of value added tax for achieving harmonized taxation regime
110. Which of the following statements is against Privatization?
- (a) Privatization will help reducing the burden on exchequer
 - (b) It will help the profit making public sector units to modernize and diversity their business.
 - (c) It will help in making public sector units more competitive
 - (d) None of the above
111. Which of the following statements is incorrect:
- (a) Workers employed in Sugar Mills face seasonal unemployment
 - (b) Due to introduction of new machinery, labour saving device etc. some workers tend to be replaced by machine is termed as structural unemployment
 - (c) Frictional unemployment is temporary phenomenon
 - (d) Disguised unemployment refers to a situation where removal of some workers will not affect the volume of total output
112. If the price of good A increases relative to the price of substitute B and C, the demand for:
- (a) B will increase
 - (b) C will increase
 - (c) B and C will increase
 - (d) B and C will decrease

113. If income elasticity for the household for good A is 2 then it is a:
- (a) necessity item
 - (b) inferior goods
 - (c) luxurious item
 - (d) comfortable item
114. FRBM Act Stands for :
- (a) Foreign responsibility and Business Management
 - (b) Foreign Responsibility and Budget Management
 - (c) Fiscal Revenue and Budget Management
 - (d) Fiscal Responsibility and Budget Management
115. Which of the following statements is incorrect?
- (a) Most of the big industrial units in India are sick
 - (b) The industrial pattern on the eve of independence was not balanced
 - (c) During the planning period, Indian Industrial structure has shifted in favour of basic and capital goods and intermediate sector.
 - (d) None of the above
116. If the elasticity of supply is zero then supply curve will be.
- (a) Horizontal
 - (b) Downward Sloping
 - (c) Upward sloping to the right
 - (d) Vertical
117. It is _____ that deals with the problem of allocation of resources
- (a) statistics
 - (b) macro-economic theory
 - (c) econometrics
 - (d) micro-economic theory
118. Lesser production of _____ would lead to lesser production in future
- (a) Public goods
 - (b) Consumer goods
 - (c) Capital goods
 - (d) Agriculture goods
119. _____ viewed economics as a science of dynamic growth and development
- (a) Robbins

- (b) Adam Smith
 - (c) Paul A. Samuelson
 - (d) Pigou
120. Bank rate was reduced (in stages) to _____ per cent in April 2001
- (a) 6.5
 - (b) 7.00
 - (c) 6.0
 - (d) 7.5
121. RBI makes advances to the Central and State Government repayable within _____ from the date of advance.
- (a) 60 days
 - (b) 45 days
 - (c) 90 days
 - (d) 75 days
122. At present there are _____ Nationalised Banks in India
- (a) 14
 - (b) 6
 - (c) 21
 - (d) 19
123. In _____ we remove tariff, subsidies on the flow of goods and services between countries.
- (a) globalisation
 - (b) liberalisation
 - (c) privatisation
 - (d) disinvestment
124. In Fiscal deficit we add borrowings and other liabilities to the _____
- (a) Primary deficit
 - (b) Capital deficit
 - (c) Budget deficit
 - (d) Money deficit
125. When more money chases relatively too less quantity of goods, the resulting situation is called _____
- (a) Stagnation
 - (b) Cost push

- (c) Deflation
 - (d) Demand pull inflation
126. TRAI is regulatory authority for _____ in India
- (a) tourism
 - (b) technical Education
 - (c) transport
 - (d) telecom
127. When contribution to the production is almost zero/nil is called _____ unemployment
- (a) disguised
 - (b) cyclical
 - (c) chronic
 - (d) structural
128. NABARD is the apex bank for _____ credit in India
- (a) combined sector
 - (b) industrial sector
 - (c) agriculture sector
 - (d) territory sector
129. International Monetary Fund commenced its operation in _____
- (a) April 1947
 - (b) March 1946
 - (c) April 1946
 - (d) March 1947
130. In perfect competition the firm's _____ above AVC has the identical shape of the firm's supply curve
- (a) Marginal revenue curve
 - (b) Marginal cost curve
 - (c) Average cost curve
 - (d) None of the above
131. When _____, we know that the firms must be producing at the minimum point of average cost curve and so there will be productive efficiency
- (a) $MC = MR$
 - (b) $MC = AC$
 - (c) $AC = AR$

(d) $AR = MR$

132. According to the Planning Commission, a person is said to be below poverty line, if he is earning less than Rs. _____ per capita per month for rural area.

- (a) 225
- (b) 240
- (c) 265
- (d) 275

The following data gives the production possibilities frontier of an economy that produces two types of goods, guns and bread. Read the following table and answer questions 133 – 135.

Table 1 : Production Possibilities

Production possibilities	A	B	C	D	E	F	G	H
Guns	0	10	20	30	40	50	60	30
Bread	105	100	90	75	55	30	0	45

133. According to table 1, the opportunity cost of increasing gun's production from 20 to 30 units is equal to

- (a) 10 units of bread
- (b) 15 units of bread
- (c) 25 units of bread
- (d) 24 units of bread

134. Given the data in table 1, one moves successively from point A to point B, C, D, E and F, the opportunity cost of guns:

- (a) Increases as more of guns are produced
- (b) Decreases as more of guns are produced
- (c) Remains constant as more of guns are produced
- (d) Nothing can be said

135. Point D is efficient while point H (30 guns and 45 loaves of bread) is inefficient. Why?

- (a) Point D is outside the PPF while point H is on the PPF
- (b) Point D is inside the PPF while point H is on the PPF
- (c) Point D is on the PPF while point H is inside the PPF
- (d) Nothing can be said

136. What is Disinvestment?

- (a) It refers to the disposal of Public Sectors equity in the market

- (b) It refers to the transfer of assets from public to private ownership
- (c) It means integrating the domestic economy with the world economy
- (d) None of the above

137. Which of the following statements is incorrect regarding Disinvestment ?

- (a) Government has not failed to raise the budget disinvestments in the capital market
- (b) The procedure adopted for disinvestment has suffered from adhocism in the absense of a long term policy
- (c) It means selling of Govt. Share in the PSU to other PSU or Private Sector or Banks
- (d) It has been too insignificant to affect either the structure of management or the working environment of the PSU in India

A competitive firm sells his product at market price of Rs. 51 per unit. The fixed cost is Rs. 300 and variable cost for different level of production are shown in the following table 2. Use table No.2 to answer questions 138 – 141.

Table 2

Quantity	Variable cost	Fixed cost	Total Cost	AVC	ATC	MC
0	0					
10	470					
20	980					
30	1850					
40	3400					
50	5950					

138. When production is 30 units, the average variable cost is:

- (a) 70.6
- (b) 60.6
- (c) 61.6
- (d) 71.6

139. When production is 50 units, marginal cost is:

- (a) 265
- (b) 255
- (c) 245
- (d) 275

140. To maximize profit, the firm should produce

- (a) 30 units
- (b) 10 units
- (c) 20 units

(d) 40 units

141. If the market price drops from Rs. 51 to Rs. 47; the firm should

- (a) Close down
- (b) produce 10 units
- (c) Produce 30 units
- (d) Produce 20 units

Read the following data and Answer Questions number 142-147.

X, Y and Z are three commodities where X and Y are complementary whereas X and Z are substitute.

A shop keeper sells commodity X at Rs. 20 per piece. At this price he is able to sell 100 pieces of X per month. After some time, he decreases the price of X to Rs. 10 per piece. Following the price decrease.

He is able to sell 150 pieces of X per month.

The demand for Y increases from 25 units to 50 units.

The demand for commodity Z decreases from 75 units to 50 units.

142. The price elasticity of demand when price of X decreases from Rs. 20 per piece to Rs. 10 per piece will be equal to:

- (a) 0.6
- (b) 1.6
- (c) 0.5
- (d) 1.5

143. The cross elasticity of demand for commodity Y when the price of X decreases from Rs. 20 per piece to Rs. 10 per piece will be equal to:

- (a) -1.5
- (b) +1.5
- (c) +1
- (d) -1

144. The cross elasticity of commodity Z when the price of X decreases from Rs. 20 per piece to Rs. 10 per piece will be equal to:

- (a) + 1.66
- (b) + 0.6
- (c) - 1.66
- (d) - 0.6

145. What can be said about the price elasticity of demand for commodity X?
- (a) Demand is unit elastic
 - (b) Demand is highly elastic
 - (c) Demand is inelastic
 - (d) Demand is perfectly elastic
146. Suppose income of the consumers increases by 50% and the demand for commodity X increases by 20% what will be the income elasticity of demand for commodity X?
- (a) .04
 - (b) 0.4
 - (c) 4.00
 - (d) -4.00
147. We can say that commodity X in economic sense is a / an
- (a) Inferior foods
 - (b) Giffin Goods
 - (c) Normal Goods
 - (d) Luxury Goods.
148. Suppose the total cost of production commodity X is Rs. 1,25000. Out of this cost implicit cost is Rs. 35000 and normal profit is Rs. 25000. what will be explicit cost of commodity X?
- (a) 90,000
 - (b) 65,000
 - (c) 60,000
 - (d) 1,00,000
149. Use table 3 to answer questions 149 – 150.

Table 3

Hours of Labour	Total output	Marginal output
0	—	—
1	350	350
2	—	230
3	670	—

What is the total output when 2 hrs of labour are employed

- (a) 500
- (b) 580

(c) 600

(d) 680

150. What is the marginal product if the third hour of labour is employed?

(a) 90

(b) 110

(c) 100

(d) 120

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

151. Unequal widths of classes in the frequency distribution do not cause any difficulty in the construction of
- (a) Ogive
 - (b) Frequency Polygon
 - (c) Both
 - (d) None of these
152. The presence of extreme observations does not affect
- (a) AM
 - (b) Median
 - (c) Mode
 - (d) Any of these
153. S.D. of first n natural numbers is
- (a) $\frac{n(n-1)}{2}$
 - (b) $\sqrt{\frac{n(n-1)}{2}}$
 - (c) $\sqrt{\frac{n^2-1}{12}}$
 - (d) None of these
154. For any two numbers range is always
- (a) Twice the SD
 - (b) Half the SD
 - (c) Square the SD
 - (d) None of these
155. G.M. is defined only when
- (a) All observation have the same sign and none is zero.
 - (b) All observation have the different sign and none is zero
 - (c) All observation have same sign and one is zero
 - (d) All observation have the different sign and one is zero
156. The quickest method to find correlation between two variables is:
- (a) Scatter diagram

- (b) Method of concurrent deviation
 - (c) Method of Rank Correlation
 - (d) Method of Product moment Correlation
157. In rank correlation coefficient the association need not be linear
- (a) False
 - (b) True
 - (c) Both
 - (d) None of these
158. If $P(x/y) = p(x)$ then
- (a) x is independent of y
 - (b) y is independent of x
 - (c) y is dependent of x
 - (d) Both (a) and (b)
159. For a binomial distribution mean and mode are not equal when $q = 0.50$
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
160. The standard deviation is required to determine sample size for
- (a) Estimating a mean
 - (b) Estimating a proportion
 - (c) Both
 - (d) None of these
161. If $\log_{\sqrt{3}}(x + 1) = 2$ then x is equal to _____
- (a) 1
 - (b) 3
 - (c) 2
 - (d) 0
162. $3^{1/4} \times 6^{3/4} \times 2^{5/4}$ is equal to
- (a) 10
 - (b) 12
 - (c) 14

- (d) 0
163. The number _____ has same ratio to 7/33 that 8/21 does to 4/9
- (a) 2/11
(b) 3/11
(c) 2/21
(d) None of these
164. $\int \frac{1}{\sqrt{1+x}}$ is equal to
- (a) $2(1+x)^{-1/2}$
(b) $(1+x)^{1/2}$
(c) $2(1+x)^{1/2}$
(d) None of these
165. The 8th term of the series 4, 8, 16 is _____
- (a) 128
(b) 256
(c) 64
(d) 512
166. The no. of permutation can be made out the letters of word "COMMERCE" is _____
- (a) 5040
(b) 8!
(c) 6!
(d) None of these
167. The compound interest on Rs. 1000 for 10 years at 4% p.a. the interest being paid quarterly is _____
- (a) 786
(b) 586
(c) 486
(d) 186
168. If SD = 40 and the sample size is 150 the standard error of mean is _____
- (a) 2
(b) 5
(c) 0.5

- (d) None of these
169. The price level of a country in a certain year has increased 20% over the base period. The Index number is _____
- (a) 20
(b) 120
(c) 220
(d) None of these
170. If a pair of dice is thrown, the probability that the sum is neither 7 nor 11 is _____
- (a) $7/9$
(b) $5/9$
(c) $11/9$
(d) 2
171. $\lim_{x \rightarrow 3} \frac{x^5 - 243}{x^2 - 9}$ is equal to
- (a) 150
(b) $125/2$
(c) $135/2$
(d) 0
172. If $f(x) = 2x+5$ and $g(x) = x^2+1$ the fog = ?
- (a) $2x^2 + 7$
(b) $2x + 1$
(c) $x^2 + 5$
(d) None of these
173. The 20th term of the progression 1, 4, 7, 10 is
- (a) 58
(b) 52
(c) 0
(d) None of these
174. Five value of K if line $2x+Ky-g=0$ and $3x-4y+7=0$ are parallel
- (a) $-8/3$
(b) $2/3$
(c) -4
(d) 3

175. The average marks scored by 50 students in a class were calculated to be 38. Later it was found, that marks of two students were wrongly copied as 34 and 23 instead of 43 and 32. Find correct average marks.
- 37.36
 - 39.00
 - 38.36
 - None of these
176. $\frac{d}{dx} \frac{x}{\sqrt{x^2 - 1}}$ is equal to
- $-(x^2 - 1)^{-3/2}$
 - $-(x^2 + 1)^{3/2}$
 - $-(x^2 + 1)^{-3/2}$
 - $(x^2 - 1)^{-3/2}$
177. How many words can be formed out of 5 different consonants and 4 different vowels if each word is to contain 3 consonants and 2 vowels
- 7000
 - 720
 - 7020
 - 7200
178. If $5 = \sqrt{x + \sqrt{x + \sqrt{x + \dots \infty}}}$ then value of x is
- 10
 - 20
 - 5
 - ∞
179. The value of $\log_4 \log_3 81$ is equal to
- 1
 - 0
 - 3
 - None of these
180. At what rate % will a sum double itself in 7 years if the interest is compounded annually.
- 7.0%

- (b) 8.0%
- (c) 10.41%
- (d) 7.9%
181. Three numbers are in A.P. of whose sum is 15 and whose product is 105, then numbers are:
- (a) 3, 5, 7
- (b) 2, 5, 8
- (c) 0, 5, 10
- (d) None of these
182. The standard deviation of 100 and 150 items are 40,6 respectively; if mean of 250 item is 44, mean of 100 and 150 item are 50 and 5, then find S.D. for 250 items.
- (a) 7.46
- (b) 7.64
- (c) 6.74
- (d) 4.67
183. If $r = 0.5$, $\sum xy = 120$, $6y = 8$, $\sum x^2 = 0$ then value of n is equal to _____
- (a) 5
- (b) 10
- (c) 15
- (d) 20
184. Two lines of regression are given by $5x+7y-22=0$ and $6x+2y-22=0$. If the variance of y is 15 find the standard deviation of x .
- (a) $\sqrt{5}$
- (b) $\sqrt{6}$
- (c) $\sqrt{7}$
- (d) $\sqrt{8}$
185. A card is drawn at random from a well shuffled pack of 52 cards. Find the probability of getting a two of heart or one of diamond.
- (a) $1/26$
- (b) $2/51$
- (c) $2/26$
- (d) $1/52$

186. If the probability of a defective bolt is 0.1, find the standard deviation for the distribution of defective bolt in a total of 500.
- (a) 7.6
 - (b) 7.5
 - (c) 6.5
 - (d) 6.7
187. If the AM of two numbers is 6 and GM is 6 then find the numbers.
- (a) 6, 6
 - (b) 10, 8
 - (c) 10, 6
 - (d) 9, 2
188. Relation "Is Equal to" over the set of all natural numbers is explained as
- (a) Reflexive
 - (b) Symmetric
 - (c) Transitive
 - (d) Equivalence
189. What must be added to each of the numbers 6, 15, 20 and 43 to make them proportional.
- (a) 5
 - (b) 4
 - (c) 3
 - (d) 2
190. If $f(x+1) = 2x + 7$ then $f(0)$ is equal to
- (a) 5
 - (b) 4
 - (c) 3
 - (d) 0
191. Find the equation of line passing through the point $(-2, 3)$ and having x-intercept 4 units.
- (a) $2x + y - 4 = 0$
 - (b) $x + 2y - 4 = 0$
 - (c) $x + y - 4 = 0$
 - (d) $x - y - 4 = 0$

192. The compounded ratio of duplicate ratio of 3:5 and the sub triplicate ratio of 1:27 and reciprocal of 1:5 is equal to
- (a) 3:5
 - (b) 1:2
 - (c) 3:25
 - (d) 9:25
193. Find the amount of annuity of payment of Rs. 7000 is made annually for 7 years at interest rate of 6% compounded annually
- (a) 49,000
 - (b) 49,300
 - (c) 50,300
 - (d) 50,500
194. In a group of 40 children 16 like cricket but not movie and 26 like cricket. The number of children like movie but not cricket are
- (a) 12
 - (b) 14
 - (c) 2
 - (d) None of these
195. If $\frac{x^n - 3^3}{x - 3} = 405$ then value of n is equal to
- (a) 4
 - (b) 6
 - (c) 5
 - (d) 7
196. If the median of 5, 9, 11, 3, 4, x, 8 is 6, the value of x is equal to
- (a) 6
 - (b) 5
 - (c) 4
 - (d) 3
197. Find the coefficient of correlation when its probable error is 0.2 and the number of pairs of item is 9.
- (a) 0.505
 - (b) 0.332
 - (c) 0.414

(d) None of these

198. If $5:6 = 45:a$ find the value of a

(a) 54

(b) 45

(c) 15

(d) 0

199. $\int \frac{\log(\log x)}{x} dx$ is equal to

(a) $\log(\log x) - 1 + K$

(b) $\log(\log x) + K$

(c) $[\log(\log x) - 1] + K$

(d) None of these

200. The 4th term of series whose sum to n terms is $5n^2 + 2n$ is

(a) $5n + 3$

(b) $10n - 2$

(c) $5n + 2$

(d) $10n - 3$



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-6 / 2007

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

PART-I

1. The expired portion of capital expenditure is shown in the financial statements
 - (a) As an income
 - (b) As an expense
 - (c) As an asset
 - (d) As a liability
2. Users of accounting information include
 - (a) Creditors
 - (b) Lenders
 - (c) Customers
 - (d) All the above
3. Accounting standards in Indian are issued by:
 - (a) Central Govt.
 - (b) State Govt.
 - (c) Institute of Chartered Accountants of India
 - (d) Reserve Bank of India

4. Cost of exceptional repairs of a non-recurring nature by way of overhauling of the entire plant is ____
 - (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Deferred revenue expenditure
 - (d) Capital lost
5. The total of the purchase day book is posted periodically to the debit of ____
 - (a) Purchases A/c
 - (b) Cash Book
 - (c) Journal proper
 - (d) None of these
6. Unexpired insurance is ____
 - (a) Nominal account
 - (b) Real account
 - (c) Representative personal account
 - (d) Both (a) and (b)
7. The accounting policies once adopted are not changed unless there is an urgent need for such change is based on
 - (a) Money measurement concept
 - (b) Accrual concept
 - (c) Consistency
 - (d) Conservation
8. Cash column in cash book has always ____
 - (a) Dr. Balance
 - (b) Cr. Balance
 - (c) Overdraft
 - (d) Both Dr and Cr.
9. Depletion method of depreciation is used in ____
 - (a) Cattle, loose tools etc.
 - (b) Mines and quarries
 - (c) Machinery and Building
 - (d) None of these
10. Goods purchased from A for Rs. 2000 passed through the sales book. The rectification of

this error will result in _____

- (a) Decrease in Gross profit
- (b) No effect on Gross profit
- (c) Increase in Gross profit
- (d) Increase in Sundry debtors

PART-II

11. The purpose of accommodation bill is _____
 - (a) To finance actual purchase or sale of goods.
 - (b) To facilitate trade transaction
 - (c) When both parties are in need of funds
 - (d) none of the above
12. Accounts receivable normally has _____ balance
 - (a) Debit
 - (b) Credit
 - (c) Unfavourable
 - (d) None of the above
13. Capital expenditure are recorded in the _____
 - (a) Balance Sheet
 - (b) Profit & Loss Account
 - (c) Trading Account
 - (d) Manufacturing account.
14. In case of Debit Balance the words _____ are written on the debit side.
 - (a) To balance b/d
 - (b) To balance c/d
 - (c) By balance b/d
 - (d) By balance c/d
15. Outstanding wages in trial balance is recorded in _____
 - (a) Trading account
 - (b) Profit & Loss account
 - (c) Balance sheet
 - (d) None of the three

16. Errors are _____ mistakes
- (a) Intentional
 - (b) Unintentional
 - (c) Undetected
 - (d) None of the three
17. _____ is not added in the total of Balance sheet
- (a) Fixed liability
 - (b) Current liability
 - (c) Contingent liability
 - (d) None of the three
18. Dividend paid before the end of the financial year is known as _____
- (a) Interim dividend
 - (b) Unclaimed dividend
 - (c) Proposed dividend
 - (d) None of the three
19. _____ Reserve is not shown in Balance Sheet
- (a) General Reserve
 - (b) Capital Reserve
 - (c) Secret Reserve
 - (d) None of the three
20. Capital expenditure provide _____ benefit
- (a) Short period
 - (b) Long period
 - (c) Very short period
 - (d) None of the three

PART – III

21. Suraj consigned goods costing Rs. 250,000 to Mohan on 1st Jan 2006 by incurring Rs. 20,000 on freight. Some goods were lost in transit. For remaining goods Mohan spent Rs. 15,000 to take the delivery including storage charges. During the quarter agent sold $\frac{3}{4}$ of the goods received by him for Rs. 3,00,000 and charged commission @ 10% on it. Suraj asked the details of goods lost, sold, expenses, commission and balance due to him along with the consignment stock from Mohan. As desired, agent sent the periodical details statement commonly known as
- (a) Account sales

- (b) Summary Statement
 - (c) Account statement
 - (d) Statement of affairs.
22. A business man purchased goods for Rs. 25,00,000 and sold 80% of such goods during the accounting year ended 31st March, 2005. The market value of the remaining goods was Rs. 4,00,000. He valued the closing stock at cost. He violated the concept of
- (a) Money measurement
 - (b) Conservatism
 - (c) Cost
 - (d) Periodicity

PART – IV

23. An item of Rs. 500 relating to prepaid rent account was omitted to be brought forward. The rectifying journal entry will be
- | | | |
|--------------------------|-----|-----|
| (a) Rent A/c Dr | 500 | |
| To Cash | | 500 |
| (b) Prepaid rent A/c Dr. | 500 | |
| To Cash | | 500 |
| (c) Prepaid rent A/c Dr. | 500 | |
| To suspense | | 500 |
| (d) None of the three | | |
24. Cash Sales 50,000
 Cash Collected from debtors 1,30,000
 Bad Debts during the year 5,000
 Debtors at the beginning 10,000
 Total sales will be _____
- (a) Rs. 175,000
 - (b) Rs. 170,000
 - (c) Rs. 180,000
 - (d) Rs. 178,000
25. An asset is purchased for Rs. 25,000, depreciation is to be provided annually according to straight line method. Useful life of the asset is 10 years and the residual value is Rs. 5,000. Rate of depreciation will be _____
- (a) 10%
 - (b) 8%

(c) 12%

(d) 15%

26.		<i>Rs.</i>		<i>Rs.</i>
	Opening Stock	5570	Purchases	13816
	Closing Stock	8880	Sales	15248
	Purchase return	390	Import charges	1650
	Sales return	524	Salary & wages	1000

Above figures will show Gross Profit _____

(a) Rs. 3,000

(b) Rs. 2,958

(c) Rs. 2,500

(d) Rs. 4,000

27. Stock worth Rs. 10,000 (cost price Rs. 7,500) taken by Mohan office clerk. Amount to be deducted from his salary in the subsequent month. Journal entry will be

(a) Dr Salary and Cr Purchases A/c Rs. 10,000

(b) Dr Mohan and Cr purchases Rs. 10,000

(c) Dr Salary and Cr Purchases Rs. 7500

(d) None of the above

28. Cost of goods sold is 100,000
Opening Stock 5,000
Closing Stock 10,000

Amount of purchases will be _____

(a) 105,000

(b) 120,000

(c) 95,000

(d) 130,000

29. Rent has been paid for 11 months from April to February 2006 amounting Rs. 550,000./
The amount of outstanding rent shown in balance sheet will be

(a) Rs. 6,000

(b) Rs. 5,000

(c) Rs. 4,000

(d) None of the above.

30. Capital introduced by Mr. A on 01.04.05 Rs. 300,000, further capital introduced during the year was Rs. 50,000 in the mid of the year. Mr. A withdrew Rs. 2,000 on the first day of each month. Interest on drawings is charged @ 5%. Profit earned during the year was Rs. 20,000. Capital at the end of the year will be
- Rs. 3,45,350
 - Rs. 3,95,000
 - Rs. 3,46,000
 - None of the three
31. A cheque of Rs. 1000 received from Ramesh was dishonoured and had been posted to the debit of sales return account. Rectifying Journal entry will be _____
- | | | | |
|------------------|----|------|------|
| Sales return A/c | Dr | 1000 | |
| To Ramesh | | | 1000 |
 - | | | | |
|-----------------|-----|------|------|
| Ramesh | Dr. | 1000 | |
| To Sales return | | | 1000 |
 - | | | | |
|-----------------|-----|------|------|
| Sales return of | Dr. | 1000 | |
| To suspense | | | 1000 |
 - None of the three
32. A purchased goods costing Rs. 42,500. B sold goods costing Rs. 40,000 at Rs. 50,000. Balance goods were taken over by A at Rs. 4,000. The profit on joint venture is
- Rs. 11,500
 - Rs. 7,500
 - Rs. 3,500
 - Nil
33. Cost of machine 135,000
Residual value 5,000
Useful life 10 years.
- Company charged depreciation for the first 5 years on straight line method. Later on, it reviewed the useful life and decided to take it as useful for another 8 years. In the 6th year amount of depreciation will be
- Rs. 8000
 - Rs. 8125
 - Rs. 9000
 - Rs. 8500

34. Mohan and Krishna are equal partners. They admitted Ram for $\frac{1}{4}$ share in future profits. New profit sharing ratio will be
- 3:3:2
 - 3:2:1
 - 2:2:1
 - Can not be calculated.
35. Expenses incurred by the consignor on sending goods to consignee are Rs. 1000 for packing, Rs. 1500 on freight and Rs. 500 for insurance, while expenses incurred by the consignee on behalf of consignment are Rs. 300 on Octroi Rs. 800 Godown rent and Rs. 1000 selling expenses. Expenses amount to be excluded while calculating consignment stock will be
- Rs. 1800
 - Rs. 2100
 - Rs. 2000
 - Rs. 2600
36. A, B and C are partners sharing profits in the ratio of 4:3:2 B retires. A and C decide to share profits in future in the ratio of 5:3. Gaining ratio between A and C will be _____
- 13:11
 - 12:10
 - 10:12
 - None of the three
37. Virender Ltd. Forfeited 20 shares of Rs. 100 each (Rs. 60 called up) issued at par to Ram on which he had paid Rs. 20 per share. All the forfeited shares were reissued to Syam as Rs. 60 paid up for Rs. 45 per share. Amount transferred to capital reserve will be.
- Rs. 150
 - Rs. 100
 - Rs. 75
 - Rs. 60
38. Consignee is entitled to get a commission of Rs. 25 per article sold plus one fourth of the amount by which gross sale proceeds less his total commission thereon exceeded a sum at the rate of Rs. 125 per articles sold. He sold 450 articles at Rs. 73,800 commission amount will be_____
- Rs. 12510
 - Rs. 10510
 - Rs. 10,000
 - Rs.11,000

39. Goods worth Rs. 500 given as charity should be credited to
- (a) Sales account
 - (b) Purchases account
 - (c) Charity account
 - (d) None of the three
40. A company issued Rs. 100,000 15% Debentures at a discount of 5% redeemable after 10 years at a premium of 10%. Loss on issue of debentures will be:
- (a) Rs. 15,000
 - (b) Rs. 12,000
 - (c) Rs. 10,000
 - (d) None of the three
41. A company can redeem its debentures by _____
- (a) Lump sum payment
 - (b) Conversion
 - (c) Draw of lots
 - (d) All the three
42. Alok Ltd. forfeited 300 shares of Rs. 10 each fully called up held by Ram for non payment of allotment money of Rs. 3 per share and final call money of Rs. 4 per share. Out of these 250 shares were reissued to Syam for a total payment of Rs. 2000. Amount transferred to capital Reserve will be _____
- (a) Rs. 200
 - (b) Rs. 250
 - (c) Rs. 300
 - (d) None of the three
43. A company issued debentures of the face value of Rs. 100,000 at discount of 6% on Jan 2005. These debentures are redeemable by annual drawings of Rs. 20,000 made on 31st December each year. Directors decided to write off discount based on the debentures outstanding each year. Discount written off in the fifth year will be _____
- (a) Rs. 400
 - (b) Rs. 500
 - (c) Rs. 600
 - (d) None of the three
44. A, B and C are partners sharing profits in the ratio of 4:3:2 D is admitted for $\frac{1}{3}$ rd share in future profits. Sacrificing ratio will be
- (a) 4:3:2

- (b) 3:2:3
 (c) 2:3:2
 (d) None of the three
45. Can forfeited shares be reissued at a discount? If yes, what is the allowable maximum discount.
 (a) 5%
 (b) 10%
 (c) 15%
 (d) None of the above.
46. A and B are partners. A's capital is Rs. 10,000 and B's capital is Rs. 6,000 Interest is payable @ 6% P.A. B is entitled to a salary of Rs.300 per month. Profit for the current year before interest and salary to B is Rs. 8,000. Profit between A and B will be divided
 (a) A Rs. 1720, B Rs. 1720
 (b) A Rs. 2000, B Rs. 1440
 (c) A Rs. 1440, B Rs. 2000
 (d) None of the three
47. A, B and C entered into partnership on 1st April, 2005 to share profits and losses in the ratio of 4:3:3. A, however, personally guaranteed that C's share of profit after charging interest on capital @ 5% P.A. would not be less than Rs. 40,000 in any year. Capitals were as follows.
- | | | | | | |
|---|-------------|---|-------------|---|-------------|
| A | Rs. 300,000 | B | Rs. 200,000 | C | Rs. 150,000 |
|---|-------------|---|-------------|---|-------------|
- Profit for the year ended on 31st March 2006 amounted to Rs. 160,000. Sacrifice made by A for C will be _____
 (a) Rs. 1750
 (b) Rs. 1800
 (c) Rs. 2000
 (d) None of the above
48. A and B are partners sharing profits in the ratio of 3:2. C is admitted as a partner. The new profit sharing ratio among A, B and C is 5:3:2. Sacrificing ratio will be _____
 (a) 1:1
 (b) 3:2
 (c) 2:3
 (d) None of the above.

49. A company issues 50,000 equity shares of Rs. 100 each at a discount of 10% (allowed at the time of allotment) the net amount payable is as follows:
- | | |
|----------------|----|
| On application | 20 |
| On Allotment | 20 |
| On First Call | 25 |
| On Final Call | 25 |
- Shveti holding 100 shares did not pay final call money. His shares were forfeited. Amount credited to forfeited share a/c will be _____
- (a) Rs. 6000
(b) Rs. 6500
(c) Rs. 5000
(d) None of the above.
50. A, B and C are partners with capitals of Rs. 100,000, Rs. 75,000 and Rs. 50,000 respectively. On C's retirement his share is acquired by A and B in the ratio of 6:4 respectively. Gaining ratio will be _____
- (a) 3:2
(b) 2:2
(c) 2:3
(d) None of the above
51. On admission of a partner unrecorded investments worth Rs. 5000 and unrecorded liability towards suppliers for Rs. 1500 will be recorded in
- (a) Revaluation A/c
(b) Capital Accounts
(c) Realisation A/c
(d) None of the three
52. Dr. balance as per cash book is Rs. 3000. Cheque issued but not presented for payment Rs. 500, Interest collected by Bank Rs. 400, Deposit by a Customer direct into his bank Rs. 250. Bank reconciliation statement will show balance as per Pass Book _____
- (a) Rs. 4150
(b) Rs. 4000
(c) Rs. 4500
(d) None of the above.
53. Goodwill is to be calculated at one and half years purchase of average profit of last 5 years. The firm earned profit during the first 3 years as Rs. 20,000, 18,000 and 9,000 and

- suffered losses of Rs. 2000 and 5000 in last 2 years. Goodwill amount will be _____
- (a) Rs. 12,000
 - (b) Rs. 10,000
 - (c) Rs. 15,000
 - (d) None of the above.
54. A started business with Rs. 10,000 cash and Rs. 2,000 furniture. Sales amounted to Rs. 50,000 including Rs. 5,000 cash sale. Rs. 10,000 sales were outstanding at the end of the year. Cash balance will be _____
- (a) Rs. 50,000
 - (b) Rs. 45,000
 - (c) Rs. 40,000
 - (d) None of the three
55. Depreciation at 5% on office furniture of Rs. 8,000; at 10% on Plant and Machinery of Rs. 80,000; at 5% on Factory Building of Rs. 200,000. Total depreciation will be _____
- (a) Rs. 18,000
 - (b) Rs. 18,400
 - (c) Rs. 20,000
 - (d) None of the above.
56. As old machinery appearing in the books at Rs. 5,000 is to be exchanged for a new machinery of Rs. 5,000. The old machinery has been valued at Rs. 800 for exchange purpose. Loss on exchange will be _____
- (a) Rs. 4,000
 - (b) Rs. 4,200
 - (c) Rs. 4,500
 - (d) NIL
57. Goods of Rs. 600 (sales price) sent on sale on approval basis were included in the sales book. The profit included in the sales was 20% on cost. Stock with the party will increase closing stock by _____
- (a) Rs. 600
 - (b) Rs. 500
 - (c) Rs. 400
 - (d) None of the three
58. General Reserve Account
Dividend Equalization Fund Account

Workmen Compensation Reserve Account

(a) Personal A/c

- (b) Real A/c
(c) Nominal A/c
(d) Both A & B

(a)	Hari Ram	Dr.	700	
	To Bank			700
(b)	Bank	Dr.	700	
	Discount	Dr.	20	
	To Hari Ram			720
(c)	Hari Ram	Dr.	720	
	To Bank			700
	To Discount			20

- (d) None of the above.

(a)	Rent A/c	Dr.	2400	
	To Landlord			2400
(b)	Rent A/c	Dr.	2004	
	To Landlord			2004
(c)	Rent A/c	Dr.	2400	
	To Landlord			2004
	To Suspense			396

- (d) None of the three

SECTION – B : MERCANTILE LAWS (40 MARKS)

PART –I

61. In which form of contract the property in goods passes to the buyer immediately
- (a) Agreement to sell
 - (b) Hire purchase
 - (c) Sale
 - (d) Auction sale
62. Which of the following modes of delivery of goods is considered effective for a valid contract of sale
- (a) Actual delivery
 - (b) Symbolic delivery
 - (c) Constructive delivery
 - (d) All of these
63. Goods which are in existence at the time of the contract of sale is known as:
- (a) Present goods
 - (b) Existing goods
 - (c) Specific goods
 - (d) Future goods
64. The Right of Lien means
- (a) To refuse to deliver the goods
 - (b) To take back delivery of goods
 - (c) To hold goods until payment is made
 - (d) None of these
65. The right of lien can be exercised
- (a) Only for the price
 - (b) Only for the expenses
 - (c) Either for the price and expenses
 - (d) All of these
66. In case of breach of contract by the seller, the buyer has rights
- (a) For suit for damages
 - (b) Suit for specific performance
 - (c) Suit for breach of warranty
 - (d) All of these

67. In case of perishable goods the unpaid seller can
- (a) Resell goods
 - (b) Not resell goods
 - (c) Resell after giving notice to the buyer
 - (d) Resell goods without giving notice to the buyer
68. When the right to bid at an auction is expressly reserved the seller may
- (a) bid at the auction
 - (b) not bid at the auction
 - (c) be restrained to bid at an auction
 - (d) be forced to bid at an auction
69. The Law of Partnership is contained in the
- (a) Chapter XI of the Indian Contract Act
 - (b) Indian Partnership Act, 1930
 - (c) Indian Partnership Act, 1934
 - (d) Companies Act, 1956
70. In any partnership business, the number of partners should not exceed
- (a) 10
 - (b) 20
 - (c) 15
 - (d) 25
71. The partnership agreement may be
- (a) Express or implied
 - (b) Only written
 - (c) Only oral
 - (d) Only implied
72. In a Joint Hindu family business
- (a) a male member becomes a member by his birth
 - (b) a female does not become its member by birth
 - (c) a male member becomes a member by the permission of Karta
 - (d) A male becomes member by operation of law.
73. Which is not appropriate regarding the kind of partner
- (a) Actual partner

- (b) Sleeping partner
 - (c) Active partner
 - (d) Dummy partner
74. A partner may retire from a firm
- (a) With consent of all other partners
 - (b) With the consent of main partner
 - (c) With the consent of sleeping partner
 - (d) No consent of any partner
75. Which is not true regarding the rights of a minor partner
- (a) He has a right such share of the property and profits of the firm as may have been agreed upon.
 - (b) he has right to have access to and inspect and copy of books of the firm
 - (c) He has right to have access to and inspect and copy of any of accounts
 - (d) All of these
76. A partner may be expelled from partnership subject to which conditions
- (a) The power of expulsion of a partner should be conferred by the contract between the partners
 - (b) The power should be exercised by majority of partners
 - (c) The power should be exercised in good faith
 - (d) all of these
77. An agreement to share earnings of smuggling business is :
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Contingent
78. A party entitled to rescind the contract, loses the remedy when
- (a) He has ratified the contract
 - (b) The third party has acquired right in good faith
 - (c) Contract is not separable
 - (d) All of these
79. Standing offer means
- (a) After allowed to remain open
 - (b) After made to public in general

- (c) When the offeree offers to qualified acceptance of the offer
- (d) Offer made to a definite person

PART-II

80. In F.O.B. Contracts, F.O.B. stands for
- (a) Free on Bill
 - (b) Free on Board
 - (c) Free on Boarded Ship
 - (d) Free on Bill of Lading
81. In case the goods are destroyed or damaged or lost by accident the loss will fall on _____
- (a) The owner of the goods
 - (b) The buyer
 - (c) The owner and the buyer
 - (d) The third party
82. Where goods are sold by a person who is not the owner thereof, the buyer _____
- (a) Acquires no better title to the goods than the seller had
 - (b) Acquires same title of the goods as the owner had
 - (c) No title of goods
 - (d) None of these
83. If there is breach of warranty, the aggrieved party can _____
- (a) Only claim damages
 - (b) Treat the contract as repudiated
 - (c) Treat the Contract illegal
 - (d) All of these
84. If there is breach of contract of sale, the aggrieved party can _____
- (a) File a suit for damages for non delivery of goods
 - (b) File suit for specific performance
 - (c) File suit for breach of warranty
 - (d) All of these
85. Only _____ can be subject matter of a sale
- (a) existing goods
 - (b) future goods
 - (c) specific goods

- (d) contingent goods
- 86. The delivery of goods and payment of price are _____
 - (a) Concurrent conditions
 - (b) Principal conditions
 - (c) Mutual conditions
 - (d) All of these
- 87. A contract of sale involves transfer of _____
 - (a) Title of goods
 - (b) Ownership
 - (c) Liability
 - (d) None of these
- 88. A warranty is a stipulation _____
 - (a) Essential to main purpose of contract of sale
 - (b) Collateral to the main purpose of contract of sale
 - (c) Secondary to the main purpose of contract of sale
 - (d) None of these
- 89. The unpaid seller may exercise his right of stoppage in transit _____
 - (a) By taking actual possession of the goods
 - (b) By giving notice of his claim to the carrier
 - (c) By giving notice of his claim to the bailee in whose possession the goods are
 - (d) All of these
- 90. The unpaid seller's right of lien shall be lost _____
 - (a) When the goods are delivered to a carrier
 - (b) When the goods are delivered to a bailee
 - (c) When seller waives his right of lien
 - (d) All of these
- 91. The transit comes to an end
 - (a) When buyer takes the delivery
 - (b) When delivery is made to a ship
 - (c) When there is part delivery of goods
 - (d) All of these

92. The term seller includes
- (a) Actual seller
 - (b) Any person who is in a position of seller
 - (c) Consignor of goods
 - (d) All of these
93. The seller of goods is deemed to be an unpaid seller _____
- (a) When the part of the price has not been paid
 - (b) When the whole of the price has not been paid
 - (c) When a bill of exchange has been dishonoured
 - (d) All of these
94. Right of resale can be exercised
- (a) Where the goods are of perishable nature
 - (b) When the seller expressly reserves a right of resale
 - (c) After giving reasonable notice
 - (d) All of these
95. C.I.F. contract is _____
- (a) Contract for the sale of insured goods
 - (b) Contract for sale of document
 - (c) Contract for sale of goods
 - (d) Contract for sale of specific goods
96. Partnership is the relation
- (a) Between persons
 - (b) Between firms
 - (c) Among numberless persons who have agreed to share the profits of a business carried on by them
 - (d) Established by way of land of agency.
97. The court may not dissolve the firm in case of _____
- (a) Insanity of a partner
 - (b) Permanent incapability of a partner
 - (c) Misconduct of a partner
 - (d) Retirement of a partner
98. In settling the accounts of a firm after dissolution _____
- (a) The good will must be included in the assets

- (b) The good will must not be included in the assets
- (c) The good will should be separated before settlement
- (d) The goodwill should be distributed among all the partners

PART-III

99. A invited B to a Birthday party. B promised to attend and give A Rs. 500 as a present on his birthday. B failed to attend. What are remedies for A -
- (a) A cannot recover any damages from B
 - (b) A can file suit for recovery of Rs. 500
 - (c) A can file a suit for breaking the promise
 - (d) A cannot file a suit for breaking the promise.
100. A owes C Rs. 10,000 but the debt is barred by the limitation Act. D signs a written promise to pay C Rs. 5000 on account of the debt. Choose the best alternative
- (a) A promise to pay a time barred debt is not enforceable
 - (b) It is not a valid contract
 - (c) It is a voidable contract
 - (d) A promise to pay full amount of Rs. 10,000 is a valid contract

SECTION – C : GENERAL ECONOMICS (50 MARKS)

101. Find the correct match of the following:
- (a) Economics is a science of wealth – Alfred Marshall
 - (b) "The range of our enquiry becomes restricted to that part of social welfare that can be brought directly or indirectly into relation with measuring Rod of money". – Hicks.
 - (c) "Economics is the Science which studies human behaviour as a relationship between ends and scarce means which have alternative uses." – Robbins
 - (d) Economics as a Science of Dynamic Growth and Development. – A.C. Pigon
102. Which of the following falls under Micro Economics ?
- (a) National Income
 - (b) General Price level
 - (c) Factor Pricing.
 - (d) National Saving and Investment
103. Which of the following steps relates only to deductive method in Economics?
- (a) Testing of Hypothesis
 - (b) Collection of data
 - (c) Classification of data
 - (d) Perception of the problem
104. Broad Money refers to :
- (a) M_1
 - (b) M_2
 - (c) M_3
 - (d) M_4
105. Monetary policy means:
- (a) policy relating to non-banking financial institution
 - (b) policy relating to public revenue and public expenditure
 - (c) policy relating to money and banking in a country
 - (d) all of the above.
106. W.T.O. was established on :
- (a) 1st Jan 1991
 - (b) 2nd March 1992
 - (c) 1st Jan 1995
 - (d) 2nd March 1997
107. When indifference curve is L shaped then two goods will be:
- (a) perfect substitute Goods

- (b) substitute Goods
 - (c) perfect complementary goods
 - (d) complementary goods
108. If a point on a demand curve of any commodity lies on X Axis then price elasticity of demand of that commodity at that point will be
- (a) Infinite
 - (b) More than zero
 - (c) Less than zero
 - (d) zero
109. Which of the following statement is incorrect ?
- (a) Indian tax structure relies on a very narrow population base
 - (b) Direct taxes are differential, indirect taxes are progressive in nature
 - (c) The ratio of Direct taxes to indirect taxes which was 40:60 in 1951 declined to 20:80 in 1991
 - (d) The total tax revenue is highly insufficient to meet the expenditure requirement of the economy
110. Which of the following statements about central bank is incorrect?
- (a) Central bank regulates currency in accordance with the requirements of business and the general public
 - (b) Central banks performs general banking and agency service for the state
 - (c) Central bank generally deals with the public and tries to encourage saving habits among people
 - (d) None of the above.
111. Structural unemployment results due to:
- (a) a change caused by the introduction of new machines, labour saving devices and improvement in methods of production
 - (b) a change caused by recessionary and depressionary phases of the economy
 - (c) a change caused by high population growth, primitive state of technology, low capital formation and vicious circle of poverty etc.
 - (d) A change caused by a decline in demand for production in particular industry and consequent disinvestments and reduction in its manpower requirement
112. Which of the following statements is correct about under utilization of capacity of industries in India?
- (a) The magnitude of under-utilisation varies from 20% to 60% in different industrial sectors
 - (b) The average under-utilization being in the region of 40% to 50%
 - (c) Over optimistic demand projection is one of the factors responsible for under

utilization in industries

(d) All of the above

113. Marginal cost is defined as

- (a) the change in output due to a one unit change in output
- (b) total cost divided by output
- (c) the change in total cost due to one unit change in output
- (d) total revenue divided by the quantity of input

114. If as a result of a change in price, the quantity supplied of a good remains unchanged, we conclude that:

- (a) elasticity of supply is perfectly inelastic
- (b) elasticity of supply is relatively greater-elastic
- (c) elasticity of supply is inelastic
- (d) elasticity of supply is relatively less-elastic

115. One characteristic not typical of oligopolistic industry is:

- (a) too much importance to non-price competition
- (b) price leadership
- (c) horizontal demand curve
- (d) a small number of firms in the industry

116. Which of the following statements is incorrect about the benefits of value added tax?

- (a) Overall tax burden will be rationalized
- (b) There is a provision of self-assessment
- (c) Price will in general fall
- (d) There will be less transparency

117. Balance of services is the sum of all invisible service receipts and payment which could be _____.

- (a) zero
- (b) positive
- (c) negative
- (d) zero, positive or negative

118. The cost of tax collection has increased from Rs. 543 crores in 1990-91 to more than _____ in 2004-05

- (a) 1900 crore
- (b) 2900 crore
- (c) 3900 crore
- (d) 1450 crore

119. If NNP figure is available at market prices we will _____ indirect taxes and _____

subsidies to the figure to get National Income of the economy.

- (a) add, subtract
 - (b) add, divide
 - (c) subtract, add
 - (d) subtract, divide
120. At present CRR is _____ and SLR is _____ for entire net demand and time liabilities of the scheduled commercial banks.
- (a) 10, 35
 - (b) 7, 30
 - (c) 5.5, 25
 - (d) 10, 25
121. India ranks _____ among the top ten debtor countries in the world (Global Development Finance 2005)
- (a) seventh
 - (b) eighth
 - (c) ninth
 - (d) sixth
122. The National Highways now carry more than _____ percent of the total road traffic.
- (a) 10
 - (b) 20
 - (c) 30
 - (d) 40
123. According to 1991 the sex ratio (females per 1000 males) was _____
- (a) 929
 - (b) 729
 - (c) 927
 - (d) 933
124. The share of tertiary or services sector in GDP in 2005-06 was _____
- (a) 51.4 per cent
 - (b) 45.1 per cent
 - (c) 42.3 per cent
 - (d) 54.1 per cent
125. The Government established _____ in 1982 to finance rural projects at lower rate of interests.
- (a) Regional Rural Banks

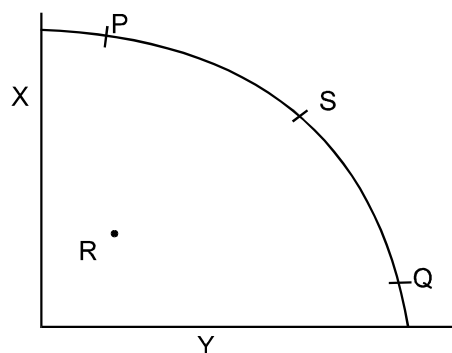
- (b) Reserve Bank of India
 - (c) National Bank for Agriculture and Rural Development
 - (d) Co-operative Banks
126. The percentage of people working in Agriculture sector came down to around _____ per cent in 2004-05.
- (a) 40
 - (b) 50
 - (c) 60
 - (d) 67
127. The 10th plan targeted a reduction in infant mortality rate (IMR) to _____ per 1000 by 2007
- (a) 28
 - (b) 45
 - (c) 16.2
 - (d) 74
128. Employment Assurance Scheme and Jawahar Gram Sammridhi Yozana have been merged with _____
- (a) NFFWP
 - (b) SGRY
 - (c) SGSY
 - (d) IAY
129. Every _____ person in the world is an Indian and every third poor person in the world is also an Indian
- (a) Third
 - (b) Sixth
 - (c) Fourth
 - (d) Ninth
130. Till date, nearly _____ per cent of villages are not electrified
- (a) 17
 - (b) 16
 - (c) 15
 - (d) 14
131. In a free market-economy, when consumer decrease their purchase of a good and the level of _____ exceeds _____ then prices tend to fall.
- (a) prices, demand
 - (b) profits supply
 - (c) demand supply

(d) supply, demand

132. At present, the responsibility for the provision of finance for Agriculture, Trade and small industries has been handed over to

- (a) SBI
- (b) NABARD
- (c) NABARD, SIDBI
- (d) NABARD, EXIM and SIDBI

Figure given below gives the PPC for producing two types of commodities X and Y. Read the figure and answer questions 133-135



133. Which point in the above figure shows that the two commodities cannot be produced with given technology?

- (a) P
- (b) S
- (c) Q
- (d) None of the above

134. Which point in above figure shows that the resources are not being utilized fully?

- (a) P
- (b) Q
- (c) S
- (d) R

135. Which point or points in above figure show that outputs are being produced at least cost combination of resources?

- (a) P
- (b) Both P and Q
- (c) Q
- (d) Both R and S

Read the following paragraph and answer questions 136-137.

It is the outcome of the modern economic word. It came into force after 1991. Liberalisation and de-regulation of the economy are essential preconditions for successful implementation of this policy

136. What is privatization ?

- (a) It refers to the disposal of public sectors equity in the market
- (b) It refers to the transfer of assets from public to private sector ownership
- (c) It means integrating the domestic economy with the world economy
- (d) None of the above

137. Which of the following is false about disinvestments?

- (a) As a result, the total realization of the government from various rounds of disinvestments has been much below the target
- (b) The disinvestments was started in 1991-92
- (c) Adequate efforts were not made to build up the much needed linkages between the public enterprises and the capital market
- (d) None of the above

A competitive firm sells as much as of its product it chooses at a market price of Rs. 100 per unit. Its fixed cost is Rs. 300 and its variable costs (in rupees) for different levels of production are shown in the following table. Use table 1 to answer questions 138-141.

Table No.1

Quantity	Variable cost	Fixed Cost	Total Cost	Average Variable Cost	Average Total Cost	Marginal cost
0	0	–	–	–	–	–
5	270					
10	490					
15	720					
20	1000					
25	1370					
30	1870					
35	2540					
40	3420					
45	4550					
50	5970					

138. When production is 35 units, the average variable cost is

- (a) Rs. 7.25
- (b) Rs. 72.25

- (c) Rs. 72.57
 - (d) Rs. 85.50
139. In the table marginal cost per unit that corresponds to 25 units of production is
- (a) Rs. 3.50
 - (b) Rs. 74
 - (c) Rs. 450
 - (d) Rs. 370
140. To maximize output, the firm should produce
- (a) 30
 - (b) 35
 - (c) 45
 - (d) 50
141. If the market price drops from Rs. 100 to Rs. 74, the firm short run response should be
- (a) continue to produce the same number of units as before the drop in price
 - (b) produce 10 units
 - (c) produce 20 units
 - (d) produce 25 units

Read the following data and answer Questions Number 142-147

XYZ are three commodities where X and Y are complements whereas X and Z are substitute.

A shopkeeper sells commodity X at Rs. 40 per piece. At this price he is able to sell 100 commodity of X per month. After some time he decreases the price of X to Rs. 20. Following the price decrease :

He is able to sell 150 pieces of X per month

The demand for Y increases from 25 units to 50 units

The demand for commodity Z decreases from 150 to 75 units.

142. The price elasticity of demand when the price of X decreases Rs. 40 per piece to Rs. 20 per piece will be equal to:
- (a) 1.5
 - (b) 1.0
 - (c) 1.66
 - (d) 0.6
143. The cross elasticity of monthly demand for Y when the price of X decrease from Rs. 40 to Rs. 20 is equal to:
- (a) +1
 - (b) -1

- (c) -1.5
(d) +1.5
144. The cross-elasticity of Z when the price of X decreases from 40 to 20 is equal to:
(a) -0.6
(b) +0.6
(c) -1
(d) +1
145. What can be said about price elasticity of demand for X?
(a) Demand is unit elastic
(b) Demand is highly elastic
(c) Demand is perfectly elastic
(d) Demand is inelastic
146. Suppose income of the residents of locality increase by 50% and the quantity of X commodity increases by 20%. What is income elasticity of demand for commodity X?
(a) 0.6
(b) 0.4
(c) 1.25
(d) 1.35
147. We can say that commodity X in economics is a/an
(a) luxury good
(b) inferior Good
(c) normal Good
(d) none of the above
148. If the total product cost for manufacturing of commodity is Rs. 1,50,000. Out of this implicit cost is Rs. 55,000 and normal profit is Rs. 25,000, what will be explicit cost:
(a) 95,000
(b) 1,25,000
(c) 80,000
(d) 70,000

Use Table No.3 to Answer Questions 149 – 150

UNIT OF LABOUR	TOTAL OUTPUT	MARGINAL OUTPUT
0	---	---
1	500	500
2	---	430
3	1290	---

149. What is the total output when 2 units of labour are employed?

- (a) 690
- (b) 930
- (c) 830
- (d) 680

150. What is the marginal out of the third unit of labour?

- (a) 390
- (b) 380
- (c) 370
- (d) 360

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

151. If one of the regression coefficient is greater than unity, then other is less than unity.
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
152. The set of cubes of the natural number is
- (a) A finite set
 - (b) An infinite set
 - (c) A null set
 - (d) None of these
153. Age of person is
- (a) An attribute
 - (b) A discrete variable
 - (c) A continuous variable
 - (d) A variable
154. For open end classification, which of the following is the best measure of central tendency
- (a) AM
 - (b) GM
 - (c) Median
 - (d) Mode
155. When an event is decomposable into a number of simple events, then it is called a compound event
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
156. In which case Binomial distribution is not applicable if the value of variable is
- (a) 1.0
 - (b) 2.0
 - (c) 2.5
 - (d) None of these
157. The number of suicides or death by heart attack in time t . This is example of
- (a) Binomial distribution
 - (b) Poisson distribution

- (c) Probability distribution
 - (d) None of these
158. Businessman uses to find out the operation cost, profit per unit of article, output per man etc.
- (a) AM
 - (b) GM
 - (c) Median
 - (d) Mode
159. To find coefficient of correlation by scatter diagram method is not suitable, if the number of observations is very large
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
160. If an unbiased coin is tossed once, then the two events head and tail are
- (a) Mutually exclusive
 - (b) Exhaustive
 - (c) Equally likely
 - (d) All these
161. The value of $\log_6 216\sqrt{6}$ is equal to
- (a) $7/2$
 - (b) $5/2$
 - (c) 1
 - (d) None of these
162. For Equation $ax^2+bx+c=0$ the sum of roots are equal to _____
- (a) ac
 - (b) $-b/a$
 - (c) c/a
 - (d) None of these
163. $\lim_{x \rightarrow 0} \frac{\log(1+x)}{x}$ is equal to _____
- (a) 0
 - (b) 1
 - (c) -1
 - (d) ∞

164. _____ terms will amount to 60 in the series $16+14+12 \dots$
- (a) 4
 - (b) 3
 - (c) 5
 - (d) 11
165. The score of 10 students in a test with maximum marks 50 were as follows 28, 36, 34, 28, 48, 22, 35, 27, 19, 41 then variance is equal to _____
- (a) 69.16
 - (b) 59.16
 - (c) 49.61
 - (d) 79.61
166. A bag contain 20 discs numbered 1 to 20. A disc is drawn from the bag. The probability that the number on it is a multiple of 3 is _____
- (a) $5/10$
 - (b) $2/5$
 - (c) $1/5$
 - (d) $3/10$
167. 7 distinct things are to be divided in 3 groups, consisting of 2, 2 and 3 things respectively, no. of ways this can be done is equal to _____
- (a) 110
 - (b) 105
 - (c) 100
 - (d) None of these
168. If the value of a car gets depreciated by 20% per year, estimated value at the end of five year is _____ if its present value is Rs. 24,000.
- (a) 7864.32
 - (b) 7684.23
 - (c) 8764.32
 - (d) 6789.32
169. The shape and location of a _____ changes as p changes for a given n or n changes for a given p.
- (a) Poisson distribution
 - (b) Binomial distribution
 - (c) Probability distribution
 - (d) None of these

170. The median of the following items, 6, 10, 4, 3, 9, 11, 22, 18 is _____

- (a) 10
- (b) 9
- (c) 9.5
- (d) 10.5

171. Find the value of the constant λ so that the function given below is continuous at $x = -1$

$$f(x) = \begin{cases} \frac{x^2 - 2x - 3}{x + 1}, & x \neq -1 \\ \lambda, & \text{for } x = -1 \end{cases}$$

- (a) -3
- (b) -2
- (c) 0
- (d) -4

172. $\frac{d}{dx} (x-1)(x-2)$ is equal to

- (a) $2x-3$
- (b) $3x-2$
- (c) 1
- (d) None of these

173. The value of $\sqrt{2 + \sqrt{2 + \sqrt{2}}} + \dots \infty$ is equal to

- (a) -2
- (b) 2
- (c) $\sqrt{2}$
- (d) 0

174. If, ratio of second to seventh of terms in an A.P. where first term is -7. Find d

- (a) 10
- (b) 42
- (c) 12
- (d) 13

175. In how many ways 5 gents and 5 ladies sit at a round table; if no two ladies are to sit together.

- (a) 720

- (b) 120
- (c) 2,880
- (d) 34,600

176. If $f(x) = x^3 + \frac{1}{x^3}$ then value of $f(x) - f(1/x)$ is equal to

- (a) 0
- (b) 1
- (c) $x^3 + \frac{1}{x^3}$
- (d) None of these

177. The points A (7,3) and C (0,-4) are two opposite vertices of a rhombus ABCD. Find the equation of diagonal AC.

- (a) $2x + 2y - 3 = 0$
- (b) $x - y + 3 = 0$
- (c) $y - x + 4 = 0$
- (d) None of these

178. In a group of persons, average weight is 60 kg. If the average weight of males and females taken separately is 80 kg and 50 kg respectively, find the ratio of the number of males to that of females.

- (a) 2:3
- (b) 3:2
- (c) 2:1
- (d) 1:2

179. $\int \frac{dx}{\sqrt{x} + x}$ is equal to

- (a) $2 \log (1 + \sqrt{x}) + K$
- (b) $\log (1 + \sqrt{x}) + K$
- (c) $\log \sqrt{x} + K$
- (d) None of these

180. Find the sum of first twenty five terms of AP series whose nth term is $\left(\frac{n}{5} + 2\right)$.

- (a) 105
- (b) 115
- (c) 125

- (d) 135
181. The difference between simple interest and compound interest on a certain sum for 3 years at 5% per annum is Rs. 76.25. Find the sum.
- (a) 5,000
(b) 8,000
(c) 9,000
(d) 10,000
182. A bag contains Rs. 187 in the form of 1-rupee, 50P, and 10-P coins in the ratio of 3:4:5. Find the number of each type of coins.
- (a) 30, 40, 50
(b) 102, 136, 170
(c) 60, 80, 100
(d) None of these
183. The relation 'Is a factor of' in the set of integers is symmetric relation.
- (a) True
(b) False
(c) Both
(d) None of these
184. If one of the number is 3 less than twice the other number and sum of squares of the two numbers is 233. Find the numbers.
- (a) 8, 13
(b) 11, 14
(c) 15, 18
(d) None of these
185. Find the present value of an ordinary annuity of 8 quarterly payments of Rs. 500 each, the rate of interest being 8% p.a. compound quarterly.
- (a) 4275.00
(b) 4725.00
(c) 3662.50
(d) 3266.50
186. Out of numbers 1 to 120, one is related at random what is the probability that it is divisible by 8 or 10.
- (a) $\frac{23}{120}$
(b) $\frac{18}{125}$
(c) $\frac{32}{120}$
(d) None of these

187. 3% of a given lot of manufactured parts are defective what is the probability that in a sample of 4 items none will be defective.
- (a) 0.585
 - (b) 0.885
 - (c) 0.558
 - (d) None of these
188. The marks obtained by 10 students in an examinations were as follows:
70, 65, 68, 70, 75, 73, 80, 70, 83, 86. Find mean deviation about the mean
- (a) 5.3
 - (b) 5.4
 - (c) 5.5
 - (d) 5.6
189. For a set of 100 observation taking assumed mean as 4, the sum of the deviations is -11 cm and the sum of squares of these deviations is 257 cm^2 . Find the coefficient of variation.
- (a) 41.13%
 - (b) 14.13%
 - (c) 25.13%
 - (d) 52.13%
190. The coefficient of rank correlation of marks obtained by 10 students in English and Economics was found to be 0.5 it was later discovered that the difference in ranks in the two subjects obtained by one student was wrongly taken as 3 instead of 7. Find correct coefficient of rank correlation.
- (a) 0.514
 - (b) 0.26
 - (c) 0.15
 - (d) None of these
191. The mean of normal distribution is 500 and 16% of the values are greater than 600. What is the S.D. of the distribution.
- (a) 50
 - (b) 100
 - (c) 150
 - (d) 200
192. A population comprises 3 numbers 2, 6, 4. Find all possible no. of samples of size two with replacement.
- (a) 27

- (b) 6
 - (c) 9
 - (d) None of these
193. A random sample of 100 article taken from a large batch of articles contains 15 defective articles. What is the estimates of the proportion of defective articles in the entire batch.
- (a) 0.15
 - (b) 0.020
 - (c) 0.212
 - (d) None of these
194. How many numbers greater than 2000 can be formed with the digits 1, 2,3,4,5?
- (a) 216
 - (b) 120
 - (c) 24
 - (d) 240
195. If $2x + 5y - 9 = 0$ and $3x - y - 5 = 0$ are two regression equation, then find the value of mean of x and mean of y.
- (a) 1,2
 - (b) 2,2
 - (c) 2,1
 - (d) 1,1
196. If $A = \{4,5\}$, $B = \{2,3\}$, $C = \{5,6\}$ then $A \times B \cap C$ is
- (a) $\{(2,5), (3,5)\}$
 - (b) $\{(4,2), (4,6)\}$
 - (c) $\{(4,3), (4,2)\}$
 - (d) None of these
197. $\lim_{x \rightarrow 2} \frac{e^x - e^2}{x - 2}$ is equal to
- (a) e^2
 - (b) e
 - (c) 1
 - (d) 0
198. If 3 times of Ramesh's age 6 year ago be subtracted from twice his present age the result would be equal to his present age. Find Ramesh's age
- (a) 15
 - (b) 9

(c) 16

(d) 8

199. The sum and product of the equation $3x^2-2x-6=0$ are

(a) $\frac{2}{3}, -2$

(b) $-\frac{2}{3}, 2$

(c) $2, -\frac{2}{3}$

(d) $-2, -\frac{2}{3}$

200. If $1176 = 2^p \cdot 3^q \cdot 7^r$ Find the value of p, q, r.

(a) 1, 2, 3

(b) 1, 3, 2

(c) 3, 1, 2

(d) 1, 3, 5



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-7 / 2007

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

PART –I

1. All the following are functions of accounting except
 - (a) Decision making
 - (b) Measurement
 - (c) Forecasting
 - (d) Ledger posting
2. Rs. 25,000 incurred on structural alterations to existing asset whereby its revenue earning capacity is increased is _____
 - (a) Capital expenditure
 - (b) Deferred revenue expenditure
 - (c) Revenue expenditure
 - (d) None of the above.
3. Debts written off as bad if recovered subsequently are
 - (a) Credited to Bad Debt recovered A/c
 - (b) Debited to Profit & Loss A/c
 - (c) Credited to debtors A/c
 - (d) None of the above.

4. The total of the sales return book is posted periodically to the debit of _____
 - (a) Sales return Account
 - (b) Cash book
 - (c) Journal proper
 - (d) None of the above.
5. Bills payable is _____
 - (a) Real A/c
 - (b) Nominal A/c
 - (c) Personal A/c
 - (d) Both (a) and (b)
6. Human assets have no place in accounting records is based on _____
 - (a) Money measurement concept
 - (b) Accrual concept
 - (c) Consistency
 - (d) Conservatism
7. Sales return book records _____
 - (a) Credit sales return
 - (b) Cash sales return
 - (c) Both (a) and (b)
 - (d) Purchase return
8. Contra entries are passed only when _____
 - (a) Double column cash book is prepared
 - (b) Three column cash book is prepared
 - (c) Simple cash book is prepared
 - (d) None of the above.
9. Consignment Account is
 - (a) Real A/c
 - (b) Personal A/c
 - (c) Nominal A/c
 - (d) None of the above
10. Parties to Bill of Exchange are
 - (a) Drawer

- (b) Drawee
- (c) Payee
- (d) All of the above

PART-II

11. Preliminary expenses are treated as _____
 - (a) Miscellaneous expenditure
 - (b) Intangible asset
 - (c) Current assets
 - (d) Current liability
12. Proposed dividends are debited to
 - (a) Trading A/c
 - (b) Profit & Loss A/c
 - (c) Profit & Loss Appropriation A/c
 - (d) None of the above
13. Discount on issue of debentures is a _____
 - (a) Capital loss to be shown as goodwill
 - (b) Capital loss to be written off over the tenure of the debentures
 - (c) Capital loss to be written off from capital reserve
 - (d) Revenue loss to be charged in the year of issue
14. Profit and loss on revaluation is shared among the partners in _____ ratio.
 - (a) Old profit sharing ratio
 - (b) new profit sharing ratio
 - (c) Capital ratio
 - (d) Equal ratio
15. Accounts payables normally has _____ balance
 - (a) Debit
 - (b) Unfavourable
 - (c) Credit
 - (d) none of the above
16. Bank pass book is also known as _____
 - (a) Bank book
 - (b) Bank account

- (c) bank column
 - (d) Bank statement
17. Depreciation on machinery in trial balance is recorded in _____
- (a) Trading A/c
 - (b) Profit & Loss A/c
 - (c) Balance Sheet
 - (d) None of the three
18. The balance of the petty cash is
- (a) An expense
 - (b) An income
 - (c) An asset
 - (d) A liability
19. Fixed capital A/c is credited with _____
- (a) Interest on capital
 - (b) Profit of the year
 - (c) Salary of the partner
 - (d) None of the above.
20. Interest on drawing is _____ for the business
- (a) Expenditure
 - (b) Expense
 - (c) Gain
 - (d) None of the three

PART-III

21. Ramesh, the acceptor of the bill has to honour a bill on 31st March 2006. Due to financial crisis, he is unable to pay the amount of bill of Rs. 20,000. Therefore, he approaches Ram on 20th March 2006 for extension of the bill for further 3 months. Ram agrees to extend the credit period by drawing a new bill for Rs. 20,500 together with interest of Rs. 1000 in cash. In this case old bill of Rs. 20,000 will be considered as
- (a) Discounted
 - (b) Dishonoured
 - (c) Cancelled
 - (d) Retired
22. M/s Kapoor Bros, which was registered in the year 2000, has been following straight line method (SLM) of depreciation. In the current year it changed its method from SLM to

written down value (WDV) method, since such change would result in the additional depreciation of Rs. 200 lakhs as a result of which the firm would qualify to be declared as a sick industrial unit. The auditor raised objection to this change in the method of depreciation.

Auditors objection is justified because -

- (a) Change in the method of depreciation should be done only with the consent of the auditor.
- (b) Depreciation method can be changed only from WDV to SLM and not Vice Versa.
- (c) Change in the method of depreciation should be done only if it is required by some statute and change would result in appropriate presentation of financial statement.
- (d) Method of depreciation cannot be changed under any circumstances.

PART-IV

23. A company purchased a plant for Rs. 5000 useful life of the plant is 10 years and residual value is Rs. 500. Rate of depreciation will be ____

- (a) 9%
- (b) 10%
- (c) 15%
- (d) 12½%

24. Gross Profit	51,000
Carriage Out	5,800
Rent paid	6,400
Bad Debts	2,600
Apprentice premium (Cr.)	1,500
Printing & Stationery	1,000

Net profit of the firm will be

- (a) Rs. 38900
 - (b) Rs. 36700
 - (c) Rs. 35000
 - (d) Rs. 40000
25. A started business with Rs. 10,000 cash and Rs. 2,000 furniture. Sales amounted to Rs. 50,000 including Rs. 5000 cash sale. Rs. 10,000 sales were outstanding at the end of the year. Purchases amounted to Rs. 30,000 including Rs. 10,000 cash purchase. Rs. 15,000 has been paid to creditors. Expenses paid during the year are Rs. 19,300. Cash balance at the end will be
- (a) Rs. 6000
 - (b) Rs. 7000
 - (c) Rs. 5700

- (d) Rs. 5000
26. On Jan 1, 2005 Ram Gopal invested Capital of Rs. 50,000. He withdrew Rs. 2,000 on the first day of each month interest on drawings is provided @ 10%. The amount of interest on drawings deducted from Capital will be
- (a) Rs. 1300
 (b) Rs. 1400
 (c) Rs. 1500
 (d) Rs. 1000
27. Received one bill from A Rs. 500 passed through B/P book. The rectifying entry will be -
- | | | | |
|-------------|--------|-----|------|
| | Rs. | Rs. | |
| (a) A | Dr. | 500 | |
| | To B/P | | 500 |
| (b) B/R A/c | Dr. | 500 | |
| | To A | | 500 |
| (c) B/P A/c | Dr. | 500 | |
| B/R A/c | Dr. | 500 | |
| | To A | | 1000 |
- (d) None of the above.
28. Goods costing Rs. 7500 were sold at 25% profit on selling price. The sales will be of
- (a) Rs. 10,000
 (b) Rs. 9,000
 (c) Rs. 8,000
 (d) None of the three
29. Following figures have been taken from the books of a trader
- | | |
|-------------------------|----------|
| Purchases | 3,00,000 |
| Purchase Returns | 6,000 |
| Sales | 4,10,000 |
| Sales Returns | 10,000 |
| Opening Stock | 80,000 |
| Carriage & Freight | 12,000 |
| Duty & Clearing Charges | 4,000 |
| Wages | 8,000 |
| Closing Stock | 60,000 |

Gross profit will be

- (a) Rs. 60,000
- (b) Rs. 61,000
- (c) Rs. 62,000
- (d) Rs. 65,000

30. Trial Balance containing obvious errors given below

	Dr. (Rs.)	Cr. (Rs.)
Purchases	60,000	
Reserve Fund	20,000	
Sales		1,00,000
Purchase return	1,000	
Sales Return		2,000
Opening Stock	30,000	
Closing Stock		40,000
Sundry Expenses		20,000
Outstanding Expenses	2,000	
Cash at Bank	5,000	
Fixed Assets	50,000	
Debtors		80,000
Creditors		30,000
Capital	94,000	
Suspense A/c	10,000	
	<u>2,72,000</u>	<u>2,72,000</u>

Total of Corrected trial balance will be

- (a) Rs. 2,40,000
- (b) Rs. 2,47,000
- (c) Rs. 2,50,000
- (d) Rs. 2,38,000

31. Bank overdraft as per Cash book is Rs. 2500
 Cheque deposited but not cleared Rs. 1000
 Cheque issued but not cashed Rs. 1400

Bank overdraft as per Bank statement will be

- (a) Rs. 2000
- (b) Rs. 2100
- (c) Rs. 2500
- (d) Rs. 2200

32. Preliminary expenses in connection with flotation of a new company is

- (a) Fixed asset
- (b) Current asset
- (c) Fictitious asset
- (d) None of the three

33. Following are the details of position statement

	Rs.		Rs.
Closing Stock	40,000	Cash	3,000
Drawings	12,000	Bills receivable	5,000
Net Profit	18,000	Bills payable	3,000
Capital	70,000	Machinery	20,000
Debtors	40,000	Depreciation provision	4,000
Cash at Bank	8,000	Liabilities for expenses	3,000
Creditors	30,000		

Balance sheet total will be

- (a) Rs. 1,16,000
 - (b) Rs. 1,15,000
 - (c) Rs. 1,20,000
 - (d) Rs. 1,25,000
34. Panna Lal sends 100 sewing machines on consignment to Ram Ji Lal. The cost of each machine is Rs. 150. Panna Lal spends Rs. 500 on packing and dispatch. Ram Ji Lal receives the consignment and informed that 90 machines have been sold at Rs. 180 each. Expenses paid by Ram Ji Lal are freight Rs. 500, carriage and octroi Rs. 200, Godown rent Rs. 100 and insurance Rs. 150. Ram Ji Lal is entitled to a commission of 7½% on sales. Profit on consignment will be
- (a) Rs. 150
 - (b) Rs. 155
 - (c) Rs. 200
 - (d) Rs. 160
35. Bharti consigned to Bhawna 1500 Kg of flour costing 4500. She spent Rs. 307 as forwarding charges 5% of the consignment was lost in weighing and handling. Bhawna sold 1350 Kg of flour at Rs. 4 per kg. Her selling expenses being Rs. 550 and commission at 12½% on sales. Valuation of closing stock will be
- (a) Rs. 253
 - (b) Rs. 250
 - (c) Rs. 350

- (d) Rs. 275
36. Which of the following is not a current asset?
- Cash
 - Stock
 - Debtors
 - Furniture and Fittings
37. Deepak Ltd. Forfeited 40 shares of 100 each (Rs. 60 called up) issued at par to Mukesh on which he had paid Rs. 20 per share. Out of these 30 shares were reissued to survey as Rs. 60 paid up for Rs. 45 per share. Amount transferred to capital reserve will be
- Rs. 150
 - Rs. 100
 - Rs. 200
 - Rs. 120
38. The following information pertains to Quick Ltd.
- | | <i>Rs.</i> |
|------------------------------------|------------|
| (i) Equity share capital called up | 10,00,000 |
| (ii) Calls in arrear | 40,000 |
| (iii) Calls in advance | 25,000 |
| (iv) Proposed dividend | 5% |
- The amount of dividend payable is
- Rs. 48,000
 - Rs. 50,000
 - Rs. 60,000
 - Rs. 49,250
39. Which of the following is fixed asset?
- Plant and machinery
 - Stock
 - Debtors
 - Cash
40. General Reserve at the time of admission of a new partner is transferred to
- P/L adjustment A/c
 - Balance Sheet
 - Capital Accounts of partners

- (d) None of the three
41. A company purchased machinery for Rs. 20,000 on 1st January 2003 and followed the diminishing balance method @ 15%. At the end of 2006 it was decided to follow fixed Instalment method of depreciating the machine at Rs. 3000 per year from the very beginning and the necessary amount of unabsorbed depreciation of 2003 to 2005 to be adjusted in 2006. Adjusted amount will be
- 1282
 - 1300
 - 1400
 - 1500
42. On 1st April, 2005 M/s Omega Bros. had a provision for bad debts of Rs. 6500. during 2005-2006 Rs. 4200 proved irrecoverable and it was desired to maintain the provision for bad debts @ 4% on debtors which stood at Rs. 195,000 before writing off bad debts. Amount of net provision debited to profit and loss A/c will be
- 7800
 - 7500
 - 5332
 - 5000
43. Following figures have been taken from the books of a trader
- | | |
|------------------|--------|
| Purchases | 60,000 |
| Purchase returns | 10,000 |
| Sales | 80,000 |
| Sales Return | 10,000 |
| Carriage out | 1,000 |
| Office Rent | 1,000 |
- Amount of Gross Profit will be
- 20000
 - 10000
 - 15000
 - None of the three
44. The profits for the last four years are given as follows:
- | | |
|------|--------|
| Year | Rs. |
| 2000 | 40,000 |
| 2001 | 50,000 |

2002	60,000
2003	50,000

The value of goodwill on the basis of three years purchase of average profits based on last four years will be -

- (a) 1,00,000
 - (b) 1,50,000
 - (c) 2,00,000
 - (d) None of three
45. Goods destroyed by fire Rs. 50,000 and Insurance company admitted 60% claim. This adjustment will be entered in
- (a) Trading Account
 - (b) Profit & Loss Account
 - (c) Balance Sheet
 - (d) All the three
46. Following balances are given in trial balance
- | | Dr. | Cr. |
|-----------------------|-----|--------|
| 6% Loan on (1.1.2005) | | 10,000 |
| Interest on Loan | 300 | |
- Interest payable and outstanding will be:
- (a) 600
 - (b) 300
 - (c) 500
 - (d) 700
47. Machinery bought on 1st July 2004 for Rs. 20,000 was sold on Dec. 31, 2007 for Rs. 15,000. Depreciation is charged @ 10% original cost. Accounting year closes on 31st Dec. each year. profit on sale will be
- (a) 3,000
 - (b) 2,000
 - (c) 2,500
 - (d) 4,000
48. A boiler was purchased from abroad for Rs. 10,000, shipping and forwarding charges amounted to Rs. 200 , Import duty Rs. 7000 and expenses of installation amounted to Rs. 1000. It was depreciated for three years @ 10% on diminishing balance method

Balance of machinery A/c at the end of third year will be

- (a) 14,580
- (b) 15,000
- (c) 14,000
- (d) 15,500

49. Syam prepared a trial balance for his factory on 31st March, 2005. The debit total of trial balance was short by Rs. 500. He transferred the deficiency to suspense A/c. After a close examination be found that the purchase day book for Sept. 2005 was under cast by Rs. 500. Necessary Journal entry to rectify the error will be:

		Dr.	Cr
(a)	Purchases A/c	Dr. 500	
	To Cash A/c		500
(b)	Suspense A/c	Dr. 500	
	To Purchases A/c		500
(c)	Purchases A/c	Dr. 500	
	To Suspense		500
(d)	None of the above		

50. Which of the following errors will effect the trial balance.

- (a) Repairs to building wrongly debited to Building A/c
- (b) Total of purchase Journal is short by Rs. 1000
- (c) Freight paid on purchase of new machinery debited to freight account.
- (d) None of the above.

51. A's acceptance to B for Rs. 8,000 renewed at 3 month on the condition that Rs. 4,000 be paid in cash immediately and the remaining amount will carry interest @ 12% p.a. The amount of interest will be

- (a) 120
- (b) 100
- (c) 80
- (d) 160

52. A Limited Company purchased machine worth Rs. 1,15,000 from Indian Traders. Payment was made as to Rs. 10,000 by cross cheque and the remaining amount by issue of Equity Shares of the face value of Rs. 10 each fully paid at an issue price of Rs. 10.50 each. Amount of share premium will be

- (a) 6,000
- (b) 7,000

- (c) 5,000
(d) 4,000
53. B sold 50 televisions at Rs. 15,000 per television. He was entitled to commission of Rs. 500 per television sold plus one fourth of the amount by which the gross sale proceeds less total commission there on exceeded a sum calculated at the rate of Rs. 12,500 per television sold. Amount of commission will be
- (a) 45,000
(b) 50,000
(c) 40,000
(d) 35,000
54. On 16.06.05 X draws a bill on Y for Rs. 25,000 for 30 days. July 19th is a public holiday. The due date of the bill will be
- (a) 19th July
(b) 18th July
(c) 20th July
(d) 16th July
55. A and B entered into a joint venture and agreed to share profits and losses in the ratio of 3:2. A Joint Bank A/c was opened where in A contributed Rs. 50,000 and B contributed Rs. 20,000. Their transactions were as follows:
- | | <i>Rs.</i> |
|-----------------------------------|------------|
| Material Purchased | 65,000 |
| Wages paid | 6,000 |
| Administrative expenses paid by B | 3,000 |
| Selling expenses | 6,170 |
| Expenses paid by A | 1,630 |
| Sales | 1,12,000 |
- Remaining stock was taken by A for Rs. 6200. Joint venture profit will be
- (a) 36,000
(b) 36,400
(c) 35,000
(d) 36,500
56. The expired portion of capital expenditure is
- (a) Expense
(b) Income
(c) Asset

(d) Liability

57. Capital on January 1, 2004	15,200
Capital on January 1, 2005	16,900
Drawings made during the year	4,800
Additional Capital introduced during the year	2,000

Profit of the firm will be

- (a) 4,500
 - (b) 4,000
 - (c) 4,800
 - (d) 5,000
58. In the bank reconciliation statement, when balance as per cash book is taken on the starting point, then interest collected by bank 500 and direct deposit by a customer into his bank Rs. 2500 will be:
- (a) Added
 - (b) Subtracted
 - (c) Ignored
 - (d) None of the above
59. Recovery of bad debts is a
- (a) Revenue receipt
 - (b) Capital receipt
 - (c) Capital expenditure
 - (d) Revenue expenditure
60. A draws a bill on B for Rs. 50,000 for mutual accommodation. A discounted the bill for Rs. 48,000 from bank and remitted Rs. 24,000 to B. On due date A will send to B.
- (a) Rs. 25,000
 - (b) Rs. 24,000
 - (c) Rs. 23,000
 - (d) Rs. 26,000

SECTION – B : MERCANTILE LAWS (40 MARKS)

PART-I

61. An agreement to do an impossible Act is:
- (a) Void
 - (b) Voidable
 - (c) Illegal
 - (d) None of these
62. A, B, and C jointly promised to pay Rs. 50,000 to D., Buyers performance of the contract, C dies. Here the contract
- (a) Becomes void on C's death
 - (b) Should be performed by A and B along with C's legal representatives
 - (c) Should be performed by A and B alone
 - (d) Should be renewed between A, B, and D
63. In case of breach of contract, which of the following remedy is available to the aggrieved party?
- (a) Suit for rescission
 - (b) Suit for damages
 - (c) Suit for specific performance
 - (d) All of these
64. Which is true statement in voidable contract, the injured party
- (a) Is entitled to recover compensation
 - (b) Has a right to sue for damages
 - (c) Has a right to rescinded the contract
 - (d) All of these
65. A contract can be discharged by operation of law by
- (a) Death of promisor
 - (b) By insolvency of promiser
 - (c) By Lunacy of promiser
 - (d) By death or insolvency of promiser
66. Which does not relate with seller's suits?
- (a) Suit for price
 - (b) Suit for damages for non acceptance
 - (c) Suit for repudiation of contract by the buyer before due date
 - (d) Suit for taking back the goods
67. Future goods means goods to be manufactured or acquired by the seller.
- (a) Before making the contract of sale

- (b) At the time of contract of sale
 - (c) After making the contract by sale
 - (d) All of these
68. Where seller refuses to deliver the goods the buyer
- (a) The buyer may sue the seller for damages for non-delivery
 - (b) The buyer may not sue the seller
 - (c) The buyer may compel the seller to deliver the goods
 - (d) The buyer may not compel the seller to deliver the goods
69. Which of seller's right against the buyer in case of breach of contract is:
- (a) Suit for price and damages for non-acceptance
 - (b) Suit for damages for non-acceptance
 - (c) Suit for price only
 - (d) Cannot sue for price and damages
70. Which of the statement is true in case of an auction sale
- (a) The sale is complete when the auctioneer announces its completion by the fall of hammer
 - (b) The sale is complete after certain period
 - (c) The sale is complete after five hours
 - (d) The sale is complete after eight hours
71. Who cannot become a partner in partnership firm
- (a) A competent person
 - (b) An unmarried woman
 - (c) Non-resident Indian
 - (d) Alien enemy
72. A Joint Hindu family arises
- (a) From status decided by court
 - (b) As a result of an agreement
 - (c) By operation of law
 - (d) All of these
73. In partnership the liability of the partner is:
- (a) Limited to share in partnership firm
 - (b) Unlimited
 - (c) Decided by court
 - (d) Decided by other partners
74. The Sale of Goods Act, 1930 gives the remedies to a seller for breach of contract of sale.

Which is correct.

- (a) Suit for price
 - (b) Suit for damages for non-acceptance
 - (c) Suit for damages for reputation of contract by the buyer before due date
 - (d) All of these
75. The term goods includes
- (a) Stocks and shares
 - (b) Money
 - (c) Actionable claim
 - (d) All of these
76. The partnership agreement may be:
- (a) Express or implied
 - (b) Only written
 - (c) Oral only
 - (d) Implied only
77. The term business includes -
- (a) Every trade
 - (b) Every occupation
 - (c) Profession only
 - (d) All of these
78. Which is the true statement regarding the inclusion of minor in partnership firm
- (a) A minor may be admitted to the benefits of partnership with the consent of all other partners.
 - (b) A minor may be admitted to the benefits of partnership with no consent of other partners
 - (c) A minor may be admitted to the benefits of partnership with the consent of his parents
 - (d) A minor may be admitted to the benefits of partnership with the guarantee of his parents
79. In case of partnership, registration of firm is:
- (a) Compulsory
 - (b) Not necessary
 - (c) Compulsory if the court orders to do so
 - (d) Compulsory if the government thinks fit to do so

PART – II

80. There may be _____ condition
- (a) Implied
 - (b) Express
 - (c) Implied and Express both
 - (d) None of these
81. Under the doctrine of Covert Emptor the seller is _____
- (a) Responsible for bad selection of goods by the buyer
 - (b) Not responsible for the bad selection of goods by the buyer
 - (c) Both of these
 - (d) None of these
82. The unpaid seller loses the right of lien
- (a) Where seller waived the right of lien
 - (b) By estoppel
 - (c) Where the buyer obtains possession of goods
 - (d) Any of the above
83. If the seller hands over the key to the buyer of warehouse containing the goods, the delivery is known as
- (a) Constructive delivery
 - (b) Actual delivery
 - (c) Symbolic delivery
 - (d) No delivery
84. In a hire purchase agreement the hirer _____
- (a) Has an option to buy the goods
 - (b) Must buy the goods
 - (c) Must return the goods
 - (d) Is not given the possession of goods
85. In case of goods sold by sample, the goods should correspond with the sample otherwise _____
- (a) Buyer can reject the goods
 - (b) Buyer cannot reject the goods
 - (c) Contract is terminated
 - (d) Seller is liable to punishment
86. Voluntary transfer of possession by one person to another is known as _____
- (a) Transfer

- (b) Possession
 - (c) Delivery
 - (d) None of these
87. In a joint family business there should be _____ members
- (a) Maximum 20
 - (b) Unlimited
 - (c) No. of persons decided by the government
 - (d) Maximum 10
88. An unregistered firm _____
- (a) Cannot sue a third party
 - (b) The third party can sue the firm
 - (c) The partners cannot sue the firm
 - (d) A partner cannot sue to any other partner
89. Every partner has _____
- (a) A right to inspect the books of the firm
 - (b) No right to inspect the books of the firm
 - (c) A right with the consent of other partners to inspect the books
 - (d) A right to inspect the books with the consent of the Registrar
90. If claim on interest on capital is called, it is payable only out of
- (a) Profit
 - (b) Turnover
 - (c) Capital
 - (d) Assets
91. In absence of specific agreement partner is entitled to interest at the rate of _____ an advances made for the purpose of business of the firm
- (a) 6%
 - (b) 10%
 - (c) 8%
 - (d) 12%
92. The partners cannot be expelled from the firm by _____
- (a) Majority of partners
 - (b) Court
 - (c) Government
 - (d) Two partners

93. A partner is
- (a) Not entitled to receive any remuneration
 - (b) Entitled to receive remuneration with the consent of other partners
 - (c) Entitled to receive remuneration by order of the court
 - (d) Entitled to receive remuneration
94. Goodwill is _____
- (a) Tangible asset
 - (b) Liquid Asset
 - (c) Fixed Asset
 - (d) Intangible Asset
95. When a partner agrees to share his profits derived from the firm with a third person, that third person is known as _____
- (a) Sleeping partner
 - (b) Nominal Partner
 - (c) Sub-Partner
 - (d) No partner
96. On attaining majority the minor partner has to decide within _____ whether he shall continue in the firm or leave it.
- (a) 6 months
 - (b) 12 months
 - (c) 3 months
 - (d) 1 month
97. A partner may retire from a firm _____
- (a) With the consent of all other partners
 - (b) With the consent by sleeping partner
 - (c) With the consent of main partner
 - (d) No consent of any partner
98. Where a partner in a firm is adjudicated insolvent
- (a) He ceases to be a partner
 - (b) He does not cease to be a partner
 - (c) He ceases to be a partner with the consent of all other partner
 - (d) He ceases to be a partner by order of the court

PART – III

99. 'A', a man enfeebled by disease is induced by B's influence over him as his medical attendant, to agree to pay 'B' an unreasonable sum for his services. It is the case of
- (a) Undue Influence
 - (b) Coercion
 - (c) Fraud
 - (d) Mistake
100. 'A' contracts to sing for 'B' at a concert for Rs. 5,000, which is paid in advance, 'A' is too ill to sing. Decide best
- (a) A must refund the advance of Rs. 5,000 to B
 - (b) A is not liable to refund the money
 - (c) 'B' should force 'A' to sing
 - (d) 'A' is liable to refund only 50% of advance money to B

SECTION – C : GENERAL ECONOMICS (50 MARKS)

101. Who is the main exponent of Marginal utility analysis ?
- (a) Paul Samuelson
 - (b) Hicks
 - (c) Keynes
 - (d) Marshall
102. Cardinal measure of utility is required in:
- (a) Marginal Utility theory
 - (b) Indifference curve
 - (c) Revealed preference
 - (d) None
103. In case of inferior goods, income elasticity is :
- (a) zero
 - (b) positive
 - (c) negative
 - (d) none
104. In case of Giffen goods, demand curve will slope :
- (a) upward
 - (b) downward
 - (c) horizontal
 - (d) vertical
105. Cross elasticity of demand between tea and coffee is:
- (a) positive
 - (b) negative
 - (c) zero
 - (d) infinity
106. If all inputs are trebled and the resultant output is doubled, this is a case of:
- (a) constant returns to scale
 - (b) increasing returns to scale
 - (c) diminishing returns to scale
 - (d) negative returns to scale
107. Indifference curve is downward slopping _____
- (a) always
 - (b) sometimes

- (c) never
 - (d) none of these
108. Demand curve can be derived from:
- (a) MU curve
 - (b) PCC
 - (c) Both
 - (d) None
109. The exceptions to the law of demand are -
- (a) Veblen goods
 - (b) Giffen goods
 - (c) both
 - (d) none
110. Under perfect competition the price of the product :
- (a) can be controlled by individual firm
 - (b) cannot be controlled by individual firm
 - (c) can be controlled within certain limits by individual firm
 - (d) none of the above
111. In the case of monopoly :
- (a) MR curve cannot be defined
 - (b) AR curve cannot be defined
 - (c) the short run supply curve cannot be defined
 - (d) none of the above
112. In the case of monopoly a firm in the short run can have -
- (a) supernormal profits
 - (b) normal profits
 - (c) losses
 - (d) any of the above
113. The upper portion of the kinked demand curve is relatively -
- (a) more inelastic
 - (b) more elastic
 - (c) less elastic
 - (d) inelastic
114. Price leadership is a form of -
- (a) monopolistic competition

- (b) monopoly
 - (c) non-collusive Oligopoly
 - (d) perfect competition
115. Period in which supply cannot be increased is called -
- (a) market period
 - (b) short run
 - (c) long run
 - (d) none of these
116. Price discrimination is not possible in the case of
- (a) perfect competition
 - (b) monopoly
 - (c) monopolistic competition
 - (d) Nothing can be said
117. If the income elasticity is greater than one the commodity is -
- (a) necessity
 - (b) luxury
 - (c) inferior goods
 - (d) none of these
118. Full capacity is utilized only when there is -
- (a) Monopoly
 - (b) Perfect competition
 - (c) Price discrimination
 - (d) Oligopoly
119. The 'Diamond Water' controversy is explained by -
- (a) total utility
 - (b) marginal utility
 - (c) price offered
 - (d) quantity supplied
120. Which among the following is the drawback of consumer surplus (as explained in marginal utility analysis)?
- (a) it is highly hypothetical and imaginary
 - (b) it ignores the interdependence between the goods
 - (c) it can not be measured in terms of money because marginal utility of money changes
 - (d) all of the above

121. Which of the following is a function of money?
- (a) Medium of exchange
 - (b) Store of value
 - (c) Transfer of value
 - (d) All the above
122. Increase in money supply will lead to:
- (a) Cost push inflation
 - (b) Demand pull inflation
 - (c) Structural inflation
 - (d) None of the above
123. Which of the following is a commercial bank in India?
- (a) UTI
 - (b) IFCI
 - (c) IBRD
 - (d) SEBI
124. Banks are regulated by:
- (a) Securities Exchange Board of India
 - (b) Reserve Bank of India
 - (c) Company Law Board
 - (d) Registrar of Companies
125. Monetary policy is formulated by :
- (a) RBI
 - (b) SEBI
 - (c) CLB
 - (d) Finance Ministry
126. In case RBI wants to increase rate of interest then it should :
- (a) sell securities
 - (b) buy securities
 - (c) hold securities
 - (d) none of the above
127. Major commercial banks of India were nationalized in
- (a) 1969
 - (b) 1970
 - (c) 1971

- (d) 1972
128. Commercial banks provide :
- (a) loans
 - (b) agency services
 - (c) both (a) & (b)
 - (d) none of the above
129. Rationing of Credit takes place when :
- (a) demand for Credit is Zero
 - (b) demand for Credit is higher than supply
 - (c) demand for Credit is low
 - (d) none of the above
130. Statutory liquidity Ratio in India is :
- (a) 15%
 - (b) 20%
 - (c) 25%
 - (d) 30%
131. The cash reserve ratio is determined by :
- (a) Free play of market forces
 - (b) Commercial banks
 - (c) Monetary authority
 - (d) None of the above
132. In India fiscal year starts from
- (a) 31st March
 - (b) 31st April
 - (c) 1st April
 - (d) 1st March
133. Which budget in India is passed separately?
- (a) Defence
 - (b) Airlines
 - (c) Atomic energy
 - (d) Railways
134. Revenue deficit in India is -
- (a) negative
 - (b) positive

- (c) zero
 - (d) none of the above
135. VAT is levied by
- (a) Central government
 - (b) State governments
 - (c) Local government
 - (d) None of the above
136. Which of the following are sources of growth?
- (a) Natural resources
 - (b) Human capital
 - (c) Physical capital
 - (d) All the above
137. Percentage of population living in rural areas is :
- (a) 25%
 - (b) 50%
 - (c) 75%
 - (d) 90%
138. Total geographical area of India in thousand square kilometre is:
- (a) 205
 - (b) 308
 - (c) 400
 - (d) 450
139. Consumer surplus means _____
- (a) the area inside the budget line
 - (b) the area between the average revenue and marginal revenue curves
 - (c) the difference between the maximum amount a person is willing to pay for a good and its market price
 - (d) none of the above
140. A horizontal supply curve parallel to the quantity axis implies that the elasticity of the supply is:
- (a) zero
 - (b) infinite
 - (c) equal to one
 - (d) greater than zero but less than one

141. Increase in population can be caused by -
- (a) high birth rate
 - (b) low death rate
 - (c) immigration
 - (d) all the above
142. Which of the following pairs of goods is an example of substitutes ?
- (a) tea and sugar
 - (b) tea and coffee
 - (c) tea and ball pen
 - (d) tea and shirt
143. A firm encounters its shut down point when :
- (a) average cost equal price at the profit maximising level of output
 - (b) average variable cost equal price at the profit maximising level of output
 - (c) average fixed cost equals price at the profit maximising level of output
 - (d) None of the above
144. Manufacturing industries are a part of :
- (a) primary sector
 - (b) secondary sector
 - (c) tertiary sector
 - (d) none of the above
145. Mark the correct statement -
- (a) India is a purely capitalist economy
 - (b) India is a stagnant economy
 - (c) India is a developing economy
 - (d) India is a resources poor economy
146. Public sector in India suffers from :
- (a) over staffing
 - (b) political interference
 - (c) uncompetitiveness
 - (d) all of the above
147. The Reserve Bank of India was set up in :
- (a) 1949
 - (b) 1956
 - (c) 1935

- (d) 1901
- 148. Disinvestment programme started in India after -
 - (a) 1986-87
 - (b) 1988-89
 - (c) 1991-92
 - (d) 1995-96
- 149. Liberalisation process in India was initiated by -
 - (a) Yashwant Singh
 - (b) Manmohan Singh
 - (c) Jaswant Singh
 - (d) Both (a) & (b)
- 150. First plan was initiated in:
 - (a) 1950
 - (b) 1951
 - (c) 1956
 - (d) 1962

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

151. A good estimator possesses the following property
- (a) Unbiasedness
 - (b) Consistency
 - (c) Efficiency
 - (d) All these
152. Frequency density is used in the construction of
- (a) Histogram
 - (b) Ogive
 - (c) Frequency polygon
 - (d) None of these
153. Mean may lead to fallacious conditions in the absence of original observations
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
154. Quartile deviation can be affected by
- (a) Poisson distribution
 - (b) Binomial distribution
 - (c) Sampling fluctuations
 - (d) None of these
155. The chart that was logarithm of the variable is known as
- (a) Line chart
 - (b) Ratio chart
 - (c) Multiple line chart
 - (d) Component line chart
156. Which measure of dispersion has some desirable mathematical properties.
- (a) Standard deviation
 - (b) Mean deviation
 - (c) Quartile deviation
 - (d) All these measure
157. The coefficient of correlation between two variables
- (a) Can have any unit
 - (b) Is expressed as the product of units of two variable.

- (c) Is a unit free measure
 - (d) None of these
158. If A and B are two mutually exclusive events then $P(A \cup B) = P(A) + P(B)$
- (a) True
 - (b) False
 - (c) $P(A \cup B) = P(A/B)$
 - (d) None of these
159. A function $f(x)$ is an even function if
- (a) $-f(x) = f(x)$
 - (b) $f(-x) = f(x)$
 - (c) $f(-x) = -f(x)$
 - (d) None of these
160. In a circular test the condition must be satisfied
- (a) $P_{01} \times P_{12} \times P_{20} = 1$
 - (b) $P_{02} \times P_{10} \times P_{20} = 1$
 - (c) $P_{10} \times P_{20} \times P_{21} = 1$
 - (d) None of these
161. If the same quantity is multiplied to all the values the mean shall _____ by the same amount.
- (a) Add
 - (b) Subtract
 - (c) Multiply
 - (d) Divide
162. Probability of occurrence of A as well as B is denoted by _____
- (a) $P(AB)$
 - (b) $P(A+B)$
 - (c) $P(A/B)$
 - (d) None of these
163. $\log_{64} 512$ is equal to
- (a) 3
 - (b) 2
 - (c) 1
 - (d) $3/2$
164. The fourth proportional to $(a^2 - ab + b^2)$, $(a^3 + b^3)$ and $(a-b)$ is equal to _____
- (a) $a^2 + b^2$

- (b) $a^2 - b^2$
 (c) 1
 (d) None of these
165. The 100th term of series $4 + 0 - 4 - 8 \dots$ is _____
 (a) -19400
 (b) -292
 (c) -150
 (d) -100
166. Number of arrangement that can be made by word 'APPLE' is _____
 (a) 50
 (b) 40
 (c) 60
 (d) 120
167. A person lend _____ at simple interest in order of getting Rs. 645 at the end of $1\frac{1}{2}$ years @5% p.a.
 (a) Rs. 600
 (b) Rs. 625
 (c) Rs. 550
 (d) Rs. 575
168. $\lim_{x \rightarrow 0} \log(1+x)^{1/x}$ is equal to
 (a) 1
 (b) 0
 (c) e
 (d) Does not exist
169. $\int_0^1 \log\left(\frac{1}{x} - 1\right) dx$ is equal to _____
 (a) 1
 (b) 0
 (c) 2
 (d) -1
170. A _____ estimate is a single number
 (a) Point
 (b) Interval
 (c) Both

- (d) None of these
171. Find the value of m if one of root is $-3/2$ of the equation $x^2+x-m=0$
- (a) 1
(b) 0
(c) $-3/4$
(d) -2
172. Find two numbers such that mean proportional between them is 18 and third proportional to them is 144.
- (a) 9, 36
(b) 29, 56
(c) 18, 72
(d) None of these
173. A man has only 20 paise coins and 25 paise coins in his purse. If he has 50 coins in all totalling Rs. 11.25, how many coins of each does he have
- (a) 15, 35
(b) 25, 25
(c) 40, 10
(d) 30, 20
174. If a function in x is defined by $f(x) = \frac{x}{x^2 + 1}$, $X \in R$ then $f(1/x) =$ _____
- (a) $f(x)$
(b) $f(-x)$
(c) $-f(x)$
(d) 0
175. A line intersects x -axis at $(-2, 0)$ and cuts off an intercept of 3 from the positive side of y -axis. Write the equation. of line
- (a) $2x - 3y + 3 = 0$
(b) $2x - 2y - 3 = 0$
(c) $3x - 2y + 6 = 0$
(d) None of these
176. $\lim_{x \rightarrow 0} \frac{x^2 - 4x + 3}{x^2 - 6x + 5}$ is equal to
- (a) $1/5$
(b) $3/5$
(c) $1/2$

- (d) 0
177. Three horses A, B and C are in a race, A is twice as likely to win as B and B is twice as likely to win as C. What possibility of C winning the race.
- (a) $\frac{1}{7}$
(b) $\frac{3}{7}$
(c) $\frac{2}{5}$
(d) $\frac{2}{7}$
178. The mean annual salary of all employees in a company is Rs. 25,000. The mean salary of male and female employees is Rs. 27,000 and Rs. 17,000 respectively. Find the percentage of males and females employed by the company.
- (a) 60% and 40%
(b) 75% and 25%
(c) 70% and 30%
(d) 80% and 20%
179. For the series 13, 14, 7, 12, 9, 17, 8, 10, 6, 15, 18, 20, 21 calculate third decile
- (a) 9.2
(b) 9.5
(c) 9.7
(d) None of these
180. After settlement the average weekly wage in a factory has increased from Rs. 8 to Rs. 12 and standard deviation has increased from 2 to 2.5. Find the coefficient of variation after the settlement.
- (a) 25%
(b) 20.83%
(c) 24.04%
(d) 26.30%
181. If $r = 0.8$ then coefficient of correlation shall be
- (a) 0.64
(b) 0.40
(c) 0.60
(d) 0.80
182. A class consists of 10 boys and 20 girls of which half the boys and half the girls have blue eyes. Find the probability that a student chosen random is a boy and has blue eyes.
- (a) $\frac{1}{6}$
(b) $\frac{3}{5}$
(c) $\frac{1}{2}$

- (d) None of these
183. If x is a Poisson variate such that $P(x=2) = 9P(x=4) + 90P(x=6)$, find mean of x .
- (a) $m = 2$
 (b) $m = 1$
 (c) $m = \pm 1$
 (d) $m = -4$
184. If sample mean is 20, population standard deviation is 3 and sample size is 64, find the interval estimate of the mean at confidence interval of 95%.
- (a) [19.265, 20.735]
 (b) [19.801, 17.735]
 (c) [20.735, 25.834]
 (d) None of these
185. A person invested money in bank paying 6% Compounded semi annually. If the person expects to receive Rs. 8000 in 6 years, what is the present value of investment.
- (a) 5000
 (b) 4611.03
 (c) 5611.03
 (d) None of these
186. Out of 6 teachers and four boys, a committee of eight is to be formed. In how many ways can this be done when there should not be less than four teachers in the committee.
- (a) 45
 (b) 55
 (c) 30
 (d) 50
187. Evaluate the value of $\int_0^3 (3x^2 + 5x + 2) dx$
- (a) 55
 (b) 57
 (c) 55.5
 (d) 56
188. Evaluate $\lim_{x \rightarrow 2} \left(\frac{1}{x-2} - \frac{1}{x^2 - 3x + 2} \right)$
- (a) 1
 (b) 3
 (c) 2

- (d) None of these
189. Find the second differential coefficient of $y = x^2 \log x$
- $x + 2x \log x$
 - $3 + 2 \log x$
 - $3 \log x$
 - $2x \log x$
190. Compute the value of $\lim_{x \rightarrow 1} \left(\frac{x^2 + 3x + 2}{x^3 + 2x^2 - x + 1} \right)$
- 5
 - 9
 - 7
 - 2
191. If $3^x = 2$, $5^y = 3$ and $2^z = 5$ find the value of multiply of $x.y.z$
- 0
 - 1
 - 2
 - None of these
192. If $f(x) = |x + 1|$ and $g(x) = 3x^2 - 5$, find the value of $g \circ f = ?$
- $3x^2 + 6x - 2$
 - $2x^2 - 6x + 3$
 - $|3x^2 - 5|$
 - $x - 5$
193. Evaluate $\int_0^{\pi/2} \sqrt{1 + \cos x} \, dx$
- 0
 - $\sqrt{2}$
 - $\frac{-1}{\sqrt{2}}$
 - 2
194. The mean of numbers 1, 7, 5, 3, 4, 4 is m . The numbers 3, 2, 4, 2, 3, 3, P have mean $m - 1$ and median 1. Then mean of P and 1 is equal to _____
- 4.0
 - 2.5
 - 4.5

- (d) 3.5
195. For a 10 year deposit, what interest rate payable annually is equivalent to 5% interest payable quarterly
- (a) 5.1%
 - (b) 4.9%
 - (c) 6.0%
 - (d) None of these
196. the sum of first m terms of an AP is same as the sum of first n terms. Find the sum of first $(m+n)$ terms:
- (a) 100
 - (b) $m+n$
 - (c) 0
 - (d) $m-n$
197. The distance from the origin to the point of intersection of two straight lines having equation $3x - 2y = 6$ and $3x+2y = 18$ is
- (a) 3 units
 - (b) 5 units
 - (c) 4 units
 - (d) 2 Units.
198. The relation "is father of" Over the set of family members is the relation
- (a) Reflexive
 - (b) Symmetric
 - (c) Transitive
 - (d) None of these
199. If $P = \{1,2,3,4\}$: $Q = \{2,4,6\}$ then $P \cup Q$
- (a) $\{1,2,3,4,6\}$
 - (b) $\{1,4,6\}$
 - (c) $\{1,2,3,6\}$
 - (d) None of these
200. There are four hotels in a certain city. If 3 men check into hotels in a day, what is the probability they each are into a different hotels.
- (a) 0.050
 - (b) 0.375
 - (c) 0.675
 - (d) 0.525



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-8 / 2007

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

PART-I

1. Loss leads to reduction in:
 - (a) Liability
 - (b) Capital
 - (c) Income
 - (d) None of the three
2. Financial position of the business is ascertained on the basis of :
 - (a) Records prepared under bookkeeping process
 - (b) Trial balance
 - (c) Accounting report
 - (d) None of the above.
3. The determination of expenses for an accounting period is based on the principle of:
 - (a) Objectivity
 - (b) Materiality
 - (c) Matching
 - (d) Periodicity

4. Rent payable to the landlord Rs. 5,000.00 is credited to
 - (a) Cash account
 - (b) Landlord account
 - (c) Rent account
 - (d) None of the above
5. Bad debts entry is passed in
 - (a) Sales book
 - (b) Cash book
 - (c) Journal book
 - (d) None of the these
6. Goods were sold on credit basis to XY Bros. for RS. 1,000. This will be recorded in
 - (a) Cash book
 - (b) Journal proper
 - (c) Bills receivable book
 - (d) Sales book
7. Compensation paid to retrenched employee is:
 - (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Deferred revenue expenditure
 - (d) Capital loss
8. Petty expenses paid in cash are recorded in:
 - (a) Purchase book
 - (b) Sales book
 - (c) Petty cash book
 - (d) Purchase return book
9. On April 1, 2005, a bill was drawn for two months. The due date of payment will fall on:
 - (a) June 1, 2005
 - (b) June 4, 2005
 - (c) June 5, 2005
 - (d) None of the above.
10. Current assets does not include:
 - (a) Cash

- (b) Stock
- (c) Debtors
- (d) Furniture & Fittings

PART-II

11. Rs. 5000.00 spent on maintenance of plant and machinery is:
 - (a) Revenue expenditure
 - (b) Capital expenditure
 - (c) Deferred capital expenditure
 - (d) None of the three above
12. Closing stock in trial balance is recorded in
 - (a) Trading account
 - (b) Profit & Loss account
 - (c) Balance Sheet assets side
 - (d) None of the three
13. Interest on capital will be paid to partners if provided for in the agreement but only from
 - (a) Profit
 - (b) Reserves
 - (c) Accumulated profit
 - (d) Goodwill
14. At the time of death of a partner, firm gets _____ from the insurance company against the joint life policy taken jointly for all the partners
 - (a) Policy amount
 - (b) Surrender value
 - (c) Policy value for the death partner & surrender value for the rest
 - (d) Surrender value for all the partners
15. Revaluation account is prepared at the time of _____
 - (a) Admission of a partner
 - (b) Retirement of a partner
 - (c) Both (a) and (b)
 - (d) None of the three
16. While preparing a Bank Reconciliation Statement, if you start with overdraft as per Cash Book, then interest debited in pass book but not yet in cash book with in the period is
 - (a) Added

- (b) Deducted
 - (c) Not required to be adjusted
 - (d) None of the above
17. Stock is _____
- (a) Fixed assets
 - (b) Current assets
 - (c) Investments
 - (d) Intangible fixed assets
18. As per section 37 of Indian Partnership Act, 1932 the executors would be entitled as their choice to the interest calculated from date of death till the date of payment as the final amount due to the dead partner at _____ percentage per annum.
- (a) 7
 - (b) 4
 - (c) 6
 - (d) 12
19. Fluctuating capital account is credited with
- (a) Interest on capital
 - (b) Profit of the year
 - (c) Remuneration to the partners
 - (d) All of the above
20. If the incoming partner brings any additional amount in cash other than his capital contribution then it is termed as _____
- (a) Capital
 - (b) Reserves
 - (c) Profit
 - (d) Premium for goodwill

PART-III

21. A businessman purchased goods Rs. 25,00,000 and sold 70% of such goods during the accounting year ended 31st March, 2005 the market value of the remaining goods was Rs. 5,00,000.00. He valued the closing stock at Rs. 5,00,000.00 and not Rs. 7,50,000.00 due to
- (a) Money measurement
 - (b) Cost
 - (c) Conservatism

- (d) Periodicity
22. A machine was purchased for Rs. 1,00,000.00 on 01.01.2006 and on 31.12.2006 its net realizable value was Rs. 1,50,000.00. Do you prefer to count this profit? If you count which of the following concepts will be violated.
- (a) Realisation
(b) Conservatism
(c) Accrual
(d) Matching

PART-IV

23. The plant and machinery account of a firm had a debit balance of Rs. 1,45,800.00 on January 1, 2006. It was purchased on January 1, 2003. Firm has been following the practice of charging full years depreciation every year @ 10% on diminishing balance. The cost of machinery in 2003 will be:

- (a) Rs. 2,00,000.00
(b) Rs. 2,25,000.00
(c) Rs. 1,90,000.00
(d) Rs. 2,50,000.00

24.	Rs.		Rs.
Opening Stock	80,000.00	Purchases returns	6,000.00
Cash purchases	1,00,000.00	Sales returns	10,000.00
Credit purchases	2,00,000.00	Carriage inwards	12,000.00
Cash sales	1,60,000.00	Wages	12,000.00
Credit sales	2,50,000.00	Closing stock	60,000.00

Gross profit of the firm will be

- (a) Rs. 62,000.00
(b) Rs. 75,000.00
(c) Rs. 80,000.00
(d) Rs. 60,000.00
25. Mohan started business with Rs. 10,000.00 cash and Rs. 2,000.00 furniture. Sales amounted to Rs. 50,000.00 including Rs. 5,000.00 cash sales. Rs. 10,000.00 sales were outstanding at the end of the year. Purchase amounted to Rs. 30,000.00 including Rs. 10,000.00 cash purchases Rs. 15,000.00 has been paid to creditors. Expenses paid during the year 19,300. Trial Balance total will be -
- (a) Rs. 67,000.00
(b) Rs. 70,000.00

- (c) Rs. 75,000.00
(d) Rs. 80,000.00
26. A cheque of Rs. 750 received for loss of stock by fire had been deposited in proprietor's private bank account. The rectifying journal entry will be:
- (a) Capital A/c Dr. 750.00
To Loss of Stock 750.00
(b) Loss of Stock Dr. 750.00
To Bank A/c 750.00
(c) Bank A/c Dr. 750.00
To cash 750.00
(d) None of the above
27. A purchased a computer costing Rs. 10,000.00 repairing expenses Rs. 1,000.00 and miscellaneous expenses Rs. 500.00. He sold the computer at 20% margin on selling price. The sale value will be:
- (a) Rs. 12,500.00
(b) Rs. 11,000.00
(c) Rs. 15,000.00
(d) Rs. 14,375.00
28. According to table A of the companies Act, Interest on calls in arrears is charged
- (a) @ 4%
(b) @ 5%
(c) @ 6%
(d) None of these
29. A company can issue redeemable preference shares
- (a) At par
(b) At premium
(c) At discount
(d) All of the three
30. A second hand car is purchased for Rs. 10,000.00 the amount of Rs. 1,000.00 is spent on its repairs, Rs. 500.00 is incurred to get the car registered in owner's name and Rs. 1200.00 is paid as dealer's commission. The amount debited to car amount will be:
- (a) Rs. 10,000.00
(b) Rs. 10,500.00
(c) Rs. 11,500.00

(d) Rs. 12,700.00

31. Mr. Ram is a partner in a firm. He made drawings as follows:

July 1	200.00
August 1	200.00
September	300.00
November 1	50.00
February 1	100.00

If the rate of interest on drawings is 6% and accounts are closed on March, 31, the interest on drawings is:

- (a) Rs. 29.75
(b) Rs. 35.00
(c) Rs. 30.00
(d) Rs. 40.00
32. A started business on Jan 1 with a capital of Rs. 40,000. On 31st Dec. his position was Creditors Rs. 4700, machinery Rs. 40,000, furniture Rs. 2,000, Debtors Rs. 1300, Cash Rs. 15,000.
- He made drawings @ Rs. 200 per month and Rs. 1000 which he brought on 1st Oct. in the business as further capital. Business profit will be
- (a) 15,000
(b) 16,000
(c) 14,000
(d) 17,000
33. In a joint venture between A and B, A spent Rs. 3,000 on freight and also raised a loan from Bank of Rs. 50,000 at 18% P.A. repayable after one month B spend Rs. 5,000 as selling expenses and he also raised a loan from Bank of Rs. 150,000 at 18% repayable after two months. The total expenses of Joint Venture will be:
- (a) 8,000
(b) 8,500
(c) 9,500
(d) 13,250
34. A boiler was purchased from abroad for Rs. 10,000. Shipping and forwarding charges amounted to Rs. 2,000. Import duty paid Rs. 7,000 and expenses of installation amounted to Rs. 1,000. Amount debited to boiler A/c will be
- (a) 10,000
(b) 12,000

- (c) 19,000
(d) 20,000
35. A of Kanpur consigned 300 calculators costing Rs. 250 each to B of Faridabad. He paid carriage and freight Rs. 1500 and transit insurance Rs. 900.00
A incurred the following expenses:
- | | |
|-------------------|---------|
| Unloading charges | Rs. 400 |
| Octroi | Rs. 600 |
| Carriage | Rs. 800 |
| Godown rent | Rs. 500 |
| Selling expenses | Rs. 320 |
- 200 calculators were sold @ Rs. 420 each. Value of closing stock will be -
- (a) Rs. 26,400
(b) Rs. 26,000
(c) Rs. 25,000
(d) Rs. 27,000
36. The original cost of furniture is amounted to Rs. 80,000. It is decided to write off 10% on the diminishing balance of the asset each year. Balance of furniture account at the end of the fourth year will be:
- (a) 52488
(b) 52000
(c) 50000
(d) 55000
37. Mohan consigned 50 cases at Rs. 350 each to B of Varanasi to sell it on consignment basis. Consignor paid Rs. 1,800 for freight and insurance. All the cases were sold for Rs. 28,000. Selling expenses paid by agent Rs. 900 and their commission to Rs. 1,000. Consignment profit will be
- (a) 7,000
(b) 6,800
(c) 8,000
(d) None of the above
38. In the bank reconciliation statement when balance as per cash book is taken as the starting point then Bank charges debited by Bank Rs. 10, cheques paid in but dishonoured Rs. 200 and cheques paid in but not credited by bank in 950 will be –
- (a) Added
(b) Subtracted

- (c) Ignored
 - (d) None of the three
39. Goods costing Rs. 7500 were sold at 25% profit on selling price. The amount of sales will be
- (a) 8,000
 - (b) 10,000
 - (c) 9,000
 - (d) 11,000
40. A bill is drawn on 28 March, 2006 for one month after sight. Date of acceptance is 2nd April, 2006. The due date of the bill will be
- (a) 1st March 2006
 - (b) 28th April 2006
 - (c) 5th May 2006
 - (d) 2nd May 2006
41. Interest Rs. 3,000 received on debenture redemption fund investment will be:
- (a) Credited to profit and loss A/c
 - (b) Credited to debenture redemption fund A/c
 - (c) Credited to profit and loss appropriation A/c
 - (d) None of the above.
42. A and B are partners sharing profits in the ratio of 3:2. C is admitted as a new partner the new profit sharing ratio among A.B. and C is 5:3:2. Sacrificing ratio will be
- (a) 1:1
 - (b) 2:1
 - (c) 1:3
 - (d) None of the three
43. A, B and C were in partnership. Sharing profits in the ratio of 4:2:1 respectively. A guaranteed that in no case C's share in profit should be less than Rs. 7,500. Profits for the year 2006 amounted to Rs. 31,500. A will get
- (a) 15,000
 - (b) 18,000
 - (c) 16,000
 - (d) None of the three
44. A and B are partners sharing in the ratio of 3:2. C is admitted for 1/5th share and brings Rs. 15,000 as capital and necessary amount for his share of goodwill. The goodwill of the

entire firm is valued Rs. at 60,000. Goodwill brought by C will be

- (a) Rs. 12,000
 - (b) Rs. 10,000
 - (c) Rs. 15,000
 - (d) None of the three
45. The firm earns a profit of Rs. 20,000 and has invested capital amounting to Rs. 150,000. In the same class of business normal rate of earning is 10%. Goodwill according to capitalization method will be
- (a) Rs. 40,000
 - (b) Rs. 50,000
 - (c) Rs. 60,000
 - (d) None of the three
46. Credit purchase of stationery worth Rs. 10,000 by a stationery dealer will be recorded in
- (a) Purchases book
 - (b) Sales book
 - (c) Cash book
 - (d) None of the three
47. Debentures issued as collateral security is
- (a) Added in the total of liabilities
 - (b) Added in the total of assets
 - (c) Both A and B
 - (d) None of the three
48. Premium on redemption of debentures is recorded on the liability side under the heading.
- (a) Secured loan
 - (b) Unsecured loan
 - (c) Current liabilities and provisions
 - (d) Name of the three
49. A company issues 100 debentures of Rs. 1000 each at 97 per cent. These are repayable out of profits by equal annual drawings over 5 years. Discount on issue of debentures will be written off in the ratio
- (a) 5:4:3:2:1
 - (b) 4:3:2:1:1
 - (c) 3:3:4:2:1:1
 - (d) None of the three

50. Returns of cash sales is recorded in
- Sales return book
 - Cash book
 - Journal proper
 - None of the three
51. Share premium is recorded in
- Profit & Loss account
 - Profit & Loss appropriation account
 - Balance sheet
 - None of the above
52. V.K. Ltd. Forfeited 20 shares of Rs. 100 each (Rs. 60 called up) issued at par to Mohan on which he had paid Rs. 20 per share. Out of these 15 shares were reissued to Sohan as Rs. 60 paid up for Rs. 45 per share. Amount transferred to capital reserve will be
- Rs. 100
 - Rs. 75
 - Rs. 200
 - Rs. 80
53. Z Ltd. Purchased plant and machinery for Rs. 2,00,000 payable as to Rs. 65,000.00 in cash and the balance by an issue of 6% debentures of Rs. 1,000 each at a discount of 10%. Discount amount will be
- Rs. 10,000
 - Rs. 15,000
 - Rs. 12,000
 - None of the three
54. A company issued Rs. 1,00,000 15%, debentures as a discount of 5%, redeemable after 10 years at a premium of 10%. Loss on issue of debentures will be
- 10,000
 - 15,000
 - 12,000
 - None of the three
55. Opening debtors 20,000
 Total sales 90,000
 Cash sales 20,000
 Cash received from debtors 20,000

Bad debts	3,000
Return inward	1,000
Bills received from customers	10,000
Debtors at end will be	

- (a) 56,000
 - (b) 70,000
 - (c) 60,000
 - (d) 65,000
56. Goods costing Rs. 10,00,000 sent out to consignee at cost + 25%. Invoice value of goods will be
- (a) 10,00,000
 - (b) 12,50,000
 - (c) 12,00,000
 - (d) 12,25,000
57. 2000 shares of Rs. 100 each were issued to a promoters of the company for their legal services, rendered in the formation of the company. For this, company credited share capital A/c and debited.
- (a) Goodwill A/c by Rs. 2,00,000
 - (b) Legal Services A/c by Rs. 2,00,000
 - (c) Formation expenses A/c Rs. 2,00,000
 - (d) Promoters expenses A/c Rs. 2,00,000
58. X Y Z and Company employs a team of ten workers who were paid Rs. 1000 each in the year ending Dec. 31, 2005. At the start of the year 2006 company raised salaries by 20%. The amount of salaries for the year ended 31st Dec. 2006, will be
- (a) 11,000
 - (b) 10,000
 - (c) 12,000
 - (d) 13,000
59. Machinery costing Rs. 10,00,000 was purchased on 01.04.2006. The installation charges amounting Rs. 100,000 were incurred. The depreciation at 20% P.A. on straight time method for the year ended 31st March 2007 will be
- (a) 2,20,000
 - (b) 2,00,000
 - (c) 2,10,000

- (d) None of the above
60. Original cost Rs. 1,26,000, Salvage value – nil, Useful life- 6 years .
Depreciation for the fourth year under sum of digits method will be
- (a) Rs. 18,000
 - (b) Rs. 6,000
 - (c) Rs. 12,000
 - (d) Nil

SECTION – B : MERCANTILE LAWS (40 MARKS)

PART – I

61. The Indian Contract Act came into force on
- (a) First Sept, 1872
 - (b) 23rd Nov., 1872
 - (c) 26th Sept., 1872
 - (d) 3rd Nov., 1872
62. The contract is defined in section -
- (a) 2 (e)
 - (b) 2 (h)
 - (c) 2 (b)
 - (d) 2 (a)
63. An agreement enforceable by law is a
- (a) Contract
 - (b) Obligation
 - (c) Offer
 - (d) Promise
64. Proposal when accepted becomes -
- (a) Acceptance
 - (b) Agreement
 - (c) Promise
 - (d) Lawful Promise
65. Agreement is a -
- (a) Set of reciprocal promises
 - (b) Acceptance of a proposal
 - (c) Contract
 - (d) Promise
66. Which of the following is true
- (a) All agreements are contract
 - (b) All contracts are agreement
 - (c) All promises are agreement
 - (d) Set of promises are contracts
67. Existing goods are such goods as are in existence -
- (a) At the time of contract of sale

- (b) Before the time of contract of sale
 - (c) After the time of contract of sale
 - (d) All of these
68. Future goods means goods to be manufactured or acquired by the seller
- (a) Before making the contract of sale
 - (b) At the time of contract of sale
 - (c) After making the contract of sale
 - (d) All of these
69. Which of the following is true, delivery means -
- (a) Compulsory transfer of possession by one person to another person
 - (b) Voluntary transfer of possession by one person to another
 - (c) Mere person to of possession by one person to another person
 - (d) All of these
70. Which one is the example of document of title to goods -
- (a) Bill of lading
 - (b) Dock-warrant
 - (c) Railway – Receipt
 - (d) All of these
71. The mercantile agents include
- (a) Auctioneers
 - (b) Factors
 - (c) Brokers
 - (d) All of these
72. Insolvent means
- (a) A person when he ceases to pay his debts in ordinary ease of business
 - (b) A person when he accepts to pay his debts before due date
 - (c) A person when he accepts to pay his debts as they become due
 - (d) All of these
73. Partnership is the relation
- (a) Between persons
 - (b) Between firms
 - (c) Between companies
 - (d) Among numberless persons

74. The term business includes -
- (a) Every trade
 - (b) Every occupation
 - (c) Every profession
 - (d) All of these
75. Which is true statement regarding the including of the minor in partnership firm?
- (a) A minor may be admitted to the benefits of partnership with the consent of all other partners
 - (b) A minor may be admitted to the benefits of partnership with no consent of other partners
 - (c) A minor may be admitted to the benefits of the consent of his partners
 - (d) A minor may be admitted to the benefits of partnership with the guarantee of his parents
76. Which is correct ?
- (a) All the essential elements of a valid contract must be present in partnership agreement
 - (b) No need of essential elements of a valid contract in a partnership contract
 - (c) Only consideration should be present in partnership agreement
 - (d) All of these
77. Which is odd in case of who may be partners?
- (a) Married woman
 - (b) A competent person
 - (c) An old man of 60 years
 - (d) A registered company
78. Who can enter into a contract of partnership ?
- (a) Alien enemy
 - (b) Person of unsound mind
 - (c) A business firm
 - (d) A member of registered company
79. A Joint Hindu Family arises
- (a) From status decided by court
 - (b) As a result of an agreement
 - (c) By operation of law
 - (d) All of these

PART – II

80. A voidable agreement is -
- (a) Valid but not enforceable
 - (b) enforceable at the option of one party
 - (c) Enforceable at the option of both the parties
 - (d) Not enforceable in court
81. A void agreement is -
- (a) Illegal contract
 - (b) Not enforceable by law
 - (c) Enforceable at the option by both the parties
 - (d) Enforceable at the option of one party
82. An offer to be valid must
- (a) Be communicated to the person to whom it is made
 - (b) Be communicated to the third party
 - (c) Be communicated to the promisor
 - (d) Be communicated to the promisee
83. A valid offer must be _____
- (a) Capable of creating legal relation
 - (b) Capable of creating social relation
 - (c) Capable of creating business relation
 - (d) Capable of creating social and business relation
84. An acceptance must be _____
- (a) Absolute and unqualified
 - (b) Conditional
 - (c) Unconditional
 - (d) Liable to be accepted by law
85. An offer may lapse by _____.
- (a) Counter offer
 - (b) Revocation
 - (c) Rejection of offer by offeree
 - (d) All of these
86. An agreement entered into by a minor's _____
- (a) Altogether void
 - (b) Voidable
 - (c) Illegal

- (d) None of these
- 87. Consequences of coercion, fraud, misrepresentation makes the contract
 - (a) Void
 - (b) Voidable
 - (c) Illegal
 - (d) None of these
- 88. The term consideration is defined in section -
 - (a) 2 (a)
 - (b) 2 (g)
 - (c) 2 (h)
 - (d) 2 (d)
- 89. Caveat Emptor means _____
 - (a) Let the buyer beware
 - (b) let the seller beware
 - (c) let the buyer and seller both beware
 - (d) None of these
- 90. Express contract means _____
 - (a) Which is made by words either spoken or written
 - (b) Which is made by deeds
 - (c) Which is made by both words and deeds
 - (d) Which is made by promises
- 91. A valid offer must be _____
 - (a) Capable by creating legal relation
 - (b) Capable of creating social relation
 - (c) Capable of creating business relation
 - (d) Capable of creating social and business relation
- 92. Consideration must move at the desire of _____
 - (a) promisor
 - (b) promisee
 - (c) any other person
 - (d) any of these
- 93. Quantum meruit literally means
 - (a) As much as is earned
 - (b) According to the value of work done

- (c) As much as no work done
 - (d) None of these
94. Existing goods are such goods as are in existence _____
- (a) At the time of contract of sale
 - (b) Before the time of contract of sale
 - (c) After the time of contract of sale
 - (d) All of these
95. Contract for the sale of "future goods" is
- (a) Sale
 - (b) Agreement to sale
 - (c) Void
 - (d) Auction sale
96. The property in goods means
- (a) Passing of goods
 - (b) Custody of goods
 - (c) Ownership of goods
 - (d) Both (a) and (b)
97. The right of stoppage can be exercised by unpaid seller if _____
- (a) The buyer has become insolvent
 - (b) The goods are in transit
 - (c) The seller must be unpaid
 - (d) All of these
98. A partner may be expelled from partnership subject to _____
- (a) The power of expulsion of a partner should be conferred by the contract between two partners
 - (b) The power should be exercised by majority of partners.
 - (c) The power should be exercised in good faith
 - (d) All of these

PART – III

99. A agrees to pay a sum of money B if a certain ship does not return. The ship is sunk. A refuses to pay, what will be the advice to B.
- (a) B cannot enforce the contract
 - (b) B can enforce the contract when the ship sinks
 - (c) B can sue for damage
 - (d) B can sue for not fulfilling the promise

100. A, B, and C enter into a partnership agreement under which 'C' is not liable for the losses. A filed a suit against A, B, and C. Examine the position of C
- (a) C is liable to D only
 - (b) C is liable to D jointly with A and B also
 - (c) C is not liable to D
 - (d) C is not liable to D jointly with A and B.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

101. Which one of the following is not a function of commercial banks?
- (a) Advancing loans
 - (b) Accepting deposits
 - (c) Issuing notes
 - (d) Discounting bills of exchange
102. Currently, the value of SDR is fixed in terms of
- (a) gold
 - (b) dollar
 - (c) a basket of 16 currencies
 - (d) a basket of 4 currencies
103. Population explosion occurs in _____ stage of the theory of demographic transition.
- (a) first
 - (b) second
 - (c) third
 - (d) fourth
104. The selective regional planning approach aim at
- (a) selecting specific regions in a country for optimum development
 - (b) providing equal investment in selected regions
 - (c) equal development rates for all regions in selected sectors.
 - (d) deliberate unequal development rates for the different regions of the economy.
105. The Tenth Plan aims to reduce poverty ratio to _____% by 2007.
- (a) 12.3
 - (b) 19.3
 - (c) 14.3
 - (d) 18.3
106. Population growth rate in India was negative in
- (a) 1901-11
 - (b) 1911-21
 - (c) 1921-31
 - (d) 1931-41

107. Which one of the following resources is the most crucial input in India's new agriculture, technology, responsible for the Green Revolution?
- (a) Fertilizers
 - (b) HYV seeds
 - (c) Agricultural Machinery
 - (d) Irrigation
108. Which one of the following states has made the least progress in respect of consolidation of holdings ?
- (a) Bihar
 - (b) Uttar Pradesh
 - (c) West Bengal
 - (d) Orissa
109. Location of sugar industry in India is influenced by :
- (a) the market
 - (b) raw material
 - (c) labour and entrepreneurial factors
 - (d) none of the above
110. Employment in small industry sector has been :
- (a) nearly 50% of total industrial employment
 - (b) half of the number of employment offered by modern industries
 - (c) about 10% of the total industrial employment
 - (d) only 20% of the total industrial employment
111. In July 1991, India devalued the rupee by about
- (a) 10-12%
 - (b) 15-16%
 - (c) 18-20%
 - (d) 30-35%
112. The Foreign Trade Policy 2004-09 has :
- (a) identified certain thrust areas for growth
 - (b) started "served from India" brand
 - (c) revamped Duty Free Export-Credit
 - (d) all of the above
113. Which one of the following offers the least liquidity?
- (a) Treasury Bills
 - (b) Immovable property

- (c) Bill of exchange
 - (d) Bearer cheques
114. The modified Gadgil formula is used to
- (a) administer tax and non-tax revenue between states
 - (b) allocate central assistance to state plans
 - (c) decide upon grants-in-aid to states
 - (d) decide the allocation of centrally sponsored
115. Net National Income at market prices is equal to
- (a) Gross National Income at market prices minus depreciation
 - (b) Net Domestic Product at factor price plus or minus earnings from abroad
 - (c) Gross Domestic Product minus indirect taxes and subsidies
 - (d) Gross National Product at factor price plus or minus depreciation
116. Which one of the following assumptions is not necessary for the cardinal utility theory ?
- (a) Rationality of the consumer
 - (b) Constant marginal utility of money
 - (c) Perfectly competitive market
 - (d) Additivity of utility
117. Dumping involves
- (a) selling at a price in another market which is lower than the price or cost in your home market
 - (b) price discrimination between the two markets
 - (c) surplus production at lower cost
 - (d) none of the above
118. The IC curve approach assumes :
- (a) rationality
 - (b) consistency
 - (c) transitivity
 - (d) all of the above
119. A higher indifference curve shows :
- (a) a higher level of satisfaction
 - (b) a higher level of production
 - (c) a higher level of income
 - (d) none of the above
120. Demand deposits with banks are considered as money because they are:
- (a) generally acceptable as a means of payment

- (b) more liquid than cash
 - (c) held by the government
 - (d) managed efficiently by bank managers
121. Which one of the following measures has been accorded the highest priority by the government for checking the inflationary pressure on the economy since 1990:
- (a) Revamping the public distribution system.
 - (b) Correcting the fiscal imbalance by reducing the fiscal deficit as a percentage of GDP
 - (c) Increasing imports
 - (d) Devaluation of the rupee
122. The basic aim of the lead bank scheme is that -
- (a) big banks should try to open offices in each district
 - (b) there should be stiff competition among the various nationalized banks.
 - (c) individual bank should adopt particular districts for intensive development
 - (d) all the banks should make intensive efforts to mobilize deposits
123. Which one of the following taxes belong exclusive to the state government of India?
- (a) Income tax
 - (b) Agricultural tax
 - (c) Excise tax
 - (d) Wealth tax
124. Which one of the following sources of Central revenue belongs to the category of indirect taxes?
- (a) Corporation tax
 - (b) Customs
 - (c) Wealth tax
 - (d) Interest Receipts
125. The rapid increase of public debt of the Central Government since 1950-51 has been due to
- (a) uncontrolled inflation
 - (b) mounting shares of state government from revenues raised by the central government
 - (c) mounting costs of financing public expenditure
 - (d) rising population
126. In the case of two perfect substitutes, the indifference curve will be :
- (a) straight line
 - (b) L-shaped

- (c) U-shaped
 - (d) C-shaped
127. Which one of the following is the major characteristic of foreign direct investment (FDI)?
- (a) It is non-debt creating capital flow
 - (b) It is portfolio investment in stock market
 - (c) It is that investment which involves debt servicing
 - (d) It is investment made by foreign institutional investors in government securities
128. The objective of selective credit controls is mainly to :
- (a) selectively allocate credit to commercial banks
 - (b) selectively allocate credit among borrowers
 - (c) regulate the quantity of demand deposits created by commercial banks
 - (d) regulate the quantity of credit created by commercial banks
129. A consumer is at equilibrium when :
- (a) slope of the price line is equal to indifference curve
 - (b) he saves 10% of his income
 - (c) borrows an amount equal to his income from the bank
 - (d) none of the above
130. Since 1990, savings of the household sector in India have been
- (a) greater than the savings of the private corporate sector but less than the savings of the public sector
 - (b) less than the savings of the private corporate sector but more than savings of the public sector.
 - (c) greater than the savings of the private corporate sector as well as the savings of the public sector
 - (d) less than the savings of the private corporate sector as well as the savings of the public sector
131. The 'Hindu rate of growth'
- (a) refers to growth of Hindu population
 - (b) is the term used by Raj Krishna to represent the nature of the growth of the Indian economy at around 3.5% per year
 - (c) is the term coined by Amartya Sen to represent the nature of the growth of the Indian economy at around 3.5% per year
 - (d) is the term coined by V.K.R.V. Rao to decide the nature of the growth of the Indian economy at around 4%
132. Disguised unemployment in India is maximum in :
- (a) agricultural sector

- (b) secondary sector
 - (c) tertiary sector
 - (d) none of the above
133. Unemployment rate in India is defined as the ratio of number of persons unemployed to total
- (a) Population
 - (b) Population excluding children
 - (c) Labour force
 - (d) Population excluding the aged
134. The population of India living below the poverty line
- (a) is rising in relative and absolute terms
 - (b) is falling in relative terms but rising in absolute terms
 - (c) is falling in both relative and absolute terms
 - (d) has not changed at all over the years
135. If the Indian economy aimed at an annual growth rate of 8 per cent in national income, assuming as incremental capital – output ratio of 3.5:1 what would be the required rate of investment as percent of national income?
- (a) 28.0
 - (b) 24.5
 - (c) 10.5
 - (d) 3.5
136. Which one of the following denotes the size of an operational holding in India agriculture?
- (a) Owned Land
 - (b) Owned Land + leased inland
 - (c) Owned land + leased inland – Leased outland
 - (d) Owned land – leased inland– leased outland
137. Which one of the following has NOT been a part of the land reforms programme in India?
- (a) Ceiling on holding
 - (b) Consolidation of holdings
 - (c) Agricultural holding tax
 - (d) Zamindari abolition
138. In India, which one of the following is NOT a cooperative organization?
- (a) Primary land development banks
 - (b) Central land development banks
 - (c) Regional rural banks

- (d) State cooperative banks
139. The marketable surplus in Indian Agriculture refers to annual -
- (a) Agricultural production + stocks of agricultural commodities
 - (b) Agricultural production – annual consumption of agricultural commodities within the agricultural sector
 - (c) Consumption of agricultural commodities within the agricultural sector + stocks of agricultural commodities
 - (d) Agricultural production + annual consumption of agricultural commodities with in the agricultural sector
140. Which among the following is NOT a cause of sickness of industrial units in India?
- (a) Obsolescent technology
 - (b) Labour problems
 - (c) Faulty location
 - (d) Lack of capital account convertibility
141. As against planned disinvestment of Rs.4000 crores, the actual realisation was ____
- (a) Rs.1400 crores
 - (b) Rs.2765 crores
 - (c) Rs.5000 crores
 - (d) Rs.902 crores
142. The majority of Central Government enterprises belongs to the :
- (a) Public corporations
 - (b) Public limited companies
 - (c) Private Limited companies
 - (d) Departmental organizations
143. Which one of the following DOES NOT come under the jurisdiction of state taxation?
- (a) Land Revenue
 - (b) Taxes on agricultural income
 - (c) Taxes on land and buildings
 - (d) Personal income tax
144. Which one of the following agencies in India is responsible for computation of national income?
- (a) NCAER
 - (b) CSO
 - (c) NSS
 - (d) RBI

145. What is the approximate share of the agricultural sector in the total employment in India?
- (a) 60 per cent
 - (b) 50 per cent
 - (c) 45 per cent
 - (d) 40 per cent
146. According to the World Development Report-2006, the GINI index for India in 1999-00 was :
- (a) 0.33
 - (b) 0.29
 - (c) 0.53
 - (d) 0.18
147. Over the plan era, the relative share of areas under foodgrains in gross cropped area in India has:
- (a) decreased
 - (b) increased
 - (c) remained the same
 - (d) decreased initially and then increased
148. Which one of the following is NOT an important import item of India at present?
- (a) Petroleum oil
 - (b) Edible oil
 - (c) Fertilizers
 - (d) News print
149. The total area under the demand curve of a good measures:
- (a) marginal utility
 - (b) total utility
 - (c) consumers surplus
 - (d) producers' surplus
150. The incremental capital output ratio (ICOR) during the IX plan of India was
- (a) 5.02
 - (b) 3.04
 - (c) 4.53
 - (d) 6.37

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

PART-I

151. The inverse ratio of 13:17 is

- (a) 17:13
- (b) $\sqrt{13} : \sqrt{17}$
- (c) $169 : 17^2$
- (d) None of these

152. The duplicate ratio of 5:7 is

- (a) 7:5
- (b) 15:21
- (c) $5^2 : 7^2$
- (d) None of these

153. The value of $3 \times (32)^{1/5}$ is

- (a) 3
- (b) 15
- (c) 6
- (d) None of these

154. The value of $2 \times (128)^{-1/7}$ is

- (a) 1
- (b) 2
- (c) 14
- (d) None of these

155. $\log (3 \times 5 \times 7)$ is equal to

- (a) $\log 3 \times \log 5 \times \log 7$
- (b) $\log 3 + \log 5 + \log 7$
- (c) $\log 3 - \log 5 - \log 7$
- (d) 0

156. $\log (5/7)$ is equal to

- (a) $\frac{\log 5}{\log 7}$
- (b) $\log 5 + \log 7$
- (c) $\log 5 - \log 7$
- (d) None of these

157. The equation of the line passing through (5, 0) and (0, 5) is
- $x - y = 5$
 - $x + y = 5$
 - $5x + 5y = 1$
 - None of these
158. The equation of the line parallel to the line joining (7,5) and (2,9) and passing through the point (3, -4) is
- $4x + 5y + 8 = 0$
 - $4x - 5y + 8 = 0$
 - $4x - 5y - 8 = 0$
 - None of these
159. The equation $5x + 7(x - 3) - 4(x + 10) = 0$ is
- Quadratic equation
 - Linear equation
 - Cubic equation
 - None of these
160. The equation $(x - a)(x - b) = 0$ is satisfied by
- $x = 0$
 - $x = a, b$
 - $x = -a, -b$
 - None of these
161. The inequalities $x \geq 0, y \geq 0$ indicates
- First quadrant
 - Second quadrant
 - Third quadrant
 - Fourth quadrant
162. Rs. 10,000 is invested at annual rate of interest of 10%. The amount after two years at annual compounding is
- Rs. 21100
 - Rs. 12100
 - Rs. 12110
 - None of these
163. $P(n,r)$ is equal to
- $\frac{|n|}{|r| |n-r|}$

(b) $\frac{\frac{n-r}{r}}{\frac{n-r}{r}}$

(c) $\frac{\frac{n}{n-r}}{\frac{n}{n-r}}$

(d) $\frac{\frac{r}{n-r}}{\frac{r}{n-r}}$

164. 10×6 is equal to

(a) 720

(b) 0

(c) 6

(d) -120

165. In how many ways can 8 persons sit at a round table for a meeting?

(a) 40320

(b) 64

(c) 5040

(d) 720

166. There are 7 routes from station X to station Y. In how many ways one may go from X to Y and return if for returning one makes a choice of any of the routes?

(a) 49

(b) 17

(c) 42

(d) 35

167. The sum of the series $1, \frac{1}{3}, \frac{1}{3^2}, \frac{1}{3^3}, \dots$ to ∞ is

(a) $\frac{4}{3}$

(b) $\frac{3}{2}$

(c) $\frac{1}{3}$

(d) None of these

168. The number of subsets of the set $\{2, 4, 6, 8\}$ is

(a) 8

(b) 15

(c) 16

- (d) 4
169. If $A = \{1, 3, 5, 7, 9\}$, $B = \{2, 4, 6, 8, 10\}$ then $A \cap B$ is
- (a) $\{0\}$
 (b) ϕ
 (c) $\{1, 2, 3, 4, 5, 6, 7, 8, 9, 10\}$
 (d) None of these
170. If $A = \{3, 5, 7\}$ $B = \{0, 2, 4, 6\}$ then $A \cup B$ is
- (a) ϕ
 (b) $\{0, 2, 3, 4, 5, 6, 7\}$
 (c) $\{0\}$
 (d) None of these
171. The sum of the series $1 + 2 + 3 + 4 + \dots + 100$ is
- (a) $\frac{100(101)}{2}$
 (b) $\left[\frac{100(101)}{2} \right]^2$
 (c) 100×101
 (d) None of these
172. If $A = \{1, 2, 3, 4\}$, $B = \{5, 6, 7\}$ then cardinal number of $A \times B$ is
- (a) 4
 (b) 7
 (c) 12
 (d) None of these
173. $\lim_{x \rightarrow 0} \frac{1}{x}$
- (a) does not exist
 (b) $+\infty$
 (c) $-\infty$
 (d) None of these
174. $\lim_{x \rightarrow 3} \frac{x^2 - 9}{x - 3}$
- (a) Does not exist
 (b) 6

- (c) 1
- (d) None of these

175. If $f(x) = \frac{x^2 - 25}{x - 5}$, then the value of $f(x)$ at $x = 5$, i.e. $f(5)$ is equal to

- (a) 10
- (b) Undefined
- (c) 1
- (d) None of these

176. If $y = ax^3 + bx^2 + cx + d$ then $\frac{dy}{dx}$ is equal to

- (a) $3ax^2 + 2bx + c$
- (b) $\frac{ax^4}{4} + \frac{bx^3}{3} + \frac{cx^2}{2} + dx$
- (c) 0
- (d) None of these

177. If $f(x) = 5x^a + 10a^x + 3a^a$ then $\frac{dy}{dx}$ is equal to

- (a) $5ax^{a-1} + 10xa^{x-1} + 3a.a^{a-1}$
- (b) $5ax^{a-1} + 10a^x \log a$
- (c) $5x^a \log x + 10xa^{x-1}$
- (d) None of these

178. $\int_0^1 10x^5 dx$ is equal to

- (a) $\frac{5}{3}x^6$
- (b) $\frac{3}{5}$
- (c) $\frac{5}{3}$
- (d) None of these

179. $\int \frac{\log x}{x} dx$ is equal to

- (a) $\frac{1}{2} \log x + k$
- (b) $\frac{1}{2} (\log x)^2 + k$
- (c) $\frac{1}{2} x^2 + k$
- (d) None of these

180. $\int 10 \left(\frac{e^x + e^{-x}}{e^x - e^{-x}} \right) dx$ is equal to

- (a) $10 \log |e^x - e^{-x}| + k$
- (b) $10 \log |e^x + e^{-x}| + k$
- (c) $\log (e^x - e^{-x})$
- (d) None of these

181. The value of $\frac{2^{16} \times 3^{10} \times 5^4}{2^{12} \times 3^6 \times 5^3}$ is equal to

- (a) 2160
- (b) 6480
- (c) 648
- (d) 3240

182. The value of $y^{a-m} \times y^{m-n} \times y^{n-a}$ is equal to

- (a) 1
- (b) 0
- (c) -1
- (d) y

183. The value of $\log(1+2+3+\dots+n)$ is equal to

- (a) $\log 1 + \log 2 + \dots + \log n$
- (b) $\log n + \log(n+1) - \log 2$
- (c) 0
- (d) 1

184. The roots of the equation $x^3 - 3x^2 + 2x = 0$ are

- (a) 1, 2
- (b) 0, 1
- (c) 0, 1, 2
- (d) 1, 2, 3

185. The roots of the equation $x^2 - x + 1 = 0$ are —

- (a) Imaginary and unequal
- (b) Real and unequal
- (c) Real and equal
- (d) Imaginary and equal

186. Interest earned on Rs. 3000 at 5% per year S.I. for three years is _____

- (a) Rs. 540
- (b) Rs. 450
- (c) Rs. 45
- (d) Rs. 54

187. The inequalities $x < 0$, $y > 0$ indicates _____

- (a) Third quadrant
- (b) First quadrant
- (c) Second quadrant
- (d) Fourth quadrant

188. $\frac{10}{12} \times \frac{15}{2}$ is equal to

- (a) 60
- (b) 0
- (c) 120
- (d) None of these

189. n_{Cr} is equal to

- (a) $\frac{n}{n-r}$
- (b) $\frac{n}{r \cdot n-r}$
- (c) $\frac{n \cdot r}{n-r}$

(d) $\frac{L_n - L_{n-r}}{L_r}$

190. The n^{th} term of the sequence 2, 4, 6, 8 is _____

- (a) 2^n
- (b) $2n-1$
- (c) $2n + 1$
- (d) n

191. The sum of the series $1 + \frac{1}{10} + \frac{1}{10^2} + \dots$ to ∞ is _____

- (a) $\frac{9}{10}$
- (b) $1\frac{1}{9}$
- (c) ∞
- (d) None of these

192. If a, b, c are in A.P., then $2b =$ _____

- (a) $a - c$
- (b) $a + c$
- (c) $\frac{a+c}{2}$
- (d) $\frac{a-c}{2}$

193. If a, b, c are in G.P., the $b^2 =$ _____

- (a) ac
- (b) $-ac$
- (c) $a + b$
- (d) $a - c$

194. If $A = \{1, 3, 5\}$, $B = \{0, 2\}$ then $A \cup B$ is _____

- (a) $\{0, 1, 2, 3, 5\}$
- (b) ϕ
- (c) $\{1, 3, 5, 7, 9, 13\}$
- (d) None of these

196. If $A = \{1, 2, 3, 4\}$, $B = \{5, 6, 7\}$ then cardinal number of the set $A \times B$ is _____

- (a) 7

- (b) 1
- (c) 12
- (d) None of these

197. $\lim_{x \rightarrow a} \frac{1}{(x-a)^2}$ is equal to _____

- (a) 0
- (b) $+\infty$
- (c) $-\infty$
- (d) 1

198. $\lim_{x \rightarrow 3} \frac{x^2 - 5x + 6}{x - 3}$ is equal to _____

- (a) -1
- (b) $+\infty$
- (c) 1
- (d) Does not exist

199. $\lim_{x \rightarrow \infty} \frac{3x+5}{x^3+2}$ is equal to _____

- (a) 0
- (b) 1
- (c) -1
- (d) Does not exist

200. The function $f(x)$ is continuous at $x = a$ if $\lim_{x \rightarrow a^+} f(x) = \lim_{x \rightarrow a^-} f(x) =$ _____

- (a) $f(-a)$
- (b) $f(a)$
- (c) $f(0)$
- (d) None of these



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-9 / 2007

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

PART-I

1. Rs. 1500 spent on repairs before using a second hand car purchased recently is a
 - (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Deferred revenue expenditure
 - (d) None of the three.
2. Commission received in advance is a
 - (a) Personal account
 - (b) Nominal account
 - (c) Real account
 - (d) None of the three.
3. All of the following have debit balance except
 - (a) 6% debentures
 - (b) Loan to contractor
 - (c) Interest on debentures
 - (d) Audit Fees

4. Double column cash book records
 - (a) Only cash transactions
 - (b) All transactions
 - (c) Cash and bank transactions
 - (d) Cash purchase and cash sale transactions
5. A bill has been drawn on August 10, 2006 payable after 3 months. The due date of the bill will be
 - (a) Nov. 13
 - (b) Nov. 10
 - (c) Oct. 31
 - (d) None of the above
6. Salary and wages is debited to
 - (a) Trading Account
 - (b) Profit and Loss Account
 - (c) P/L Appropriation account
 - (d) Balance Sheet
7. In a sole trade, income tax is recorded as
 - (a) Drawings
 - (b) Liabilities
 - (c) Expenses
 - (d) None of the three
8. Journal proper records
 - (a) Credit purchases
 - (b) Credit sales
 - (c) Purchase of an asset on credit
 - (d) Sales return
9. If the date of maturity of a bill is a public holiday, then bill will mature on
 - (a) Next working day
 - (b) Preceding working day
 - (c) Holiday itself
 - (d) Other agreed date
10. In case of consignment, abnormal loss is valued at
 - (a) Cost price

- (b) Invoice price
- (c) Market price
- (d) None of the three.

PART-II

11. Capital expenditures are recorded in the
 - (a) Profit and loss account
 - (b) Balance sheet
 - (c) Trading account
 - (d) Manufacturing account
12. Account payable normally has balance
 - (a) Debit
 - (b) Credit
 - (c) Unfavourable
 - (d) None of the three
13. Trial balance is a statement which shows the _____ or the _____ of all the accounts
 - (a) Balances; Total and balances.
 - (b) Opening Balances; Closing balances
 - (c) Posted balances; Total of balances
 - (d) Debt balance; Credit balance
14. Consignment account is
 - (a) Personal account
 - (b) Real account
 - (c) Nominal account
 - (d) None of the three
15. When money is withdrawn from the bank, the bank _____ the account of the customer.
 - (a) Credits
 - (b) Debits
 - (c) Either (a) or (b)
 - (d) None of the three
16. Abnormal loss on consignment is credited to _____
 - (a) Profit and loss account
 - (b) Consignees' account

- (c) Consignment account
 - (d) None of the three
17. Land and building is a
- (a) Current asset
 - (b) Fixed asset
 - (c) Fictitious asset
 - (d) None of the three.
18. Drawings are deducted from
- (a) Sales
 - (b) Purchases
 - (c) Expenses
 - (d) Capital
19. Closing stock of Rs. 19,000 in trial balance will be recorded in
- (a) Trading account
 - (b) Profit and Loss account
 - (c) Balance sheet
 - (d) None of the above.
20. The amount of calls in arrear is deduced from _____ to arrive at _____
- (a) Issued capital; called up capital
 - (b) Called up capital; issued capital
 - (c) Paid up capital; called up capital
 - (d) Called up capital; paid up capital

PART - III

21. Sometimes directors pay dividend even before the year is closed and the payment is out of current year's profit. It is usually given on the debit side of trial balance and because it is an appropriation of profits, it is recorded on the debit side of profit and loss appropriation account. It is called -
- (a) Interim dividend
 - (b) Final dividend
 - (c) Unclaimed dividend
 - (d) Proposed dividend.
22. X Ltd. purchased equipment from Y Ltd. for Rs. 50,000 on 1st April 2005 the freight and cartage of Rs. 2,000 is spent to bring the asset to the factory and Rs. 3,000 is incurred on installing the equipment to make it possible for the intended use. The market price of

machinery on 1st April, 2006 is Rs. 60,000 and the accountant of the company wants to disclose the machinery at Rs. 60,000 in financial statements. However, the auditor emphasizes that the machinery should be valued at Rs. 55,000

- (a) Money measurement principle
- (b) Historical cost concept
- (c) Full disclosure principle
- (d) Revenue recognition

PART-IV

23. A started business with Rs. 10,000 cash. Sales amounted to Rs. 50,000 including Rs. 5,000 cash sale. Rs. 10,000 sales were outstanding at the end of the year. Purchases amounted to Rs. 30,000 including Rs. 10,000 cash purchase Rs. 15,000 has been paid to creditors. Salaries paid amounted to Rs. 3,000, Rent Rs. 2,400, Stationery Rs. 900. Drawings were 4,000. Miscellaneous expenses Rs. 1,000 and machines purchased Rs. 8,000. Cash balance will be

- (a) Rs.15,000
- (b) Rs15,500
- (c) Rs.15,700
- (d) None of the three

24. If sales revenue is Rs. 5,00,000, cost of goods sold is Rs.3,10,000. The gross profit is

- (a) Rs. 1,90,000
- (b) Rs. 2,00,000
- (c) Rs. 3,10,000
- (d) None of the three

25. Received a bill from Arun Rs. 5000 passed through bills payable book. The rectification entry will be

(a) B/R A/c	Dr.	5000	
To Arun			5000
(b) Arun	Dr.	5000	
To B/R A/c			5000
(c) B/R A/c	Dr.	5000	
B/P A/c	Dr.	5000	
To Arun			10000

- (d) None of the three

26. A machinery of Rs. 4,000 was sold for Rs. 5200. Depreciation provision to date was Rs. 500 and Commission paid to the selling agent was 420 and wages paid to workers for removing the machine was Rs. 150. Profit on sale of machinery will be

- (a) Rs.1130
 - (b) Rs.1000
 - (c) Rs.1200
 - (d) None of the three.
27. Interest earned but not received, adjustment entry will be
- (a) Accrued Interest Dr.
 To Customer
 - (b) Accrued interest Dr.
 To Interest
 - (c) Cash a/c Dr.
 To Interest
 - (d) None of the three
28. Goods of Rs. 600 (sales price) sent on sale on approval basis were included in sales book. The profit included in the sales was at 20% on cost. Closing stock will increase by
- (a) Rs.500
 - (b) Rs.600
 - (c) Rs.480
 - (d) None of the three
29. A manager gets 5% commission on net profit after charging such commission. Gross profit Rs. 48000 and expenses of indirect nature other than manager's commission are Rs. 6000. Commission amount will be
- (a) Rs.2000
 - (b) Rs.1800
 - (c) Rs.2200
 - (d) None of the three
30. What shall be the commission of the manager in the above question if the rate of commission is 5% on net profit before charging such commission. Commission amount will be
- (a) Rs.2100
 - (b) Rs.1800
 - (c) Rs.1500
 - (d) None of the three
31. X sells goods at cost plus 60%. Total sales were of Rs. 16,000 cost price of goods will be
- (a) Rs.10000

- (b) Rs.9000
(c) Rs.15000
(d) None of the three
32. A trader sells goods at a profit of 25% on sale. In a particular month, he sold goods costing Rs. 34,200. Rate of profit on cost will be -
- (a) $33\frac{1}{3}\%$
(b) 30%
(c) 35%
(d) None of the three
33. A manager gets 5% commission on sales. Cost price of goods sold is 40,000 which he sells at a margin of 20% on sale. Commission will be
- (a) Rs.2500
(b) Rs.2400
(c) Rs.2000
(d) None of the three
34. Following balances have been taken from the books of VED & Co.
- | | | | |
|------------------|------|------------------|-------|
| General expenses | 800 | Discount allowed | 200 |
| Rent paid | 3710 | Opening stock | 16500 |
| Electric charges | 190 | Sales | 63500 |
| Carriage inward | 850 | Purchases | 46850 |
| Return outwards | 110 | Wages | 2500 |
| Salaries | 1110 | Sales Return | 450 |
| | | Closing Stock | 18210 |
- Net profit of the business will be _____
- (a) Rs.8660
(b) Rs.8600
(c) Rs.8500
(d) Rs.9000
35. Capital introduced in the beginning by Ram Rs. 20,000; Further capital introduced during the year Rs. 2000; Drawings Rs. 250 per month and closing capital is Rs. 12750. Amount of Profit or Loss for the year will be
- (a) Loss Rs. 6250
(b) Loss Rs. 6000
(c) Profit Rs. 2000

- (d) Information is in sufficient for any comment
36. Overdraft as per Cash Book Rs. 4500
- (1) Cheques sent for collection but not credited by Bank Rs.6,225
- (2) Cheque drawn but not presented for payment Rs.10,250
- Overdraft as per Pass Book will be
- (a) Rs.475
- (b) Rs.750
- (c) Rs.500
- (d) None of the three
37. G's trial balance contains the following information –
- Bad debts Rs. 4000; Provision for Bad debts Rs. 5000; Sundry debtors Rs. 25000
- It is desired to create a provision for Bad debts at 10% on Sundry debtors at the end of the year. Sundry debtors will appear in the balance sheet at
- (a) Rs.21000
- (b) Rs.22500
- (c) Rs.22000
- (d) None of the three
38. An inexperienced book-keeper has drawn up a trial balance for the year ended 30th June, 2006.

	<i>Dr. Rs.</i>	<i>Cr. Rs.</i>
Provision for Doubtful Debts	200	
Bank overdraft	1654	
Capital	-	4591
Creditors	-	1637
Debtors	2983	
Discount received	252	
Discount allowed	-	733
Drawings	1200	
Office furniture	2155	
General expenses	-	829
Purchases	10923	
Return inward	-	330
Rent and Rates	314	
Salaries	2520	
Sales	-	16882
Stock	2418	
Stationary	1175	

Provision for Depreciation on furniture	364	
Total	26,158	25002

Corrected trial balance will be

- (a) Rs.25580
- (b) Rs.25000
- (c) Rs.24000
- (d) None of the three

39. Rs.

Balance as per adjusted cash book 274

(i) Cheques not yet presented 730

(ii) Cheques deposited not yet recorded by bank 477

Balance as per Pass Book will be

- (a) Rs.527
- (b) Rs.525
- (c) Rs.500
- (d) None of the three.

40. R owed Rs. 1000 to S. On 1st Oct., 2004, R accepted a bill drawn by S for the amount for 3 months. S got the bill discounted with his bank for Rs. 900 before the due date, R approached S for renewal of the bill. S agreed on the conditions that Rs. 500 to be paid immediately together with interest on the remaining amount at 12% p.a. for 3 months and for the balance R accepted a new bill for 3 months. Later on, R became insolvent and 40% of the amount could be recovered from his estate. Bad debt amount will be

- (a) Rs. 400
- (b) Rs. 300
- (c) Rs. 250
- (d) None of the three

41. A of Allahabad sent on consignment to B of Bareilly 1000 transistors costing Rs. 80 each. A paid freight amounting to Rs. 1,000 and cartage Rs. 45. B received only 900 sets as 100 sets were destroyed in transit. B incurred an expenditure of Rs. 1000 on account of clearing charges and cartage. Amount of abnormal loss will be

- (a) Rs. 8104.50
- (b) Rs. 8000
- (c) Rs. 8100
- (d) None of the three

42. Amit of Delhi sent 200 chairs @ Rs. 300 per chair to Sumit of Chandigarh. Amit paid

(a) Rs.15000
(b) Rs.15200
(c) Rs.16000
(d) None of the three.

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- (d) None of the three.
46. A, B and C are partners sharing profits/losses at 3:2:1. D was admitted in the firm as a new partner with $\frac{1}{6}$ th share. New profit/loss sharing ratio will be
- (a) 15:10:5:6
 (b) 10:15:6:5
 (c) 5:6:15:10
 (d) None of the three.
47. A and B are partners sharing profits in the ratio of 4:1. A surrenders $\frac{1}{4}$ of his share and B surrenders $\frac{1}{2}$ of his share in favour of C, a new partner. Sacrificing ratio of A and B will be _____
- (a) 2:1
 (b) 1:2
 (c) 1:1
 (d) None of the three
48. Goodwill of the firm is valued at three year's purchase of the average profits of the last five years. The profits are as under:
- | | | |
|------|--------|--------|
| 2002 | 40,000 | Profit |
| 2003 | 20,000 | Loss |
| 2004 | 10,000 | Profit |
| 2005 | 60,000 | Profit |
| 2006 | 80,000 | Profit |
- Goodwill amount will be
- (a) Rs.1,02,000
 (b) Rs.1,00,000
 (c) Rs.1,05,000
 (d) None of the three
49. (i) Actual average profit Rs. 72,000
 (ii) Normal rate of return 10%
 (iii) Assets Rs. 9,70,000
 (iv) Current Liabilities Rs. 4,00,000
- Goodwill according to capitalization method will be
- (a) Rs. 1,50,000
 (b) Rs. 1,40,000
 (c) Rs. 1,60,000
 (d) None of the three

50. A, B and C are partners, sharing profits in the ratio of 4:3:2. D is admitted for $\frac{2}{9}$ th share of profit and brings Rs. 30,000 for his capital and Rs. 10,000 for his share of goodwill. The new profit sharing ratio will be 2:2:2:2.
Goodwill amount will be shared by
- A, B and C
 - A and B
 - A only
 - None of the three
51. The capitals of A and B after all adjustments and revaluations are Rs. 24,000 and Rs.16,000 respectively. They admitted C as a new partner with $\frac{1}{5}$ th share in the profits. Capital to be brought by C will be
- Rs.10,000
 - Rs.15,000
 - Rs.12,000
 - None of the three
52. X and Y are partners in a firm sharing profits in the ratio of 3:2 with capitals of Rs. 1,20,000 and Rs. 54,000 respectively. They admitted Z as a partner with Rs. 75,000 for $\frac{1}{3}$ rd share in the profits of the firm. Adjust the capitals of the partners according to Z's capital and his share in the business. What cash will be paid off to X?
- Rs.30,000
 - Rs.25,000
 - Rs.28,000
 - None of the three
53. A Ltd. forfeited 400 shares of Anil of Rs. 10 each fully called up for non payment of final call of Rs. 2 per share and reissued to Sunil as fully paid for Rs. 10 per share. Amount transferred to Capital Reserve will be
- Rs.3200
 - Rs.3000
 - Rs.2800
 - None of the three
54. D Ltd. forfeited 800 shares of Rs. 10 each fully called up, on which the holder has paid only application money of Rs. 3 per share. Out of these 500 shares were reissued as Rs. 11 per share fully paid up. Capital Reserve will be credited by
- Rs. 1500
 - Rs. 1800
 - Rs. 2000

- (d) None of the three
55. X Ltd. purchased the business of Y Ltd. for Rs. 90,000 payable in fully paid shares of Rs. 10 each at a discount of 10%. No. of shares given to vendors will be
- 9000 shares
 - 8000 shares
 - 7000 shares
 - None of the three.
56. A company purchased an established business for Rs.4,00,000 payable Rs. 1,30,000 in cash and the balance by 12% debentures of Rs. 100 each at discount of 10%. Discount on issue of debentures will be
- Rs.25000
 - Rs.30000
 - Rs.32000
 - None of the three.
57. Issued 2000, 12% Debentures of Rs. 100 each at a discount of 2% redeemable at a premium of 5%. Loss on issue of debentures will be
- Rs.14000
 - Rs.12000
 - Rs.10000
 - None of the three
58. (i) 1,00,000 Equity shares of 10 each fully called up.
- | | | |
|------------------------|-----|--------|
| (ii) Calls in arrears | Rs. | 10,000 |
| (iii) Calls in advance | Rs. | 5,000 |
| (iv) Proposed dividend | | 15% |
- Dividend payable will be
- Rs.1,48,500
 - Rs.1,50,000
 - Rs.1,45,000
 - None of the three
59. The paid up capital of the company consisted of 3000 6% preference shares of Rs. 100 each and 40,000 equity shares of Rs. 10 each. Interim dividend on equity shares was paid during the year at 75 paise per share last year at 75 paise per share. Last year's profit is Rs. 31,000; Current Year's profit Rs. 52,000; The following appropriations were passed at the annual general meeting of the company
- To pay the years dividend on preference shares.

(ii) To pay final dividend on equity shares at 50 paise per share

(iii) To transfer Rs. 5,000 to General reserve.

The balance of Profit and Loss appropriation A/c to be transferred to Balance Sheet will be

(a) Rs.40,000

(b) Rs.12,000

(c) Rs.15,000

(d) None of the three.

60. On 1st January 2004, Badri of Kanpur consigned 100 cases, cost price Rs. 7,500, at a proforma invoice price of 25% profit on sales to his agent Anil of Allahabad. Balance of Goods sent on consignment A/c transferred to General Trading A/c will be

(a) Rs.7500

(b) Rs.10000

(c) Rs.8000

(d) None of the three

SECTION – B : MERCANTILE LAWS (40 MARKS)

PART-I

61. Which of example is the case of Undue influence, where one party is in a position to influence the will of other party?
- (a) Agreement between one trader with other trader
 - (b) Doctor and patient
 - (c) Father with his son
 - (d) Employer and his employee
62. Which is the example of wagering agreement?
- (a) To purchase a lottery ticket
 - (b) Speculative trading in stock exchange
 - (c) Horse – race
 - (d) All of these
63. Which of the following statement is true?
- (a) If there is no consideration, there is no consideration.
 - (b) Past consideration is no consideration in India
 - (c) Consideration must result in a benefit to both the parties.
 - (d) Consideration must be adequate
64. Which of the following statement is false?
- (a) a stranger to a contract cannot sue
 - (b) a verbal promise to pay a time barred debt is valid
 - (c) Completed gifts need no consideration
 - (d) No consideration is necessary to create an agency
65. An agreement is not said to be a contract when it is entered into by
- (a) Minor
 - (b) a person of unsound mind
 - (c) foreign enemy
 - (d) all of these
66. Which of the following statement is true?
- (a) A threat to commit suicide does not amount to coercion
 - (b) Undue influence involves use of physical pressure
 - (c) Ignorance of law is no excuse
 - (d) Silence always amounts to fraud

67. Which of the example is the case of contracts need not be performed?
- (a) a party substitutes a new contract for the old
 - (b) when the parties to a contract agree to rescind it
 - (c) when the parties to a contract agree to alter it.
 - (d) All of these
68. On the valid performance of the contractual obligation by the parties the contract is:
- (a) is discharged
 - (b) becomes void
 - (c) become unenforceable
 - (d) None of these
69. Contract of sale means
- (a) A contract between one person to another for exchange of property in goods
 - (b) A contract between buyer and seller for exchange of property in goods
 - (c) a contract between buyer and seller intending to exchange property in goods for a price
 - (d) All of these
70. Which of the following sentence is true ?
- (a) There should be immediate delivery of goods
 - (b) There should be immediate payment of price
 - (c) There may be delivery of goods and payment of price on to be made at some future date.
 - (d) All of these
71. Where there is an agreement to sell specific goods and goods subsequently perish before risk passes to the buyer, the agreement becomes
- (a) Void
 - (b) Voidable
 - (c) Illegal
 - (d) None of these
72. Which is not the subject matter of contract of sale ?
- (a) Goods
 - (b) Price
 - (c) Immovable property
 - (d) Shares and stocks of companies

73. Where the goods are sold by sample as well as by description the implied condition is that the bulk of the goods supplied must correspond with
- (a) Sample only
 - (b) The description only
 - (c) Sample and description both
 - (d) Sample, description and fair price
74. In the case the goods correspond with the sample but do not tally with the description the buyer has right to
- (a) repudiate the contract
 - (b) sue for damages caused to him
 - (c) declare the contract as illegal
 - (d) declare the contract as void
75. A stipulation essential to the main purpose of the contract is:
- (a) Conditions
 - (b) Warranties
 - (c) Conditions and warranties both
 - (d) None of these
76. A Joint Hindu Family arises
- (a) From status decided by court
 - (b) As the result of an agreement
 - (c) By operation of law
 - (d) All of these
77. In partnership a new partner can be admitted
- (a) Only with the consent of all the partners
 - (b) No consent of all the partners
 - (c) With the consent of two third majority of partners
 - (d) With the consent of two partners
78. Goodwill is
- (a) The value of reputation which the firm establishes overtime
 - (b) The value of reputation which the firm earns due to integrity, efficient service to the customers
 - (c) The value of reputation earned by the firm due to quality of its products, industry etc.
 - (d) All of these

79. Which is appropriate that partner is liable for all acts of the firm done while he is a partner -
- (a) Jointly with all other partners
 - (b) Severally
 - (c) Not liable
 - (d) None of these

PART-II

80. A contract dependant on the happening of future uncertain event, is a _____
- (a) Uncertain contract
 - (b) Contingent contract
 - (c) Void contract
 - (d) Voidable contract
81. A contingent contract depending on the happening of future uncertain event can be enforced when the event.
- (a) happens
 - (b) Becomes impossible
 - (c) Does not happen
 - (d) Either of these
82. For the purpose of entering into a contract, a minor is a person who has not completed the age of _____
- (a) 20 years
 - (b) 21 years
 - (c) 18 years
 - (d) 25 years
83. A contract with the minor which is beneficial for him is _____
- (a) Void abinitio
 - (b) Viodable
 - (c) Valid
 - (d) Illegal
84. If a creditor does not file a suit against the buyer for recovery of the price within three years the debt becomes _____
- (a) Time-barred and hence irrecoverable
 - (b) Time barred but recoverable
 - (c) No time-barred
 - (d) None of these

85. Delivery means _____
- (a) Compulsory transfer of possession by one person to another person
 - (b) Voluntary transfer of possession by one person to another
 - (c) Mere transfer of possession by one person to another person
 - (d) All of these
86. The general principle of regarding the transfer of title is that _____
- (a) The seller can transfer to the buyer of goods a better title than he himself has
 - (b) The seller cannot transfer to the buyer of goods a better title than he himself has
 - (c) The seller can transfer to the buyer of goods no title than the himself has
 - (d) None of these
87. When the owner is estopped for the conduct from denying the sellers authority to sell, the transfer will get _____
- (a) A good title as against the true owner
 - (b) A better title as against the true owner
 - (c) No title as against the true owner
 - (d) None of these
88. When an unpaid seller who had exercised the right of lien resells the goods, the buyer acquires _____
- (a) A good title to the goods as against the original buyer
 - (b) Better title as against the true buyer
 - (c) No title as against the true owner
 - (d) None of these
89. When the time of sending the goods has not been fixed by the parties the seller must send them within _____
- (a) Reasonable time
 - (b) One month of the contract
 - (c) Two months of the contract
 - (d) Before making the contract
90. The expenses of putting the goods into a deliverable state must be bone by _____
- (a) The buyer
 - (b) The seller
 - (c) The buyer and seller both
 - (d) The third party
91. The seller of goods is deemed to be an unpaid seller when _____
- (a) The whole of price has not been paid

- (b) The same part of price has not been paid
 - (c) Half part of price has not been paid
 - (d) 25% of price has not been paid
92. The unpaid seller has against the goods
- (a) Rights of lien
 - (b) Right of stoppage in transit
 - (c) Right of resale
 - (d) All of these
93. The term goods under sale of goods Act, 1930 does not include _____
- (a) Goodwill and money
 - (b) Stocks and shares
 - (c) Harvested crops
 - (d) Any movable property
94. A contract for sale of future goods is _____
- (a) Sale
 - (b) Agreement to sell
 - (c) Hire purchase agreement
 - (d) Quasi Contract
95. A stipulation in a contract of sale of goods where violation by seller gives a right of rescission to buyer, is called _____
- (a) Guarantee
 - (b) Warranty
 - (c) Condition
 - (d) Term
96. The sale of goods Act, 1930 deals with the _____
- (a) Movable goods only
 - (b) Immovable goods only
 - (c) Both immovable and movable goods
 - (d) Tangible goods only
97. A stipulation which is collateral to the main purpose of contract gives the buyer only right to claim the damages, is known as _____
- (a) Condition
 - (b) Guarantee
 - (c) Warranty
 - (d) Agreement to sell

98. The number of partners in firm carrying an banking business should not exceed
- (a) 20 persons
 - (b) 15 persons
 - (c) 10 persons
 - (d) 30 persons

PART-III

99. A enters into a contract with B for the sale of goods to be delivered at a future date decide which type of case is this:
- (a) It is a case of wagering agreement
 - (b) it is a case of future consideration
 - (c) It is a case of contingent contract
 - (d) It is impossible agreement to be performed
100. A entered into a contract with B for the supply of certain things manufactured by 'C'. 'C' did not manufacture those goods what is your advise:-
- (a) A is discharged from his obligation
 - (b) A is not discharged from his obligation and is liable to 'B' for damages
 - (c) B can say to A to get manufactured the goods from other party
 - (d) Contract becomes void.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

101. Which of the following curve cannot be u-shaped?
- (a) Average total cost
 - (b) Average variable cost
 - (c) Average fixed cost
 - (d) Marginal cost
102. The meaning of the word 'Economic' is most closely connected with the word :
- (a) Extravagant
 - (b) Scarce
 - (c) Unlimited
 - (d) Restricted
103. The average fixed cost :
- (a) remains the same whatever the level of output
 - (b) increase as output increases
 - (c) diminishes as output increases
 - (d) all of the above
104. Average variable cost curve :
- (a) slopes downwards at first and then upwards
 - (b) slopes upwards, then remains constant and then falls
 - (c) slopes downwards
 - (d) none of the above
105. If a firm produces zero output in the short period :
- (a) its total cost will be zero
 - (b) its variable cost will be positive
 - (c) its fixed cost will be positive
 - (d) its average cost will be zero
106. The average total cost of producing 50 units is Rs. 250 and total fixed cost is Rs.1000. What is the average fixed cost of producing 100 units?
- (a) Rs.10
 - (b) Rs.30
 - (c) Rs.20
 - (d) Rs.5
107. The MC curve cuts the AVC and ATC curves
- (a) at different points
 - (b) at the falling parts of the each curve

- (c) at their respective minimas
 - (d) all the rising parts of each curve
108. Demand curve in most cases slopes
- (a) downward towards right
 - (b) vertical and parallel to Y-axis
 - (c) upward towards left
 - (d) horizontal and parallel to X-axis
109. The concept of elasticity of demand was developed by :
- (a) Alfred Marshall
 - (b) Edwin Camon
 - (c) Paul Samuelson
 - (d) Fredric Bonham
110. Price elasticity of demand is defined as
- (a) $\frac{\text{Change in quantity demanded}}{\text{Change in price}}$
 - (b) $\frac{\text{Proportionate change in quantity demanded}}{\text{Change in price}}$
 - (c) $\frac{\text{Change in quantity demanded}}{\text{Proportionate change in price}}$
 - (d) $\frac{\text{Proportionate change in quantity demanded}}{\text{Proportionate change in price}}$
111. Under marginal utility analysis, utility is assumed to be a
- (a) cardinal concept
 - (b) ordinal concept
 - (c) indeterminate concept
 - (d) none of the above
112. The utility may be defined as
- (a) the power of commodity to satisfy wants
 - (b) the usefulness of a commodity
 - (c) the desire for a commodity
 - (d) none of the above
113. Marginal utility of a commodity depends on its quantity and is
- (a) inversely proportional to its quantity
 - (b) not proportional to its quantity

- (c) independent of its quantity
 - (d) none of the above
114. Consumer's surplus is the highest in the case of
- (a) necessities
 - (b) comforts
 - (c) luxuries
 - (d) capital goods
115. Consumer stops purchasing the additional units of the commodity when -
- (a) marginal utility starts declining
 - (b) marginal utility become zero
 - (c) marginal utility is equal to marginal utility of money
 - (d) total utility is increasing
116. Indifference curve approach assumes
- (a) consumer has full knowledge of all relevant information
 - (b) all commodities are homogenous and divisible
 - (c) prices of commodities remain the same throughout the analysis
 - (d) all of the above.
117. The 'substitution effect' takes place due to change in
- (a) income of the consumer
 - (b) prices of the commodity
 - (c) relative prices of the commodities
 - (d) all of the above
118. Under income effect, consumer
- (a) moves along the original indifference curve
 - (b) moves to higher or lower indifference curve
 - (c) always purchases higher quantities of both the commodities
 - (d) none of the above.
119. In a perfect competitive market :
- (a) firm is the price-giver and industry the price taker
 - (b) firm is the price taker and industry the price giver
 - (c) both are the price takers
 - (d) none of the above
120. One of the essential conditions of perfect competition is -
- (a) product differentiation

- (b) multiplicity of prices for identical product at any one time.
 - (c) many sellers and few buyers
 - (d) only one price for identical goods at any one time
121. Under the perfect competition a firm will be in Equilibrium when :
- (a) $MC = MR$
 - (b) MC cuts the MR from below
 - (c) MC is rising when it cuts the MR
 - (d) All of the above
122. Which of the following influence most the price level in the very short-run period?
- (a) demand
 - (b) supply
 - (c) cost
 - (d) production
123. Long-run normal prices is that which is likely to prevail
- (a) all the times
 - (b) in market period
 - (c) in short-run period
 - (d) in long-run period
124. A perfectly competitive firm producer has control over
- (a) price
 - (b) production as well as price
 - (c) control over production, price and consumers
 - (d) none of the above
125. By imperfect monopoly, we mean
- (a) It is possible to substitute the monopolized product with another monopolized product
 - (b) Entry of new firms is possible to produce the same product
 - (c) The amount of output produced is very small
 - (d) None of the above
126. The demand curve facing an industrial firm under monopoly is a/an -
- (a) horizontal straight line
 - (b) indeterminate
 - (c) downward sloping
 - (d) upward sloping
127. The degree of monopoly power is measured in terms of difference between

- (a) Marginal cost and the price
 - (b) Average cost and average revenue
 - (c) Marginal cost and average cost
 - (d) Marginal revenue and average cost
128. A monopoly producer usually earns _____ even in the long run
- (a) super normal profits
 - (b) only normal profits
 - (c) losses
 - (d) none of the above
129. Price discrimination is not possible :
- (a) under monopoly situation
 - (b) under any market form
 - (c) under monopolistic competition
 - (d) under perfect competition
130. Discriminating monopoly is possible if two markets have :
- (a) rising cost curves
 - (b) rising and declining cost curves
 - (c) different elasticities of demand
 - (d) equal elasticities of demand
131. Consumer's surplus left with the consumer under price discrimination is :
- (a) maximum
 - (b) minimum
 - (c) zero
 - (d) not predictable
132. A firm under monopolistic competition advertises :
- (a) to compete successfully with the rival firms
 - (b) to lower cost of production
 - (c) to increase sales and profit
 - (d) because it cannot raise price
133. In short run, a firm in monopolistic competition
- (a) always earns profits
 - (b) incurs losses
 - (c) earns normal profit only
 - (d) may earn normal profit, super normal profit or incur losses

134. In long-run, all firms in monopolistic competition
- (a) earn super normal profits
 - (b) earn normal profits
 - (c) incur losses
 - (d) may earn super normal profit, normal profit or incur losses
135. Differentiated oligopoly is one where there are
- (a) many sellers producing homogeneous product
 - (b) few sellers producing homogeneous product
 - (c) many sellers producing differentiated product
 - (d) few sellers producing differentiated product
136. Per capita income among the following is highest in :
- (a) Orissa
 - (b) Assam
 - (c) Manipur
 - (d) Kerala
137. Which one of the following is not a cause of poverty in India?
- (a) abundant population
 - (b) abundant natural resources
 - (c) abundant inequalities to distribution of income
 - (d) abundant surplus manpower in agriculture
138. The most important remedy to the problem of poverty in India is :
- (a) changes in the ownership pattern
 - (b) higher productivity
 - (c) re-distribution of income through fiscal, pricing and other measures
 - (d) all of the above
139. Which is the central bank of India?
- (a) The State Bank of India
 - (b) The U.N.O.
 - (c) The World Bank
 - (d) The Reserve Bank of India
140. Growth rate of population can be measured by
- (a) division of death rate by birth rate
 - (b) multiplication of death rate by birth rate
 - (c) addition of death rate and birth rate

- (d) subtraction of death rate from birth rate
141. Infant mortality rate refers to :
- (a) the number of children dying before reaching the school going age
 - (b) the number of children dying before reaching 3 years of age
 - (c) the proportion of children dying within a year of their birth
 - (d) none of the above
142. Density of population indicates the
- (a) Capital -land ratio
 - (b) Land -output ratio
 - (c) Land -labour ratio
 - (d) the number of person per square kilometre
143. Occupational structure refers to the
- (a) number of people living in a country
 - (b) size of working force in a country
 - (c) distribution of working force among the different occupations
 - (d) occupations available in a country
144. The first All India population census was conducted in the year :
- (a) 1865
 - (b) 1870
 - (c) 1872
 - (d) 1882
145. According to the 2001 census, the population of India was :
- (a) 100 crore
 - (b) 101 crore
 - (c) 102 crore
 - (d) 103 crore
146. According to 2001 census, density of population per square kilometer in India was
- (a) 225
 - (b) 280
 - (c) 324
 - (d) 330
147. The real determinant of the size of market in a country is the
- (a) income of its population
 - (b) geographical area

- (c) size of its population
 - (d) income of the government
148. The occupational structure of India's labour force since 1951 has
- (a) changed significantly
 - (b) remained more or less static
 - (c) moved against services and in favour of agriculture
 - (d) shown trends which cannot be titled in any pattern.
149. The percentage of Indian population below the poverty line in 1999-2000 was
- (a) 55
 - (b) 26
 - (c) 32
 - (d) 40
150. As per 2001 census, Kerala has _____ females for 1000 males
- (a) 933
 - (b) 1006
 - (c) 1036
 - (d) 1058

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

151. If $y = 5x^x$, then $\frac{dy}{dx}$ is equal to _____
- (a) $5x^x(1 - \log x)$
 - (b) $5x^{x-1}$
 - (c) $5x^x(1 + \log x)$
 - (d) None of these
152. If $y = e^{ax^3+bx^2+cx+d}$, then $\frac{dy}{dx}$ is _____
- (a) $(3ax^2 + 2bx + c)y$
 - (b) $3ax^2 + 2bx + c$
 - (c) $e^{ax^3+bx^2+cx+d}$
 - (d) None of these
153. $\int \left(x - \frac{1}{x}\right)^2 dx$ is equal to _____
- (a) $\frac{x^3}{3} + 2x - \frac{1}{x} + c_1$
 - (b) $\frac{x^3}{3} - 2x - \frac{1}{x} + c_1$
 - (c) $\frac{x^3}{3} + 2x + \frac{1}{x} + c_1$
 - (d) None of these
154. The best method to collect data, in case of a natural calamity is _____
- (a) Telephone interview
 - (b) Indirect interview
 - (c) Personal interview
 - (d) All these
155. If the A.M. and G.M. of two observations are 5 and 4 respectively, then the two observations are _____
- (a) 8, 2
 - (b) 7, 3
 - (c) 6, 4
 - (d) 5, 5

156. For the numbers 1, 2, 3, n standard deviation is _____
- (a) $\sqrt{\frac{n^2 + 1}{12}}$
- (b) $\sqrt{\frac{n^2 - 1}{12}}$
- (c) $\frac{\sqrt{n^2 - 1}}{12}$
- (d) None of these
157. For a group of 8 students, the sum of squares of differences in ranks for Economics and English marks was 50. The value of rank correlation coefficient is _____.
- (a) 0.40
- (b) 0.50
- (c) 0.30
- (d) None of these
158. A number is selected from the numbers 1, 2, 3, 4, 25. The probability for it to be divisible by 4 or 7 is _____.
- (a) $\frac{3}{25}$
- (b) $\frac{9}{25}$
- (c) $\frac{1}{25}$
- (d) None of these
159. If 15 days are selected at random, then the probability of getting two Fridays are _____
- (a) 0.13
- (b) 0.19
- (c) 0.29
- (d) 0.39
160. A company estimates the mean life of a drug under typical weather conditions. A simple random sample of 81 bottles yields the following information
- Sample mean = 23 months
- Population variance = 6.25 (months)²
- The interval estimate with a confidence level of 90% is _____
- (a) [22.543, 23.457]

- (b) [22.6421, 23.5481]
 - (c) [22.451, 22.523]
 - (d) None of these
161. The value of $5^{-1}(5^4)^{1/4}$ is _____
- (a) 1
 - (b) 5
 - (c) 0
 - (d) None of these
162. The value of $3(256)^{-1/8}$ is _____
- (a) $\frac{2}{3}$
 - (b) $\frac{3}{2}$
 - (c) 3
 - (d) None of these
163. The value of $(243)^{\frac{1}{5}} (128)^{\frac{1}{7}}$ is _____
- (a) 1
 - (b) 6
 - (c) 2
 - (d) 3
164. $\log (1^2 + 2^2 + 3^2)$ is equal to _____
- (a) $\log 1^2 + \log 2^2 + \log 3^2$
 - (b) $\log 2 + \log 7$
 - (c) $\log 2 - \log 7$
 - (d) None of these
165. $\log (3 \times 5 \times 7)^2$ is equal to _____
- (a) $2(\log 3 + \log 5 + \log 7)$
 - (b) $\log (2 \times 3 \times 5 \times 7)$
 - (c) $2(\log 3 - \log 5 - \log 7)$
 - (d) None of these
166. The solution of the equation $x^3 - 5x^2 + 6x = 0$ is _____
- (a) 2, 3
 - (b) 0, -2, -3

- (c) 0, 2, 3
(d) None of these
167. The equation $y^3 - 7y + 6 = 0$ is satisfied by _____
(a) 1, 2, -3
(b) 1, 2, 3
(c) -1, -2, 3
(d) 1, -2, 3
168. The equation $x^3 - x^2 - 12x = 0$ is satisfied by _____
(a) 1, 4, -3
(b) 0, 4, -3
(c) 0, -4, 3
(d) None of these
169. The solution of the equation $(x-3)(x-5)(x-7) = 0$ is _____
(a) 3, 5, 7
(b) -3, -5, -7
(c) 3, -5, -7
(d) -3, -5, 7
170. The roots of the equation $x^2 - 18x + 81 = 0$ are _____
(a) Imaginary and unequal
(b) Real and unequal
(c) Real and equal
(d) None of these
171. The roots of the equation $2^{3-y} + 2^{y-2} - 3 = 0$ are _____
(a) -2, -3
(b) 2, 3
(c) 4, 8
(d) None of these
172. If one root of the quadratic equation is $2 + \sqrt{3}$, the equation is _____
(a) $x^2 - 4x + 1 = 0$
(a) $x^2 + 4x + 1 = 0$
(c) $x^2 - 4x - 1 = 0$
(d) None of these

173. The inequalities $x < 0, y > 0$ represents _____
- (a) First quadrant
 - (b) Second quadrant
 - (c) Third quadrant
 - (d) Fourth quadrant
174. The inequalities $x > 0, y < 0$ represents _____
- (a) First quadrant
 - (b) Second quadrant
 - (c) Third quadrant
 - (d) Fourth quadrant
175. Simple interest on Rs. 50,000 for three years at interest rate of 5.5% p.a. is _____
- (a) Rs. 8250
 - (b) Rs. 825
 - (c) Rs. 8520
 - (d) None of these
176. Rs. 1000 is invested at annual rate of interest of 10% p.a. The amount after two years if compounding is done annually, is _____
- (a) Rs. 121
 - (b) Rs. 1210
 - (c) Rs. 2110
 - (d) None of these
177. Rs. 2,000 is invested at annual rate of interest of 10% p.a. The amount after two years if compounding is done half yearly, is _____
- (a) Rs.2431
 - (b) Rs.243.10
 - (c) Rs.2341
 - (d) None of these
178. Rs. 3,000 is invested at annual rate of interest of 10% p.a. The amount after two years if compounding is done quarterly, is _____
- (a) Rs. 3556.20
 - (b) Rs. 3565
 - (c) Rs. 3655.20
 - (d) None of these

179. Rs. 4,000 is invested at annual rate of interest of 10% p.a. The amount after two years if compounding is done monthly, is _____
- (a) Rs. 4881.16
 (b) Rs. 4818.16
 (b) Rs. 4888.16
 (d) None of these
180. $10 \times 7 \times 2$ is equal to _____
- (a) 10080
 (b) 0
 (c) 5040
 (d) None of these
181. If ${}^{n+1}P_1 = 20 {}^{n-1}P_1$, then value of n is
- (a) 6
 (b) 5
 (c) 4
 (d) None of these
182. The value of ${}^{11}P_9$ is equal to
- (a) $\frac{11}{9 \times 2}$
 (b) $\frac{11}{2}$
 (c) $\frac{11 \times 2}{9}$
 (d) None of these
183. In how many different ways can seven persons stand in a line for a group photograph?
- (a) 5040
 (b) 720
 (c) 120
 (d) 27
184. In how many ways can 11 persons sit at a round table?
- (a) 11
 (b) 10
 (c) 11
 (d) 10

185. There are 5 books on Physics, 3 on Chemistry and 2 on Mathematics. In how many ways can these be placed on a shelf if the books on the same subject are to be together?
- (a) 8640
 - (b) 1440
 - (c) 4320
 - (d) None of these
186. How many different numbers can be formed by using any four out of six digits 1, 2, 3, 4, 5, 6, no digit being repeated in any number?
- (a) 60
 - (b) 120
 - (c) 30
 - (d) 15
187. How many five digit numbers can be formed out of digits 1, 2, 4, 5, 6, 7, 8, if no digit is repeated in any number?
- (a) 2520
 - (b) 840
 - (c) 1680
 - (d) None of these
188. A Committee of 7 persons is to be formed out of 11. The number of ways of forming such as committee is _____
- (a) 660
 - (b) 330
 - (c) 300
 - (d) None of these
189. How many different arrangements are possible from the letters of the word CALCULATOR?
- (a) 453600
 - (b) 50400
 - (c) 45360
 - (d) None of these
190. A man has 7 friends. In how many ways can he invite one or more of his friends?
- (a) 127
 - (b) 256
 - (c) 255
 - (d) None of these

191. There are 7 boys and 3 girls. The number of ways, in which a committee of 6 can be formed from them, if the committee is to include at least 2 girls, is _____
- 140
 - 105
 - 35
 - None of these
192. ${}^5C_1 + {}^5C_2 + {}^5C_3 + {}^5C_4 + {}^5C_5$ is equal to _____
- 30
 - 31
 - 32
 - 25
193. The 20th term of the A.P. 1, 3, 5, 7, ... is
- 39
 - 37
 - 35
 - None of these
194. The sum $1+2+3+4+\dots+70$ is equal to _____
- 2484
 - 2485
 - 2486
 - None of these
195. The Arithmetic mean between 5 and 13 is _____
- 9
 - 10
 - 8
 - None of these
196. The sum $1+3+5+7+\dots+99$ is equal to _____
- 2499
 - 2501
 - 9801
 - None of these
197. The sum $1^2 + 2^2 + 3^2 + 4^2 + \dots + 10^2$ is equal to
- 385
 - 386
 - 384
 - None of these

198. The sum $1^3 + 2^3 + 3^3 + \dots + 20^3$ is equal to

- (a) 4410
- (b) 4410000
- (c) 44100
- (d) None of these

199. The eleventh term of the G.P. $\frac{1}{2}, 1, 2, 2^2, \dots$ is

- (a) 512
- (b) 256
- (c) 1024
- (d) None of these

200. The sum of the series $1+2+4+8+ \dots$ to 10 term is

- (a) 1024
- (b) 1023
- (c) 1025
- (d) None of these



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST
Model Test Paper – BOS/CPT-10 / 2007

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

PART-I

1. Rings and pistons of an engine were changed at a cost of Rs. 5000 to increase fuel efficiency is:
 - (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Deferred revenue expenditure
 - (d) Name of the above.
2. Which of the following is nominal account
 - (a) Debtors account
 - (b) Loan account
 - (c) Provision for Bad debts
 - (d) Bank overdraft
3. Unexpired portion of Capital expenditure is shown in
 - (a) Trading account
 - (b) Profit and loss a/c
 - (c) Balance sheet
 - (d) None of the above
4. According to money measurement concept, currency transactions and events are

recorded in the books of accounts

- (a) In the ruling currency of the country in which transaction takes place.
 - (b) In the ruling currency of the country in which books of accounts are prepared
 - (c) In the currency set by ministry of finance
 - (d) In the currency set by Govt.
5. Profit leads to increase in
- (a) Assets
 - (b) Capitals
 - (c) Both (a) and (b)
 - (d) Neither (a) and (b)
6. Which of the following account will have credit balance?
- (a) Debentures A/c
 - (b) Carriage inward
 - (c) Prepared insurance
 - (d) Bills receivable
7. Insurance unexpired account is a
- (a) Real account
 - (b) Nominal account
 - (c) Personal account
 - (d) None of the three
8. Three column cash book records
- (a) Only cash transactions
 - (b) All transactions
 - (c) Cash, Bank and discount transactions
 - (d) Cash purchases and cash sale transactions
9. The value of an asset after reducing depreciation from the historical cost is known as
- (a) Fair value
 - (b) Book value
 - (c) Market value
 - (d) Net realizable value
10. Trial Balance is prepared according to
- (a) Total method

- (b) Balance method
- (c) Total and Balance both
- (d) All the three.

PART-II

11. The parties to joint venture is called
 - (a) Partners
 - (b) Principal and agent
 - (c) Friends
 - (d) Co-ventures
12. Owner of the consignment stock is
 - (a) Consignee
 - (b) Consignor
 - (c) Debtors
 - (d) None
13. Profit or loss on revaluation is shared among the partners in
 - (a) Old profit sharing ratio
 - (b) New profit sharing ratio
 - (c) Capital ratio
 - (d) Equal ratio
14. In case of admission of a partner, the first account prepared is
 - (a) Revaluation account
 - (b) Realisation account
 - (c) Profit and loss adjustment account
 - (d) Bank account
15. After the death of a partner, amount payable is received by
 - (a) Government
 - (b) Firm
 - (c) Executor of the death partner
 - (d) None of the three.
16. A company purchased a plant for Rs. 5000. The useful life of the plant is 10 years and the residual value is Rs. 500. SLM rate of depreciation will be
 - (a) 9%
 - (b) 8%

- (c) 10%
 - (d) None of the three
17. When preparing a Bank Reconciliation Statement, if you start with credit balance as per Pass Book, then cheque deposited in the bank but not credited within the period are
- (a) Added
 - (b) Deducted
 - (c) Not required to be adjusted
 - (d) None of the above.
18. The balance of the petty cash is
- (a) An expense
 - (b) Income
 - (c) An asset
 - (d) Liability
19. If del credere commission is allowed for bad debt, consignee will debit the bad debt amount to
- (a) General Trading A/c
 - (b) Debtors A/c
 - (c) Consignor A/c
 - (d) Commission earned A/c
20. Outgoing partner is compensated for parting with firm's future profits in favour of remaining partners. The remaining partners contribute to such compensation amount in
- (a) Capital ratio
 - (b) Sacrificing ratio
 - (c) Gaining ratio
 - (d) Profit sharing ratio

PART-III

21. Sometimes, in case of admission of a partner, all partners may agree to show the assets and liabilities in the new balance sheet at their old figures even when they agree to reveal them. For this purpose, the A/c which is prepared is divided into two parts. In the first part decrease in asset, increase in reserves and increase in liability is debited and increase in asset, decrease in reserve and decrease in liability is credited. The profit or loss on revaluation in the first part is transferred to old partners capital accounts in the old profit sharing ratio. In the second part entries are reversed. Balance of the second part is transferred to the capital a/c of all partners (including the new partner) in their new profit sharing ratio. Thus, if there is profit in the first part, there will be loss of the same amount in the second part. This A/c is prepared only when it is mentioned that assets

(a) Memorandum Revaluation A/c
(b) Revaluation A/c
(c) Profit & Loss Adjustment A/c
(d) None of the above.

- ## PART-IV

	<i>Rs.</i>		<i>Rs.</i>
Goodwill	70000	Debtors	35000
Plant & Machinery	60000	Furniture	10000
Investments	25000	Bills payable	10000
Outstanding expenses	5000	Bills Receivable	9000
Closing stock	25000	Cash	6000
Creditors	45000	Drawings	12000
Net Profit	22000	Capital	155000
Bank overdraft	15.000		

(a) Rs. 240000
(b) Rs. 250000
(c) Rs. 230000
(d) None of the three

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- (b) Rs. 11,000
- (c) Rs. 5,000
- (d) None of the three

25.

	<i>Rs.</i>		<i>Rs.</i>
Salaries	4,000	General expenses	5,100
Interest on overdraft	200	Advertisement	5,000
Office expenses	5,000	Gross profit	35,000
Rent paid	2,000	Commission received	4,000
		Capital	50,000

Amount of net profit will be

- (a) Rs.17700
- (b) Rs.17000
- (c) Rs.15000
- (d) None of the three.

26. Trial Balance shows the following balance

	Dr.	Cr.
Capital	-	50,000
Income tax	10,000	
Income tax advance payment	1,600	
Interest on advance payment of tax		40

Capital a/c balance will be

- (a) Rs. 38,440
- (b) Rs. 38,000
- (c) Rs. 40,000
- (d) None of the three

27.

		<i>Rs.</i>
Jan 1, 2006	Provision for doubtful debts A/c	990
Dec. 31, 2006	Bad Debts	1,850
Dec. 3, 2006	Debtors	30,000

Information

- (i) Make a provision for bad debts 5% on debtors.
- (ii) Make a provision for discount on debtors 2%.

Provision for discount on debtors will be

- (a) Rs. 570

- (b) Rs. 500
 (c) Rs. 750
 (d) None of the three
28. Rs. 50,000 claim for workman's compensation under dispute is a
 (a) Current liability
 (b) Contingent liability
 (c) Fixed liability
 (d) None of the three
29. Loan @ 9% 10,000
 Interest on loan 600
 Outstanding interest on loan will be
 (a) Rs. 300
 (b) Rs. 250
 (c) Rs. 350
 (d) None of the three
30. Included in the sales were sale of goods of Rs. 5000 on "Sale on approval" basis for which consent of the customer was not received upto Dec. 31st. Goods sent on approval included profits at 25% on cost. Stock on approval will be
 (a) Rs. 4500
 (b) Rs. 5000
 (c) Rs. 4000
 (d) None of the three
31. On 1st Jan. 2006 Loose Tools A/c showed the balance of Rs. 4320. On 31st Dec. 2006 loose tools were revalued at Rs. 4680
 During the year loose tools were purchased for Rs. 1440. Depreciation on loose tools will be
 (a) Rs. 1080
 (b) Rs. 1200
 (c) Rs. 1000
 (d) None of the three
32. Loan A/c credit balance on Dec. 31, 2006 15,000
 Loan paid on June 30, 2006 4,000
 Loan paid on Sept. 30, 2006 5,000
 Interest on loan is to be charged 9% p.a.

Interest amount will be

- (a) Rs. 1867.50
- (b) Rs. 1800
- (c) Rs. 2000
- (d) None of the three

33. B/R from Mr. A of Rs. 1000 was posted to the credit of Bills payable A/c and also credited to the account of Mr. A. Rectifying entry will be

- (a) B/P 1000

To A 1000

- (b) B/R 1000

To A 1000

- (c) Bills Payable A/c Dr. 1000

Bills Receivable A/c Dr. 1000

To Suspense 2000

- (d) None of the three

34. An item of purchase of Rs. 151 was entered in the Purchase Book as Rs. 15 and posted to Suppliers A/c on Rs. 51 rectifying entry will be

- (a) Purchase A/c Dr. 136

To Suppliers A/c 100

To Suspense A/c 36

- (b) Purchases A/c Dr. 136

To Suppliers 136

- (c) Purchase A/c Dr. 136

To Suppliers 136

- (d) None of the three

35. The accountant of the firm M/s ABC is unable to tally the following trial balance.

S. No.	Account heads	Debit (Rs.)	Credit (Rs.)
1.	Sales		12,500
2.	Purchases	10,000	
3.	Miscellaneous expenses		<u>2,500</u>
	Total	<u>10,000</u>	<u>15,000</u>

The above difference in trial balance is due to

- (a) wrong placing of sales account
 - (b) Incorrect totalling.
 - (c) wrong placing of miscellaneous expenses account
 - (d) Wrong placing of all accounts.
36. Sita and Gita are partners sharing profits and losses in the ratio of 3:2 having the capital of Rs.80,000 and Rs.50,000 respectively. They are entitled to 9% p.a. interest on capital before distributing the profits. During the year firm earned Rs.7,800 after allowing interest on capital. Profits apportioned among Sita and Gita is:
- (a) Rs. 4,680 and 3,120
 - (b) Rs. 4,800 and 3,000
 - (c) Rs. 5,000 and 2,800
 - (d) None of the above.
37. Balance as per Cash Book on 31.03.2006 Rs. 10,000
Cheque issued and presented on 4th April Rs. 2,300
Cheque sent to bank but not credited Rs. 2,000
B/P paid by Bank not entered in cash Book Rs. 800
Balance on per pass book will be
- (a) Rs.9500
 - (b) Rs.9000
 - (c) Rs.9800
 - (d) None of the three.
38. Bank overdraft as per cash book on 31st Dec. 2006 Rs. 10,500
Cheque sent for collection but not collected Rs. 8,250
Cheque issued but not presented for payment Rs. 12,000
Balance as per pass book overdraft will be
- (a) Rs.6750
 - (b) Rs.6500
 - (c) Rs.6000
 - (d) None of the three
39. Ram, the manager, is entitled to get a commission of Rs. 25 per article sold plus $\frac{1}{4}$ th of the amount by which the gross sales proceeds less total commission thereon exceed a sum at the rate of Rs. 125 per article sold. Ram sold 450 articles at Rs. 73800.

commission amount will be -

- (a) Rs.12500
 - (b) Rs.12510
 - (c) Rs.12000
 - (d) None of the three
40. Vimal of Kanpur consigned to his agent Nirmal of Allahabad 100 machines at Rs. 500 each. He paid the following expenses packing charges Rs. 20 per machine, forwarding charges Rs. 400 and freight Rs. 600
- Nirmal received the consignment and paid Rs. 600 for cartage and octroi. He also paid Rs. 500 for godown charges. He sold 60 machines @ 700 per machine. He was entitled to a commission of 6%. Profit on consignment will be
- (a) 6820
 - (b) 6800
 - (c) 6000
 - (d) None of the three
41. PARIKH & CO. of Nagpur consigned D of Delhi 1000 Kgs. of Oil @ Rs. 13 per Kg. Consignor spent Rs. 750 on cartage, Insurance and freight. On the way due to leakage 50 kg. of oil was spoiled (Normal loss) D spent Rs. 500 on Octroi and carriage. His selling expenses were Rs. 400 on 800 Kg. of oil sold. Value of consignment stock will be
- (a) Rs.2250
 - (b) Rs.2000
 - (c) Rs.2200
 - (d) None of the three
42. Cost of machine Rs.1,35,000. Residual value Rs.5,000. Useful life 10 years the company charged depreciation for the first 5 years on straight line method. Later on, it reviewed the useful life and decided to take it as useful for another 8 years. Depreciation amount for 6th year will be.
- (a) Rs.8125
 - (b) Rs.8000
 - (c) Rs.8200
 - (d) None of the three
43. Ram and Laxman are partners. Their opening capital was Rs. 12000 and Rs. 6000. 6% interest will be calculated on capital and drawings. Profit before adjustment of interest was Rs. 635. Drawings were as follows.

<u>Ram</u>	<u>Rs.</u>	<u>Laxman</u>	<u>Rs.</u>
July 1	200	June 1	100

Aug 1	200	July 1	100
Sept. 1	300	Sept. 1	50
Nov. 1	50	Oct. 1	200
Feb. 1	100	Dec. 1	100

Annual accounts are closed on March 31. Divisible profit will be

- (a) Rs.5324
 - (b) Rs.5200
 - (c) Rs.5400
 - (d) None of the three
44. A and B enter into a joint venture sharing profit and losses in the ratio of 2:1:. A purchased goods costing Rs. 2,00,000. B sold the goods for Rs. 2,50,000. A is entitled to get 1% commission purchase and B is entitled to get 5% commission on sales. The profit on venture will be
- (a) Rs.35500
 - (b) Rs.35000
 - (c) Rs.36000
 - (d) None of the three
45. Capital introduced in the beginning by Shyam Rs. 12,000; Further capital introduced during the year Rs. 4,000. He made drawings of Rs. 3000 and closing capital is Rs. 16430. The amount of profit or loss for the year will be
- (a) Rs.3000
 - (b) Rs.3430
 - (c) Rs.3500
 - (d) None of the three
46. A and B are partners, sharing profits in the ratio 5:3. They admit C with 1/5 share in profits, which he acquires equally from both i.e. 1/10 from A and 1/10 from B. Now profit sharing ratio will be
- (a) 21:11:8
 - (b) 11:21:8
 - (c) 8:11:21
 - (d) None of the three
47. A and B are partners in a firm sharing profits and losses in the ratio of 3:2. A new partner C is admitted. A surrenders 1/5th share of his profit in favour of C and B surrenders 2/5th share of his profit in favour of C. New profit sharing ratio will be
- (a) 12:6:7

- (b) 12:5:6
- (c) 12:4:5
- (d) None of the three

48. The profits of a firm for the last 5 years were as follows:

<u>Year ended 31st March</u>	<u>Profits (Rs.)</u>
1999	43,000
2000	50,000
2001	52,000
2002	65,000
2003	85,000

Goodwill is to be calculated on the basis of two years purchase of weighted average profits. The weights to be used are

1999	2000	2001	2002	2003
1	2	3	4	5

Goodwill amount will be

- (a) Rs.1,31,200
 - (b) Rs.1,30,000
 - (c) Rs.1,32,000
 - (d) None of the three
49. Ramesh and Suresh are partners sharing profits in the ratio of 2/3 and 1/3. Their capitals on Dec. 31, 2004 were Rs. 1,02,900 and Rs. 73,500 respectively. Mohan was admitted as a new partner on Jan. 1, 2005 for 1/5 share. He contributes 15210 as goodwill. He brings his capital in profit sharing ratio. Capital amount will be.
- (a) Rs.47902.50
 - (b) Rs.47000
 - (c) Rs.45000
 - (d) None of the three
50. Goods purchased Rs. 3,00,000; sales Rs. 2,70,000. If margin 20% on sales then closing stock will be
- (a) Rs.84000
 - (b) Rs.80000
 - (c) Rs.75000
 - (d) None of the three
51. A's acceptance to B for Rs. 2500 discharged by a cash payment of Rs. 1000 and a new

- bill for the balance plus Rs. 50 for interest. The amount of the new bill will be
- (a) Rs.2550
 - (b) Rs.1550
 - (c) Rs.1500
 - (d) None of the three
52. Ramesh, an employee got a salary Rs. 10,000 and withdrew goods of Rs. 7,000 (cost price Rs. 6,000) for personal use and got salary Rs. 6000. The excess payment will be
- (a) Rs. 2000
 - (b) Rs. 3000
 - (c) Rs. 4000
 - (d) None of the three
53. Mr. A receives a bill from B for Rs. 30,000 on 01.01.06 for 3 months. On 04.02.06. Mr. A got the bill discounted at 12%. The amount of discount will be
- (a) Rs. 900
 - (b) Rs. 300
 - (c) Rs. 600
 - (d) Rs. 650
54. Chandra Ltd. issued 15,000 equity shares of 100 each at a discount of 5%. Payments were made as - on application Rs. 25; on allotment Rs. 35 and Rs. 35 on first and final call. Applications for 14000 shares were received and all were accepted. All the money was duly received except the first and final call on 200 shares cash book Balance will be
- (a) Rs.13,23,000
 - (b) Rs.13,00,000
 - (c) Rs.12,00,000
 - (d) None of the three
55. X Ltd. forfeited 100 shares of Rs. 10 each issued at a discount of 10% to Ravi on which he had paid Rs. 2.50 per share on application and Rs. 2.50 per share on allotment. But on which he had not paid Rs. 2 on first call share capital in case of forfeiture will be debited by
- (a) Rs. 800
 - (b) Rs. 600
 - (c) Rs. 700
 - (d) None of the three
56. B Ltd. forfeited 500 shares of Rs. 10 each fully called up for non payment of first call of Rs. 2 per share. All these shares were reissued as fully paid for Rs. 8 per share. Amount

transferred to capital reserve will be

- (a) Rs.3000
 - (b) Rs.1800
 - (c) Rs.1500
 - (d) None of the three
57. The Promising Co. Ltd. took over assets of Rs. 3,50,000 and liabilities of Rs. 30,000 of X Ltd. for a purchase consideration of Rs. 3,30,000. The Promising Co. Ltd. paid the purchase consideration by issuing 12% debentures of Rs. 100 each at 10% premium. No. of Debentures issued will be
- (a) 3000 Debentures
 - (b) 3100 Debentures
 - (c) 2800 Debentures
 - (d) None of the three
58. A Company issued 2000, 12% debentures of Rs. 100 each at par but redeemable at 5% premium. Loss on issue of debentures will be
- (a) Rs.10,000
 - (b) Rs.12,000
 - (c) Rs.11,000
 - (d) None of the three
59. On 1st Jan. 2001, a Limited Co. issued 14% Rs. 1,00,000 debentures at a discount of 6% repayable at the end of 5 years. Amount of discount to be written off every year will be
- (a) Rs.1200
 - (b) Rs.1000
 - (c) Rs.1500
 - (d) None of the three
60. The Company issued debentures of the face value of Rs. 1,00,000 at a discount of 6%. On 1st January 2004. These debentures are redeemable by annual drawings of Rs. 20,000 made on 31st Dec. each year. The Directors decided to write off discount based on the debentures outstanding each year. Discount to be written off in the fifth year will be.
- (a) Rs.400
 - (b) Rs.500
 - (c) Rs.800
 - (d) None of the three

SECTION – B : MERCANTILE LAWS (40 MARKS)

PART-I

61. Which does not come into the category of delivery?
- (a) Actual
 - (b) Symbolic
 - (c) Constructive
 - (d) Perpetual
62. Which is not true in case of a finder of goods?
- (a) He can sell goods if the owner cannot be found
 - (b) If the owner is found he refuses to pay lawful charges
 - (c) He can sell the goods if the goods are of perishing nature
 - (d) he cannot sell the goods in any condition
63. In C.I.F. Contracts, C.I.F. stands for:
- (a) Cost, Identify and freight
 - (b) Colour, Insurance and Freight
 - (c) Cost, Insurance and Freight
 - (d) Calculation, Insurance and Freight
64. Which does not relate to the term delivery of goods?
- (a) Actual delivery
 - (b) Symbolic delivery
 - (c) Constructive delivery
 - (d) Specific delivery
65. Which is true regarding the expulsion of a partner?
- (a) The expulsion must be in the interest of the partnership
 - (b) The partner to be expelled is served with notice
 - (c) He should be given an opportunity of being heard
 - (d) All of these
66. Which of the following is an essential feature of partnership?
- (a) Registration
 - (b) Partnership deed
 - (c) Test of mutual agency
 - (d) Separate legal entity
67. A agrees to pay one crore to B if he brings an earth a star from sky. This is a
- (a) Contingent contract

- (b) Quasi contract
 - (c) Implied contract
 - (d) Wagering conduct
68. A party entitled to rescind the contract, loses the remedy where
- (a) He has ratified the contract
 - (b) Third party has acquired right in good faith
 - (c) Contract is not separable
 - (d) All of these
69. Agreement of uncertain meaning is
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Illegal
70. Where the consent of both the parties is given by mistake, the contract is:
- (a) Void
 - (b) Valid
 - (c) Voidable
 - (d) Illegal
71. A contract made by mistake about same foreign law is
- (a) Void
 - (b) Valid
 - (c) Voidable
 - (d) Illegal
72. A agrees to pay Rs. 5000 to B if it rains and B promises to pay a like amount to A if it does not rain, the agreement is called.
- (a) Quasi Contract
 - (b) Contingent contract
 - (c) Wagering agreement
 - (d) Voidable contract
73. In case of illegal agreements, the Collateral agreements are:
- (a) Voidable
 - (b) Void
 - (c) Valid
 - (d) None of these

74. Consideration must move at the desire of the
- (a) Promisor
 - (b) promisee
 - (c) Any person
 - (d) Third party
75. Which partner does not take active part in the business
- (a) Minor partner
 - (b) Sub partner
 - (c) Dormant partner
 - (d) Estopped partner
76. Contingent contract is
- (a) illegal
 - (b) valid
 - (c) voidable
 - (d) void
77. A partnership at will is one
- (a) duration not fixed
 - (b) duration fixed
 - (c) dissolved at any time
 - (d) can be dissolved on the happening of an event
78. On dissolution the partners remain liable to till
- (a) Accounts are settled
 - (b) partners dues are paid off
 - (c) Public notice is given
 - (d) The registrar strikes off the name.
79. Every partner has the right
- (a) to take part in the business of the firm
 - (b) to share exclusive profits
 - (c) to use the property of the firm for personal purpose
 - (d) none of these

PART-II

80. A partner can retire on _____
- (a) at the age of superannuation
 - (b) at the low ebb of capital a/c

- (c) In accordance with the partnership deed
 - (d) On nominee becoming a partner
81. Each of the partner is _____
- (a) Principals as well as agent
 - (b) Only agents of the firm
 - (c) Only representative of the firm
 - (d) Only co-partners of the firm
82. Registration of firm is _____
- (a) Compulsory
 - (b) Optional
 - (c) Occassional
 - (d) none of these
83. The resconstitution of firm takes place in case _____
- (a) Admission of partner
 - (b) Retirement of a partner
 - (c) Death of a partner
 - (d) All of the above
84. A partnership firm is dissolved where _____
- (a) All partners have become insolvent
 - (b) Firms business has become unlawful
 - (c) The fixed term has expired
 - (d) None of these
85. It is not a right of partner _____
- (a) To take part in business
 - (b) To take access to accounts book
 - (c) To share profits
 - (d) To receive remuneration
86. It is not included in the implied authority of a partner _____
- (a) To buy or sell goods on account
 - (b) To borrow money for the purposes of firm
 - (c) To enter into partnership on behalf of firm
 - (d) To engage a lawyer to defend actions against firm.
87. After retirement from firm, _____ partner is not liable by holding out
- (a) Active partner

- (b) Sleeping partner
 - (c) Representative of deceased partner
 - (d) Both (B) and (C)
88. _____ does not relate the dissolution of firm
- (a) dissolution by agreement
 - (b) compulsory dissolution
 - (c) dissolution in the happening of certain contingency
 - (d) dissolution by leaving insolvent partner
89. _____ is the case of misconduct
- (a) Gambling by a partner on stock exchange
 - (b) Fraudulent breach of trust by a partner
 - (c) Persistent refusal by a partner to attend to the business
 - (d) All of these
90. Contingent contract is _____
- (a) Illegal
 - (b) Valid
 - (c) Voidable
 - (d) Void
91. A voidable contract _____
- (a) Can be enforced at the option of aggrieved party
 - (b) Can be enforced at the option of both the parties
 - (c) Cannot be enforced in a court of law
 - (d) Is prohibited by court.
92. There can be a stranger to a _____
- (a) Contract
 - (b) Consideration
 - (c) Agreement
 - (d) Promise
93. A minor is liable for _____ supplied to him
- (a) Necessaries
 - (b) Luxuries
 - (c) Necessities
 - (d) All the things

94. Threat to commit suicide amounts to _____
- (a) Coercion
 - (b) offence under the Indian Penal Code
 - (c) Undue influence
 - (d) Fraud
95. An agreement the object of which is unlawful is _____
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) None of these
96. _____ can perform the contract
- (a) Promise alone
 - (b) Legal representative of promisor
 - (c) Agent of the promisor
 - (d) All of these
97. Consideration may be _____
- (a) Past
 - (b) Present
 - (c) Future
 - (d) All of these
98. Moral pressure is involved in the case of _____
- (a) Coercion
 - (b) Undue influence
 - (c) Misrepresentation
 - (d) Fraud

PART-III

99. A sells to B a horse which A knows to be unsound. B is A's daughter. Choose the best alternative
- (a) The relation between A and B would make it A's duty to tell B if the horse is unsound.
 - (b) If A is silent, silence will not be equivalent to speech
 - (c) Here it is not duty of A to tell the horse's defect
 - (d) A is not bound to tell the defect as the rule of caveat Emptor applies

100. M, a minor aged 17, broke right arm in a cricket match. He engaged a physician to set it. Does the physician have a valid claim for his services. Choose the best alternative.
- (a) The Physician cannot claim for his services due to contract with minor which is void
 - (b) The physician has a valid claim for his services which are included in the "Necessaries"
 - (c) The physician has no claim for minor's "necessaries" and minor will be personally liable
 - (d) The physician can claim for his services from minor's parents.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

101. The LAC curve
- (a) falls when the LMC curve falls
 - (b) rises when the LMC curve rises
 - (c) goes through the lowest point of the LMC curve
 - (d) falls when $LMC < LAC$ and rises when $LMC > LAC$
102. At shut down point :
- (a) price is equal to AVC
 - (b) total revenue is equal to TVC
 - (c) total loss of the firm is equal to TFC
 - (d) all of the above
103. If as a result of change in price, the quantity supplied of the good remains unchanged, we say elasticity of supply is:
- (a) zero
 - (b) between zero and one
 - (c) infinite
 - (d) between one and infinity
104. The conditions of long-period equilibrium for the firm operative under perfect competition are:
- (1) $MC = MR$
 - (2) $AR = MR$
 - (3) $AC = AR$
 - (4) $AC = MC$.
- (a) (1) only
 - (b) (1) and (2) only
 - (c) (1), (2) and (3) only
 - (d) (1), (2), (3) and (4)
105. In a perfect competitive market
- (a) firm is the price-giver and industry the price take
 - (b) firm is the price taker and industry the price giver
 - (c) both are the price – takers
 - (d) none of the above
106. If the price of Pepsi decreases relative to the price of Coke and 7-Up, the demand for:
- (a) Coke will rise
 - (b) 7-Up will decrease

- (c) Coke and 7-Up will increase
 - (d) Coke and 7-Up will decrease
107. The difference between the price a consumer is willing to pay and the price he actually pays is called -
- (a) excess price
 - (b) excess demand
 - (c) consumer surplus
 - (d) exploitation
108. 'Excess Capacity' is the essential characteristic of the firm in the market form of :
- (a) monopoly
 - (b) perfect competition
 - (c) monopolistic competition
 - (d) oligopoly
109. 'Personal disposable' 'income' refers to :
- (a) the income of the person after all personal taxes are deducted
 - (b) total income earned by the person
 - (c) personal taxes paid to the government
 - (d) personal and indirect taxes paid to the government
110. National income of a country is also known as :
- (a) Gross National Product at market prices
 - (b) Net National Product at factor cost
 - (c) Gross Domestic Product at factor cost
 - (d) Net Domestic Product at Market prices
111. The indifference curve approach does not assume :
- (a) Rationality on the parts of consumers
 - (b) Ordinal measurement of satisfaction
 - (c) Consistent consumption pattern behaviour of consumers
 - (d) Cardinal measurement of utility
112. The incidence of taxes refers to :
- (a) the level and rate of taxation
 - (b) who ultimately bears the money burden of the tax.
 - (c) the growth of taxation
 - (d) the way in which a tax is collected
113. Optimum population is that level of population at which
- (a) output per capita is the highest

- (b) output per capita is the lowest
 - (c) output per capita is the same
 - (d) none of the above
114. The main objective of fiscal policy in developing countries is to:
- (1) promote economic growth
 - (2) mobilise resources for economic growth
 - (3) ensure economic growth and distribution
 - (4) increase employment opportunities
- (a) only 1 and 2 are correct
 - (b) only 2 and 3 are correct
 - (c) only 2 and 4 are correct
 - (d) 1, 2, 3 and 4 are correct
115. Budgetary deficit can be expressed as:
- (a) the excess of public expenditure over public revenue
 - (b) the sum of deficit on revenue account and deficit on capital account
 - (c) that portion of government expenditure which is financed through the sale of 91 days Treasury Bills and drawing down of cash balances
 - (d) all of the above
116. A Government budget is defined as:
- (a) a description of the fiscal policies of the government and the financial plans
 - (b) a financial plan describing estimated receipts and proposed expenditures and disbursement under various heads
 - (c) neither of the above
 - (d) both (a) and (b) above
117. _____ depicts complete picture of consumer's tastes and preferences
- (a) Budget line
 - (b) Average cost curve
 - (c) Indifference map
 - (d) Marginal revenue curve
118. Human Development Index (HDI) is a composite index of :
- (a) Health, literacy and employment
 - (b) National income, size of population and general price level
 - (c) National income, per capita income and per capita consumption
 - (d) Physical resources, monetary resources and population size

119. The task of national income estimation to India is entrusted to the
- (a) Indian Statistical Institute
 - (b) National Sample Survey Organization
 - (c) Central Statistical organization
 - (d) National Accounts Organisation
120. The marginal farmer in India is defined as a cultivator who :
- (a) does not own any land
 - (b) workers on a land holding of less than one hectare
 - (c) works on a land holding for wages
 - (d) keeps shifting between agriculture and non-agriculture jobs
121. The main objective of the Regional Rural Bank is to
- (a) provide Credit and other facilities to small and marginal farmers, agricultural labours and artisans in rural areas
 - (b) provide credit to the common people in rural areas
 - (c) take over the functions of Agricultural Refinance Corporation of India
 - (d) supplement scheduled commercial banks
122. At present, the area covered by forests as a percentage of total land area in India lies within a range of
- (a) 11% to 15%
 - (b) 16% to 20%
 - (c) 21% to 25%
 - (d) 26% to 30%
123. The second plan's programme of industrialisation was based on the _____ model
- (a) The Britishers in India
 - (b) V.V. Bhatt
 - (c) P.C. Mahalanobis
 - (d) Vera Anstey
124. An inferior commodity is one which is consumed in smaller quantities when the income of consumer :
- (a) becomes nil
 - (b) remains the same
 - (c) falls
 - (d) rises

125. Which of the following equation is correct?

(a) $MRTS_{XY} = \frac{P_Y}{P_X}$

(b) $MRTS_X = \frac{P_X}{P_Y}$

(c) $MRTS_{YX} = \frac{P_Y}{P_X}$

(d) None of the above

126. The marginal cost curve intersects the average cost curve when average cost is:

(a) maximum

(b) minimum

(c) raising

(d) falling

127. If the demand curve confronting an individual firm is perfectly elastic, then :

(a) the firm is a price taker

(b) the firm cannot influence the price

(c) the firms marginal revenue curve coincides with its average revenue curve

(d) all of the above

128. In long run equilibrium the pure monopolist can make pure profits because of

(a) blocked entry

(b) the high price he charges

(c) the low LAC costs

(d) advertising

129. Which of the following statements is not true about a discriminating monopolist?

(a) He operates in more than one market

(b) He makes more profit because he discriminates

(c) He maximizes his profits in each market

(d) He charges different prices in each market

130. In both the Chamberlin and kinked demand curve models, the oligopolists

(a) recognize their independence

(b) do not collude

(c) tend to keep prices constant

(d) all of the above

131. The demand for a factor of production is said to be a derived demand because
- (a) it is a function of the profitability of an enterprise
 - (b) it depends on the supply of complementary factors
 - (c) it stems from the demand for the final product
 - (d) it arises out of means being scarce in relation to wants.
132. Positive income elasticity implies that as income rises, demand for the commodity
- (a) rises
 - (b) falls
 - (c) remains unchanged
 - (d) becomes zero
133. A Central Bank differs from a commercial bank in that :
- (a) It has no branches
 - (b) It is the banker of the government
 - (c) It deals with general public
 - (d) None of the above
134. Open market operations by a Central bank involve :
- (a) sale and purchase of government securities
 - (b) increase and decrease of discount rate
 - (c) changing the reserve ratio up and down
 - (d) raising or lowering of the margin requirements
135. Which one of the following is the most profitable but least liquid asset of a commercial bank?
- (a) Loans and advances
 - (b) Money at call and short notice
 - (c) Bills discounted and purchased
 - (d) Investment in government securities.
136. CENVAT stands for :
- (a) Common Entity Value Added Tax
 - (b) Corporate Entity Value Added Tax
 - (c) Central Value Added Tax
 - (d) None of the above
137. Export led growth strategy does not include :
- (a) outward oriented growth
 - (b) export promotion
 - (c) import restrictions

- (d) emphasising comparative advantage
138. The known reserves of iron are in India as a percentage of world deposits are _____
- (a) 6.6
 - (b) 7.6
 - (c) 10
 - (d) 12
139. Occupational structure refers to the
- (a) number of workers living in a country
 - (b) size of working population in the industrial sector
 - (c) distribution of working population among different occupations
 - (d) nature of different occupations in the economy
140. The 'year of Great Divide' with regard to population growth in India is :
- (a) 1911
 - (b) 1921
 - (c) 1947
 - (d) 1971
141. FIEO stands for :
- (a) Foreign Import Export Organisation
 - (b) Federation of Import Export Organisation
 - (c) Forum of Indian Export Organisation
 - (d) Federation of Indian Export Organisation
142. The Tenth Five Year Plan (2002-2007) outlines a strategy to achieve a GDP growth rate of
- (a) 6 per cent
 - (b) 8 per cent
 - (c) 10 per cent
 - (d) 12 per cent
143. The major cause of unemployment in India is :
- (a) underdevelopment
 - (b) defective manpower planning
 - (c) rapid population growth
 - (d) all of the above
144. The largest share of foreign aid in India has been used in the programme of :
- (a) agriculture development
 - (b) industrial development

- (c) education
 - (d) health
145. Before financial reforms, the banking system was characterised by all of the following except :
- (a) administered interest rate structure
 - (b) quantitative restrictions on credit flow
 - (c) high revenue requirements
 - (d) keeping very less lendable resources for the priority sector
146. The important cash crop encouraged by the Britisher's was
- (a) Opium
 - (b) Indigo
 - (c) Cotton
 - (d) All of these
147. Economic development has retarded in India mainly due to :
- (a) overgrowing service sector
 - (b) westernised social attitudes
 - (c) poor infrastructural facilities
 - (d) modern agrarian system
148. India is termed as a developing economy because of her :
- (a) initiative for determined planned economic development
 - (b) rapid population growth
 - (c) predominant agrarian set-up
 - (d) slow Industrial Progress
149. The percentage of people working in agriculture sector is _____.
- (a) 60 per cent
 - (b) 80 per cent
 - (c) 55 per cent
 - (d) 50 per cent
150. Tenth plan aims at reducing the Maternal Mortality Rate (MMR) to _____ per live births by 2007
- (a) 5
 - (b) 2
 - (c) 1
 - (d) 3

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

151. The sum of the series $\frac{1}{3} + \frac{1}{3^2} + \frac{1}{3^3} + \frac{1}{3^4} + \dots$ to ∞ is
- (a) $\frac{1}{3}$
 - (b) $\frac{1}{2}$
 - (c) $\frac{1}{6}$
 - (d) None of these
152. The sum of the series $1 + 10^{-1} + 10^{-2} + 10^{-3} \dots$ to ∞ is
- (a) $\frac{9}{10}$
 - (b) $\frac{1}{10}$
 - (c) $\frac{10}{9}$
 - (d) None of these
153. The sum of the series $1 - 1 + 1 - 1 + 1 - 1 + \dots$ to 100 terms is equal to
- (a) 1
 - (b) -1
 - (c) 0
 - (d) 50
154. The sum of the series $1 - 1 + 1 - 1 + 1 - 1 + \dots$ to 101 terms is
- (a) 1
 - (b) -1
 - (c) 0
 - (d) 100
155. If $A = \{1, 3, 5, 7, \dots\}$, $B = \{2, 4, 6, 8, \dots\}$ then $A \cup B$ is equal to
- (a) Set of all natural members
 - (b) Set of all integers
 - (c) Set of all numbers

- (d) Set of functions
156. If $A = \{1, 3, 5, 7, \dots\}$, $B = \{2, 4, 6, 8, \dots\}$ then $A \cap B$ is equal to
- (a) Set of all integers
 - (b) Set of all positive integers
 - (c) ϕ
 - (d) None of these
157. The set of squares of positive integers is
- (a) A finite set
 - (b) Null set
 - (c) An infinite set
 - (d) None of these
158. If $A = \{1, 2, 3, 4, 5\}$ and $B = \{6, 7, 8\}$ then cardinal number of $A \times B$ is:
- (a) 15
 - (b) 5
 - (c) 3
 - (d) 8
159. If B is any set then $B \cap B$ is
- (a) Null Set
 - (b) B
 - (c) Whole set
 - (d) None of these
160. If B is any set then $B \cup B$ is
- (a) B
 - (b) Null set
 - (c) Whole set
 - (d) None of these
161. The number of subsets of the set $A = \{1, 2, 3, 4, 5, 6, 7, 8\}$ is
- (a) 36
 - (b) 128
 - (c) 256
 - (d) None of these

162. If $f(x) = \frac{x^2 - 25}{x - 5}$, $f(5)$ is

- (a) 1
- (b) 0
- (c) 10
- (d) Undefined

163. If $f(x) = \left(\frac{x^2 - 4}{x - 2} \right)$, then $f(2)$ is

- (a) 0
- (b) 2
- (c) 4
- (d) 1

164. If $f(x) = \frac{5}{x}$, then $f(0)$ is

- (a) $+\infty$
- (b) $-\infty$
- (c) 5
- (d) Undefined

165. If $f(x) = \frac{x^2 - 1}{x - 1}$, $x \neq 1$, $f(1) = A$

For what value of A , $f(x)$ is continuous at $x = 1$?

- (a) 1
- (b) 2
- (c) 0
- (d) None of these

166. $\lim_{x \rightarrow 0^+} \frac{1}{x}$ is

- (a) $+\infty$
- (b) $-\infty$
- (c) Does not exist
- (d) None of these

167. $\lim_{x \rightarrow 0^-} \frac{1}{x}$ is

- (a) $+\infty$
- (b) $-\infty$
- (c) Does not exist
- (d) None of these

168. $\lim_{x \rightarrow 0^-} \frac{x^2 - 25}{x - 5}$ is equal to

- (a) does not exist
- (b) 1
- (c) 10
- (d) 0

169. Let $f(x) = \frac{x^2 - 6x + 9}{x - 3}$, $x \neq 3$, $f(3) = 0$ then $f(x)$ is

- (a) Continuous at $x = 3$
- (b) Discontinuous at $x = 3$
- (c) Discontinuous for all x
- (d) None of these

170. $\lim_{n \rightarrow \infty} \frac{1 + 2 + 3 + \dots + n}{n^2}$ is equal to

- (a) 1
- (b) $\frac{1}{2}$
- (c) 0
- (d) None of these

171. $\lim_{n \rightarrow \infty} \frac{1^2 + 2^2 + 3^2 + \dots + n^2}{n^3}$ is equal to

- (a) $\frac{1}{3}$
- (b) 0
- (c) 1
- (d) None of these

172. $\lim_{n \rightarrow \infty} \frac{1^3 + 2^3 + 3^3 + \dots + n^3}{n^4}$ is equal to

- (a) $\frac{1}{4}$
- (b) 1
- (c) 0
- (d) None of these

173. If $f(x) = 5x$, when $x > 0$
 $= -5x$, when $x < 0$

Then $f(x)$ is

- (a) Discontinuous at $x = 0$
- (b) Discontinuous for all x
- (c) Continuous at $x = 0$
- (d) None of these

174. If $y = x^5 + e^{2x} + \log 3x$ then $\frac{dy}{dx}$ is

- (a) $5x^4 + 2e^{2x} + \frac{1}{x}$
- (b) $x^5 + e^{2x} + \frac{1}{3x}$
- (c) $5x^4 + e^{2x} + \frac{1}{3x}$
- (d) None of these

175. If $f(x) = a^{3x} + 4x^9 + 10$ then $\frac{dy}{dx}$ is

- (a) $a^{3x} + 36x^8 + 10x$
- (b) $3a^{3x} \log a + 36x^8$
- (c) $3a^{3x} \log a + 36x^8 + 10x$
- (d) None of these

176. If $x = at^2$, $y = 2$ at then $\frac{dy}{dx}$ is equal to

- (a) $\frac{1}{t}$
- (b) 2 at

(c) $2a$

(d) $\frac{a}{t}$

177. If $x^2 + y^2 = a^2$, then $\frac{dy}{dx}$ at $(-2, 2)$ is

(a) 2

(b) 2

(c) 1

(d) 3

178. If $y = 2x^2 + 3x + 10$ then $\frac{dy}{dx}$ at $(0, 0)$ is

(a) 10

(b) 0

(c) 3

(d) None of these

179. The gradient of the curve $y = x^3 - x^2$ at $(0, 0)$ is

(a) 1

(b) 0

(c) -1

(d) None of these

180. The value of $\int (6x^5 + 3e^{2x} + 5)dx$ is equal to

(a) $x^6 + \frac{3}{2}e^{2x} + 5x + k$

(b) $30x^4 + 6e^{2x}$

(c) $x^6 + \frac{3}{2}e^{6x}$

(d) None of these

181. The value of $\int \left(x - \frac{1}{x}\right)^2 dx$ is

(a) $\frac{x^3}{3} + 2x - \frac{1}{x}$

(b) $\frac{x^3}{3} - 2x - \frac{1}{x} + k$

(c) $\frac{x^2}{2} + k$

(d) None of these

182. The value of $\int (5xe^x + 10)dx$ is equal to

(a) $5xe^x - 5e^x + 10x + c$

(b) $5xe^x + 5e^x + 5x + c$

(c) $xe^x - 5e^x + 10x + c$

(d) None of these

183. The value of $\int \frac{dx}{x(x^2 - 1)}$ is equal to

(a) $\frac{1}{2} \log \left(1 + \frac{1}{x^2} \right)$

(b) $\frac{1}{2} \log \left(1 - \frac{1}{x^2} \right) + k$

(c) $\log \left(1 - \frac{1}{x^2} \right)$

(d) None of these

184. The value of the integral $\int \frac{1}{x \log x}$ is

(a) $\frac{1}{(x \log x)^2} + c$

(b) $\log (x \log x)$ (c)

(c) $\log (\log x) + c,$

(d) None of these

185. The value of $\int_0^1 \frac{\sqrt{x}}{\sqrt{x} + \sqrt{1-x}} dx$ is

(a) $\frac{1}{2}$

(b) 1

(c) 2

(d) 0

186. The value of $\int_0^1 (2x+5)dx$ is

- (a) 54
- (b) 6
- (c) 19
- (d) None of these

187. The value of $\int_2^3 \frac{x+3}{x+1} dx$ is

- (a) $1 + 2 \log \frac{4}{3}$
- (b) $1 - 2 \log \frac{4}{3}$
- (c) $1 + \log \frac{3}{4}$
- (d) None of these

188. Statistics is applied in

- (a) Psychology only
- (b) Commerce only
- (c) Economics only
- (d) All these and in other subjects

189. The mean salary for a group of 4 male is Rs. 5200 per month and that for a group of 6 female is Rs. 6800 per month. What is the combined salary?

- (a) Rs. 6160
- (b) Rs. 6610
- (c) Rs. 6110
- (d) None of these

190. For the numbers 1, 2, 3, 4, 5, 6, 7 standard deviation is:

- (a) 3
- (b) 4
- (c) 2
- (d) None of these

191. If the quartile deviation of x is 8 and $3x + 6y = 20$, then the quartile deviation of y is

- (a) -4
- (b) 3
- (c) 5

- (d) None of these
192. For a group of 8 students, the sum of squares of differences in ranks for Economics and Commerce marks was 50, the value of rank correlation coefficient is equal to
- (a) 0.50
(b) 0.40
(c) 0.60
(d) None of these
193. A number is selected from the set $S = \{1, 2, 3, 4, \dots, 25\}$. The probability, that it would be divisible by 4 or 7, is
- (a) 0.26
(b) 0.46
(c) 0.36
(d) None of these
194. Suresh is selected for three different posts. For the first post, there are 2 candidates, for the second there are 3 candidates, for the third there are 10 candidates. The probability, that Suresh would be selected, is.
- (a) 0.7
(b) 0.5
(c) 0.6
(d) None of these
195. Eight balls are distributed at random in three containers. The probability, that the first container would contain three balls, is
- (a) 0.37
(b) 0.17
(c) 0.27
(d) None of these
196. If 15 dates are chosen at random, then the probability of getting two Fridays is
- (a) 0.13
(b) 0.38
(c) 0.47
(d) None of these
197. Between 7 and 8 P.M., the average number of phone calls per minute is 4. The probability, that during one particular minute there will be no phone calls, is
- (a) e^{-3}

- (b) $\frac{1}{e}$
- (c) e^{-4}
- (d) None of these

198. The points of inflexion of the normal curve $f(t) = \frac{1}{4\sqrt{2\pi}} e^{-\frac{(t-10)^2}{32}}$ are

- (a) 6, 14
- (b) 5, 15
- (c) 4, 16
- (d) None of these

199. A population consists units a, b, c, d, e, f. The total number of all possible samples of size four without replacement are

- (a) 10
- (b) 12
- (c) 15
- (d) None of these

200. If $y = x^{10} + 5 \log 3x + 6e^{2x} + 10$ then $\frac{dy}{dx}$ is equal to

- (a) $10x^9 + 15x + 12e^{2x}$
- (b) $10x^9 + \frac{5}{x} + 12e^{2x}$
- (c) $10x^9 + \frac{5}{x} + 6e^{2x}$
- (d) None of these

Answer of Model Test Papers

MODEL TEST PAPER – BOS/CPT-1 / 2007

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(c)	2	(a)	3	(d)	4	(a)	5	(a)
6	(a)	7	(c)	8	(b)	9	(c)	10	(c)
11	(c)	12	(a)	13	(c)	14	(b)	15	(b)
16	(a)	17	(d)	18	(b)	19	(b)	20	(a)
21	(b)	22	(d)	23	(a)	24	(b)	25	(a)
26	(a)	27	(a)	28	(d)	29	(c)	30	(d)
31	(b)	32	(d)	33	(a)	34	(d)	35	(a)
36	(c)	37	(d)	38	(a)	39	(a)	40	(a)
41	(b)	42	(b)	43	(b)	44	(a)	45	(a)
46	(a)	47	(a)	48	(a)	49	(b)	50	(b)
51	(a)	52	(b)	53	(a)	54	(a)	55	(b)
56	(a)	57	(d)	58	(a)	59	(a)	60	(b)

SECTION-B : MERCANTILE LAWS

61.	(b)	62.	(d)	63.	(a)	64.	(b)	65.	(d)
66.	(a)	67.	(d)	68.	(a)	69.	(d)	70.	(b)
71.	(a)	72.	(d)	73.	(d)	74.	(c)	75.	(c)
76.	(d)	77.	(a)	78.	(d)	79.	(c)	80.	(b)
81.	(d)	82.	(b)	83.	(c)	84.	(a)	85.	(b)
86.	(a)	87.	(d)	88.	(b)	89.	(c)	90.	(b)
91.	(b)	92.	(d)	93.	(b)	94.	(c)	95.	(b)
96.	(b)	97.	(d)	98.	(c)	99.	(a)	100	(a)

SECTION-C : GENERAL ECONOMICS

101	(a)	102	(c)	103	(a)	104	(c)	105	(c)
106	(d)	107	(b)	108	(a)	109	(d)	110	(b)
111	(d)	112	(d)	113	(b)	114	(d)	115	(b)
116	(c)	117	(d)	118	(a)	119	(b)	120	(b)
121	(a)	122	(d)	123	(c)	124	(c)	125	(c)
126	(b)	127	(c)	128	(c)	129	(c)	130	(c)
131	(a)	132	(b)	133	(b)	134	(c)	135	(d)
136	(c)	137	(b)	138	(a)	139	(a)	140	(c)
141	(c)	142	(d)	143	(d)	144	(a)	145	(d)
146	(d)	147	(a)	148	(d)	149	(d)	150	(c)

SECTION-D : QUANTITATIVE APTITUDE

151	(b)	152	(d)	153	(c)	154	(d)	155	(d)
156	(d)	157	(b)	158	(a)	159	(b)	160	(b)
161	(d)	162	(a)	163	(b)	164	(b)	165	(b)
166	(d)	167	(a)	168	(b)	169	(a)	170	(b)
171	(c)	172	(a)	173	(a)	174	(b)	175	(a)
176	(b)	177	(b)	178	(d)	179	(a)	180	(b)
181	(c)	182	(a)	183	(a)	184	(d)	185	(b)
186	(b)	187	(c)	188	(a)	189	(c)	190	(b)
191	(a)	192	(a)	193	(b)	194	(c)	195	(a)
196	(b)	197	(c)	198	(d)	199	(a)	200	(c)

MODEL TEST PAPER – BOS/CPT-2/ 2007

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(d)	2	(a)	3	(c)	4	(c)	5	(a)
6	(a)	7	(d)	8	(b)	9	(a)	10	(b)
11	(d)	12	(c)	13	(b)	14	(a)	15	(b)
16	(c)	17	(c)	18	(c)	19	(a)	20	(b)
21	(a)	22	(c)	23	(b)	24	(a)	25	(a)
26	(a)	27	(b)	28	(a)	29	(a)	30	(b)
31	(a)	32	(b)	33	(c)	34	(b)	35	(b)
36	(a)	37	(b)	38	(b)	39	(b)	40	(b)
41	(b)	42	(b)	43	(b)	44	(b)	45	(c)
46	(a)	47	(a)	48	(a)	49	(a)	50	(c)
51	(a)	52	(a)	53	(a)	54	(a)	55	(b)
56	(c)	57	(a)	58	(a)	59	(a)	60	(b)

SECTION-B : MERCANTILE LAWS

61.	(d)	62.	(d)	63.	(d)	64.	(a)	65.	(b)
66.	(b)	67.	(d)	68.	(a)	69.	(d)	70.	(b)
71.	(b)	72.	(b)	73.	(d)	74.	(d)	75.	(c)
76.	(a)	77.	(c)	78.	(a)	79.	(a)	80.	(a)
81.	(a)	82.	(a)	83.	(b)	84.	(c)	85.	(d)
86.	(a)	87.	(c)	88.	(a)	89.	(c)	90.	(a)
91.	(b)	92.	(a)	93.	(b)	94.	(c)	95.	(d)
96.	(a)	97.	(b)	98.	(a)	99.	(a)	100.	(c)

SECTION-C : GENERAL ECONOMICS

101	(c)	102	(b)	103	(a)	104	(a)	105	(a)
106	(b)	107	(b)	108	(d)	109	(c)	110	(a)
111	(b)	112	(c)	113	(c)	114	(d)	115	(b)
116	(a)	117	(c)	118	(b)	119	(d)	120	(b)
121	(a)	122	(b)	123	(c)	124	(d)	125	(c)
126	(a)	127	(a)	128	(d)	129	(b)	130	(a)

131	(b)	132	(d)	133	(a)	134	(a)	135	(d)
136	(d)	137	(b)	138	(d)	139	(a)	140	(b)
141	(d)	142	(b)	143	(a)	144	(b)	145	(c)
146	(c)	147	(c)	148	(b)	149	(d)	150	(b)

SECTION-D : QUANTITATIVE APTITUDE

151	(a)	152	(d)	153	(a)	154	(a)	155	(c)
156	(a)	157	(a)	158	(a)	159	(a)	160	(c)
161	(b)	162	(a)	163	(b)	164	(a)	165	(b)
166	(c)	167	(a)	168	(b)	169	(c)	170	(d)
171	(b)	172	(a)	173	(c)	174	(a)	175	(b)
176	(b)	177	(b)	178	(d)	179	(c)	180	(b)
181	(b)	182	(a)	183	(b)	184	(a)	185	(a)
186	(b)	187	(b)	188	(a)	189	(c)	190	(c)
191	(c)	192	(a)	193	(a)	194	(c)	195	(c)
196	(b)	197	(a)	198	(a)	199	(c)	200	(b)

MODEL TEST PAPER – BOS/CPT-3/ 2007

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(c)	2	(b)	3	(c)	4	(d)	5	(a)
6	(c)	7	(c)	8	(d)	9	(a)	10	(b)
11	(b)	12	(c)	13	(b)	14	(b)	15	(b)
16	(b)	17	(a)	18	(b)	19	(a)	20	(d)
21	(a)	22	(d)	23	(b)	24	(b)	25	(a)
26	(b)	27	(a)	28	(b)	29	(d)	30	(a)
31	(b)	32	(a)	33	(a)	34	(b)	35	(a)
36	(a)	37	(a)	38	(b)	39	(b)	40	(a)
41	(a)	42	(b)	43	(a)	44	(a)	45	(b)
46	(b)	47	(b)	48	(c)	49	(a)	50	(b)
51	(b)	52	(a)	53	(a)	54	(a)	55	(a)
56	(a)	57	(a)	58	(b)	59	(c)	60	(b)

SECTION-B : MERCANTILE LAWS

61.	(d)	62.	(c)	63.	(c)	64.	(c)	65	(a)
66.	(d)	67.	(d)	68.	(d)	69.	(b)	70	(b)
71.	(a)	72.	(b)	73.	(d)	74.	(b)	75	(c)
76.	(a)	77.	(d)	78.	(d)	79.	(d)	80	(b)
81.	(a)	82.	(c)	83.	(b)	84.	(b)	85	(b)
86.	(b)	87.	(d)	88.	(b)	89.	(a)	90	(d)
91.	(b)	92.	(d)	93.	(c)	94.	(c)	95	(d)
96.	(d)	97.	(a)	98.	(c)	99.	(d)	100	(a)

SECTION-C : GENERAL ECONOMICS

101	(d)	102	(c)	103	(c)	104	(b)	105	(d)
106	(b)	107	(b)	108	(a)	109	(a)	110	(a)
111	(c)	112	(b)	113	(b)	114	(d)	115	(c)
116	(b)	117	(a)	118	(d)	119	(c)	120	(c)
121	(a)	122	(b)	123	(c)	124	(b)	125	(a)
126	(c)	127	(c)	128	(c)	129	(d)	130	(d)
131	(c)	132	(d)	133	(b)	134	(b)	135	(c)
136	(c)	137	(d)	138	(b)	139	(c)	140	(a)
141	(d)	142	(d)	143	(d)	144	(d)	145	(a)
146	(a)	147	(c)	148	(a)	149	(b)	150	(d)

SECTION-D : QUANTITATIVE APTITUDE

151	(d)	152	(a)	153	(a)	154	(b)	155	(b)
156	(d)	157	(a)	158	(c)	159	(a)	160	(a)
161	(b)	162	(a)	163	(c)	164	(d)	165	(c)
166	(b)	167	(a)	168	(b)	169	(c)	170	(c)
171	(b)	172	(d)	173	(a)	174	(b)	175	(a)
176	(b)	177	(a)	178	(c)	179	(c)	180	(b)
181	(a)	182	(c)	183	(b)	184	(d)	185	(a)
186	(b)	187	(a)	188	(a)	189	(b)	190	(b)
191	(d)	192	(b)	193	(a)	194	(c)	195	(c)
196	(c)	197	(a)	198	(b)	199	(c)	200	(c)

MODEL TEST PAPER – BOS/CPT-4/ 2007

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(a)	2	(b)	3	(c)	4	(b)	5	(c)
6	(b)	7	(c)	8	(d)	9	(a)	10	(a)
11	(b)	12	(c)	13	(a)	14	(b)	15	(d)
16	(a)	17	(b)	18	(d)	19	(d)	20	(c)
21	(d)	22	(c)	23	(a)	24	(b)	25	(b)
26	(a)	27	(b)	28	(d)	29	(a)	30	(a)
31	(b)	32	(c)	33	(b)	34	(c)	35	(d)
36	(a)	37	(a)	38	(a)	39	(a)	40	(a)
41	(c)	42	(b)	43	(a)	44	(b)	45	(a)
46	(d)	47	(a)	48	(a)	49	(a)	50	(a)
51	(a)	52	(a)	53	(b)	54	(a)	55	(a)
56	(a)	57	(a)	58	(a)	59	(a)	60	(a)

SECTION-B : MERCANTILE LAWS

61.	(d)	62	(d)	63	(b)	64	(b)	65	(b)
66	(c)	67	(d)	68	(a)	69	(d)	70	(d)
71	(d)	72	(d)	73	(d)	74	(d)	75	(d)
76	(d)	77	(c)	78	(b)	79	(d)	80	(a)
81	(a)	82	(d)	83	(b)	84	(a)	85	(c)
86	(b)	87	(b)	88	(d)	89	(b)	90	(b)
91	(d)	92	(c)	93	(d)	94	(b)	95	(b)
96	(a)	97	(c)	98	(b)	99	(a)	100	(c)

SECTION-C : GENERAL ECONOMICS

101	(c)	102	(a)	103	(b)	104	(d)	105	(b)
106	(b)	107	(b)	108	(b)	109	(b)	110	(a)
111	(b)	112	(a)	113	(a)	114	(d)	115	(d)
116	(b)	117	(d)	118	(a)	119	(b)	120	(a)
121	(b)	122	(c)	123	(a)	124	(a)	125	(c)
126	(c)	127	(b)	128	(b)	129	(d)	130	(d)

131	(c)	132	(c)	133	(b)	134	(b)	135	(d)
136	(a)	137	(a)	138	(b)	139	(b)	140	(d)
141	(d)	142	(c)	143	(c)	144	(c)	145	(d)
146	(c)	147	(b)	148	(d)	149	(d)	150	(d)

SECTION-D : QUANTITATIVE APTITUDE

151	(a)	152	(c)	153	(a)	154	(b)	155	(a)
156	(d)	157	(a)	158	(b)	159	(c)	160	(b)
161	(a)	162	(b)	163	(c)	164	(d)	165	(a)
166	(a)	167	(c)	168	(a)	169	(c)	170	(d)
171	(b)	172	(a)	173	(a)	174	(c)	175	(c)
176	(d)	177	(a)	178	(b)	179	(a)	180	(c)
181	(b)	182	(a)	183	(b)	184	(a)	185	(a)
186	(c)	187	(a)	188	(d)	189	(b)	190	(a)
191	(b)	192	(a)	193	(b)	194	(a)	195	(c)
196	(c)	197	(a)	198	(b)	199	(a)	200	(b)

MODEL TEST PAPER – BOS/CPT-5/ 2007

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(a)	2	(b)	3	(b)	4	(d)	5	(d)
6	(a)	7	(a)	8	(c)	9	(d)	10	(d)
11	(c)	12	(b)	13	(a)	14	(c)	15	(c)
16	(a)	17	(b)	18	(c)	19	(c)	20	(c)
21	(d)	22	(b)	23	(c)	24	(a)	25	(b)
26	(a)	27	(b)	28	(a)	29	(b)	30	(a)
31	(a)	32	(a)	33	(a)	34	(a)	35	(d)
36	(b)	37	(a)	38	(b)	39	(d)	40	(a)
41	(a)	42	(a)	43	(a)	44	(b)	45	(c)
46	(d)	47	(a)	48	(a)	49	(a)	50	(b)
51	(a)	52	(a)	53	(a)	54	(c)	55	(b)
56	(c)	57	(a)	58	(a)	59	(c)	60	(a)

SECTION-B : MERCANTILE LAWS

61	(c)	62	(d)	63	(d)	64	(d)	65	(d)
66	(c)	67	(d)	68	(c)	69	(b)	70	(a)
71	(d)	72	(b)	73	(d)	74	(a)	75	(d)
76	(b)	77	(a)	78	(a)	79	(d)	80	(a)
81	(a)	82	(b)	83	(a)	84	(a)	85	(a)
86	(a)	87	(b)	88	(b)	89	(d)	90	(a)
91	(a)	92	(a)	93	(b)	94	(d)	95	(a)
96	(a)	97	(a)	98	(a)	99	(d)	100	(a)

SECTION-C : GENERAL ECONOMICS

101	(c)	102	(b)	103	(c)	104	(d)	105	(d)
106	(c)	107	(c)	108	(d)	109	(c)	110	(d)
111	(b)	112	(c)	113	(c)	114	(d)	115	(a)
116	(d)	117	(d)	118	(c)	119	(c)	120	(a)
121	(c)	122	(d)	123	(b)	124	(c)	125	(d)
126	(d)	127	(a)	128	(c)	129	(d)	130	(b)
131	(b)	132	(a)	133	(b)	134	(a)	135	(c)
136	(a)	137	(a)	138	(c)	139	(b)	140	(c)
141	(b)	142	(a)	143	(d)	144	(b)	145	(c)
146	(b)	147	(c)	148	(b)	149	(b)	150	(a)

SECTION-D : QUANTITATIVE APTITUDE

151	(a)	152	(b)	153	(c)	154	(a)	155	(a)
156	(b)	157	(b)	158	(d)	159	(b)	160	(a)
161	(c)	162	(b)	163	(a)	164	(c)	165	(d)
166	(a)	167	(c)	168	(d)	169	(b)	170	(a)
171	(c)	172	(a)	173	(a)	174	(a)	175	(c)
176	(a)	177	(b)	178	(b)	179	(a)	180	(c)
181	(a)	182	(a)	183	(b)	184	(c)	185	(a)
186	(d)	187	(a)	188	(d)	189	(c)	190	(a)
191	(b)	192	(a)	193	(c)	194	(b)	195	(c)
196	(a)	197	(b)	198	(a)	199	(d)	200	(d)

MODEL TEST PAPER – BOS/CPT-6/ 2007

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(b)	2	(d)	3	(c)	4	(c)	5	(a)
6	(c)	7	(c)	8	(a)	9	(b)	10	(a)
11	(c)	12	(a)	13	(a)	14	(a)	15	(c)
16	(b)	17	(c)	18	(a)	19	(c)	20	(b)
21	(a)	22	(b)	23	(c)	24	(a)	25	(b)
26	(b)	27	(c)	28	(a)	29	(b)	30	(a)
31	(b)	32	(a)	33	(b)	34	(a)	35	(a)
36	(a)	37	(b)	38	(a)	39	(b)	40	(a)
41	(d)	42	(b)	43	(a)	44	(a)	45	(d)
46	(a)	47	(a)	48	(a)	49	(b)	50	(a)
51	(a)	52	(a)	53	(a)	54	(a)	55	(b)
56	(b)	57	(b)	58	(c)	59	(c)	60	(c)

SECTION-B : MERCANTILE LAWS

61	(c)	62	(d)	63	(b)	64	(c)	65	(a)
66	(d)	67	(d)	68	(a)	69	(b)	70	(b)
71	(a)	72	(a)	73	(d)	74	(a)	75	(b)
76	(d)	77	(b)	78	(d)	79	(a)	80	(b)
81	(a)	82	(a)	83	(a)	84	(d)	85	(a)
86	(a)	87	(b)	88	(b)	89	(b)	90	(d)
91	(d)	92	(d)	93	(d)	94	(d)	95	(a)
96	(d)	97	(d)	98	(a)	99	(a)	100	(d)

SECTION-C : GENERAL ECONOMICS

101	(c)	102	(c)	103	(a)	104	(c)	105	(c)
106	(c)	107	(c)	108	(d)	109	(b)	110	(c)
111	(d)	112	(d)	113	(c)	114	(a)	115	(c)
116	(d)	117	(d)	118	(b)	119	(c)	120	(c)
121	(b)	122	(d)	123	(c)	124	(d)	125	(c)
126	(c)	127	(b)	128	(b)	129	(b)	130	(c)
131	(d)	132	(d)	133	(d)	134	(d)	135	(b)

136	(b)	137	(d)	138	(c)	139	(b)	140	(a)
141	(d)	142	(d)	143	(b)	144	(d)	145	(d)
146	(b)	147	(c)	148	(d)	149	(b)	150	(d)

SECTION-D : QUANTITATIVE APTITUDE

151	(a)	152	(b)	153	(c)	154	(c)	155	(a)
156	(b)	157	(b)	158	(a)	159	(a)	160	(d)
161	(a)	162	(b)	163	(b)	164	(c)	165	(a)
166	(d)	167	(b)	168	(a)	169	(b)	170	(c)
171	(d)	172	(a)	173	(b)	174	(b)	175	(c)
176	(a)	177	(c)	178	(d)	179	(a)	180	(b)
181	(d)	182	(b)	183	(b)	184	(a)	185	(c)
186	(a)	187	(b)	188	(d)	189	(a)	190	(b)
191	(b)	192	(c)	193	(a)	194	(a)	195	(c)
196	(d)	197	(a)	198	(b)	199	(a)	200	(c)

MODEL TEST PAPER – BOS/CPT-7/ 2007

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(d)	2	(a)	3	(a)	4	(a)	5	(c)
6	(a)	7	(a)	8	(b)	9	(c)	10	(d)
11	(a)	12	(c)	13	(b)	14	(a)	15	(c)
16	(d)	17	(b)	18	(c)	19	(d)	20	(c)
21	(b)	22	(c)	23	(a)	24	(b)	25	(c)
26	(a)	27	(c)	28	(a)	29	(c)	30	(b)
31	(b)	32	(c)	33	(a)	34	(b)	35	(a)
36	(d)	37	(a)	38	(a)	39	(a)	40	(c)
41	(a)	42	(c)	43	(a)	44	(b)	45	(d)
46	(b)	47	(b)	48	(a)	49	(c)	50	(b)
51	(a)	52	(c)	53	(a)	54	(b)	55	(b)
56	(a)	57	(a)	58	(a)	59	(a)	60	(a)

SECTION-B : MERCANTILE LAWS

61	(a)	62	(b)	63	(d)	64	(d)	65	(d)
66	(d)	67	(c)	68	(a)	69	(a)	70	(a)
71	(d)	72	(c)	73	(b)	74	(d)	75	(a)
76	(a)	77	(d)	78	(a)	79	(b)	80	(c)
81	(c)	82	(b)	83	(c)	84	(a)	85	(a)
86	(c)	87	(b)	88	(b)	89	(a)	90	(a)
91	(a)	92	(a)	93	(a)	94	(d)	95	(c)
96	(a)	97	(a)	98	(a)	99	(a)	100	(a)

SECTION-C : GENERAL ECONOMICS

101	(d)	102	(a)	103	(c)	104	(a)	105	(a)
106	(c)	107	(a)	108	(c)	109	(c)	110	(b)
111	(c)	112	(d)	113	(b)	114	(c)	115	(a)
116	(a)	117	(b)	118	(b)	119	(b)	120	(d)
121	(d)	122	(b)	123	(a)	124	(b)	125	(a)
126	(a)	127	(a)	128	(c)	129	(b)	130	(c)
131	(c)	132	(c)	133	(d)	134	(a)	135	(b)
136	(d)	137	(c)	138	(b)	139	(c)	140	(b)
141	(d)	142	(b)	143	(b)	144	(b)	145	(c)
146	(d)	147	(c)	148	(c)	149	(b)	150	(b)

SECTION-D : QUANTITATIVE APTITUDE

151	(d)	152	(a)	153	(a)	154	(c)	155	(b)
156	(a)	157	(c)	158	(a)	159	(b)	160	(a)
161	(c)	162	(a)	163	(d)	164	(b)	165	(a)
166	(c)	167	(a)	168	(c)	169	(b)	170	(a)
171	(c)	172	(a)	173	(b)	174	(a)	175	(c)
176	(c)	177	(a)	178	(d)	179	(a)	180	(b)
181	(a)	182	(a)	183	(b)	184	(a)	185	(c)
186	(a)	187	(c)	188	(a)	189	(b)	190	(d)
191	(b)	192	(a)	193	(d)	194	(b)	195	(a)
196	(c)	197	(b)	198	(d)	199	(a)	200	(b)

MODEL TEST PAPER – BOS/CPT-8/ 2007

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(c)	2	(a)	3	(c)	4	(b)	5	(c)
6	(d)	7	(b)	8	(c)	9	(b)	10	(d)
11	(a)	12	(c)	13	(a)	14	(a)	15	(c)
16	(a)	17	(b)	18	(c)	19	(d)	20	(d)
21	(c)	22	(a)	23	(a)	24	(a)	25	(a)
26	(a)	27	(d)	28	(b)	29	(d)	30	(d)
31	(a)	32	(a)	33	(d)	34	(d)	35	(a)
36	(a)	37	(b)	38	(b)	39	(b)	40	(c)
41	(b)	42	(a)	43	(a)	44	(a)	45	(b)
46	(a)	47	(c)	48	(d)	49	(a)	50	(b)
51	(c)	52	(b)	53	(b)	54	(b)	55	(a)
56	(b)	57	(a)	58	(c)	59	(a)	60	(a)

SECTION-B : MERCANTILE LAWS

61	(a)	62	(b)	63	(a)	64	(c)	65	(a)
66	(a)	67	(a)	68	(c)	69	(b)	70	(d)
71	(d)	72	(a)	73	(a)	74	(d)	75	(a)
76	(a)	77	(d)	78	(d)	79	(c)	80	(b)
81	(b)	82	(a)	83	(a)	84	(a)	85	(a)
86	(a)	87	(b)	88	(d)	89	(a)	90	(a)
91	(a)	92	(d)	93	(a)	94	(a)	95	(b)
96	(c)	97	(d)	98	(d)	99	(b)	100	(b)

SECTION-C : GENERAL ECONOMICS

101	(c)	102	(d)	103	(b)	104	(c)	105	(b)
106	(b)	107	(b)	108	(a)	109	(b)	110	(a)
111	(c)	112	(d)	113	(b)	114	(b)	115	(a)
116	(c)	117	(a)	118	(d)	119	(a)	120	(a)
121	(b)	122	(c)	123	(b)	124	(b)	125	(c)

126	(a)	127	(a)	128	(b)	129	(a)	130	(c)
131	(b)	132	(a)	133	(c)	134	(b)	135	(a)
136	(a)	137	(c)	138	(c)	139	(b)	140	(d)
141	(b)	142	(b)	143	(d)	144	(b)	145	(a)
146	(a)	147	(a)	148	(d)	149	(b)	150	(c)

SECTION-D : QUANTITATIVE APTITUDE

151	(a)	152	(c)	153	(c)	154	(d)	155	(b)
156	(c)	157	(b)	158	(a)	159	(b)	160	(b)
161	(a)	162	(b)	163	(c)	164	(a)	165	(c)
166	(a)	167	(b)	168	(c)	169	(b)	170	(b)
171	(a)	172	(c)	173	(a)	174	(b)	175	(a)
176	(a)	177	(b)	178	(c)	179	(b)	180	(a)
181	(b)	182	(a)	183	(b)	184	(c)	185	(a)
186	(b)	187	(c)	188	(a)	189	(b)	190	(a)
191	(b)	192	(b)	193	(a)	194	(a)	195	(b)
196	(c)	197	(b)	198	(c)	199	(a)	200	(b)

MODEL TEST PAPER – BOS/CPT-9/ 2007

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(a)	2	(a)	3	(a)	4	(a)	5	(a)
6	(b)	7	(a)	8	(c)	9	(b)	10	(a)
11	(b)	12	(b)	13	(d)	14	(c)	15	(b)
16	(c)	17	(b)	18	(d)	19	(c)	20	(d)
21	(a)	22	(b)	23	(c)	24	(a)	25	(c)
26	(a)	27	(b)	28	(a)	29	(a)	30	(a)
31	(a)	32	(a)	33	(a)	34	(a)	35	(a)
36	(a)	37	(b)	38	(a)	39	(a)	40	(b)
41	(a)	42	(b)	43	(a)	44	(a)	45	(d)
46	(a)	47	(a)	48	(a)	49	(a)	50	(b)
51	(a)	52	(a)	53	(a)	54	(a)	55	(d)
56	(b)	57	(a)	58	(a)	59	(a)	60	(a)

SECTION-B : MERCANTILE LAWS

61	(b)	62	(a)	63	(a)	64	(b)	65	(d)
66	(a)	67	(d)	68	(a)	69	(c)	70	(c)
71	(a)	72	(c)	73	(c)	74	(a)	75	(a)
76	(c)	77	(a)	78	(d)	79	(a)	80	(b)
81	(a)	82	(c)	83	(c)	84	(a)	85	(b)
86	(b)	87	(a)	88	(a)	89	(a)	90	(b)
91	(a)	92	(d)	93	(a)	94	(b)	95	(c)
96	(a)	97	(c)	98	(c)	99	(b)	100	(b)

SECTION-C : GENERAL ECONOMICS

101	(c)	102	(b)	103	(c)	104	(a)	105	(c)
106	(a)	107	(c)	108	(a)	109	(a)	110	(d)
111	(a)	112	(a)	113	(a)	114	(a)	115	(c)
116	(d)	117	(c)	118	(b)	119	(b)	120	(d)
121	(d)	122	(a)	123	(d)	124	(d)	125	(a)
126	(c)	127	(a)	128	(a)	129	(d)	130	(c)
131	(c)	132	(c)	133	(d)	134	(b)	135	(d)
136	(d)	137	(b)	138	(d)	139	(d)	140	(d)
141	(c)	142	(d)	143	(c)	144	(c)	145	(d)
146	(c)	147	(a)	148	(b)	149	(b)	150	(d)

SECTION-D : QUANTITATIVE APTITUDE

151	(c)	152	(a)	153	(b)	154	(c)	155	(a)
156	(b)	157	(a)	158	(b)	159	(a)	160	(a)
161	(a)	162	(c)	163	(b)	164	(d)	165	(a)
166	(c)	167	(a)	168	(b)	169	(a)	170	(c)
171	(b)	172	(a)	173	(b)	174	(d)	175	(a)
176	(b)	177	(a)	178	(c)	179	(a)	180	(a)
181	(c)	182	(b)	183	(a)	184	(b)	185	(a)
186	(d)	187	(a)	188	(b)	189	(a)	190	(c)
191	(a)	192	(b)	193	(a)	194	(b)	195	(a)
196	(c)	197	(a)	198	(c)	199	(a)	200	(b)

MODEL TEST PAPER – BOS/CPT-10/ 2007

SECTION – A : FUNDAMENTALS OF ACCOUNTING

1	(a)	2	(c)	3	(c)	4	(b)	5	(c)
6	(a)	7	(c)	8	(c)	9	(b)	10	(d)
11	(d)	12	(b)	13	(a)	14	(a)	15	(c)
16	(a)	17	(a)	18	(c)	19	(d)	20	(c)
21	(a)	22	(b)	23	(a)	24	(b)	25	(a)
26	(a)	27	(a)	28	(b)	29	(a)	30	(c)
31	(a)	32	(a)	33	(c)	34	(a)	35	(c)
36	(a)	37	(a)	38	(a)	39	(b)	40	(a)
41	(a)	42	(a)	43	(a)	44	(a)	45	(b)
46	(a)	47	(a)	48	(a)	49	(a)	50	(a)
51	(b)	52	(a)	53	(b)	54	(a)	55	(a)
56	(a)	57	(a)	58	(a)	59	(a)	60	(a)

SECTION-B : MERCANTILE LAWS

61	(d)	62	(d)	63	(c)	64	(d)	65	(d)
66	(c)	67	(a)	68	(d)	69	(b)	70	(a)
71	(a)	72	(c)	73	(b)	74	(a)	75	(c)
76	(a)	77	(c)	78	(c)	79	(a)	80	(c)
81	(a)	82	(b)	83	(d)	84	(d)	85	(d)
86	(c)	87	(d)	88	(d)	89	(d)	90	(d)
91	(a)	92	(b)	93	(a)	94	(a)	95	(b)
96	(d)	97	(d)	98	(b)	99	(a)	100	(b)

SECTION-C : GENERAL ECONOMICS

101	(d)	102	(d)	103	(a)	104	(d)	105	(b)
106	(d)	107	(c)	108	(c)	109	(a)	110	(b)
111	(d)	112	(b)	113	(a)	114	(d)	115	(d)
116	(d)	117	(c)	118	(a)	119	(c)	120	(b)
121	(a)	122	(c)	123	(c)	124	(d)	125	(c)
126	(b)	127	(d)	128	(a)	129	(c)	130	(d)
131	(c)	132	(a)	133	(b)	134	(a)	135	(d)

136	(c)	137	(c)	138	(a)	139	(c)	140	(b)
141	(d)	142	(b)	143	(d)	144	(b)	145	(d)
146	(a)	147	(c)	148	(a)	149	(b)	150	(b)

SECTION-D : QUANTITATIVE APTITUDE

151	(b)	152	(c)	153	(c)	154	(a)	155	(a)
156	(c)	157	(c)	158	(a)	159	(b)	160	(a)
161	(c)	162	(c)	163	(c)	164	(d)	165	(b)
166	(a)	167	(b)	168	(c)	169	(a)	170	(b)
171	(a)	172	(a)	173	(c)	174	(a)	175	(b)
176	(a)	177	(c)	178	(b)	179	(b)	180	(a)
181	(b)	182	(a)	183	(b)	184	(c)	185	(a)
186	(b)	187	(a)	188	(d)	189	(a)	190	(c)
191	(a)	192	(b)	193	(c)	194	(a)	195	(c)
196	(a)	197	(c)	198	(a)	199	(c)	200	(b)

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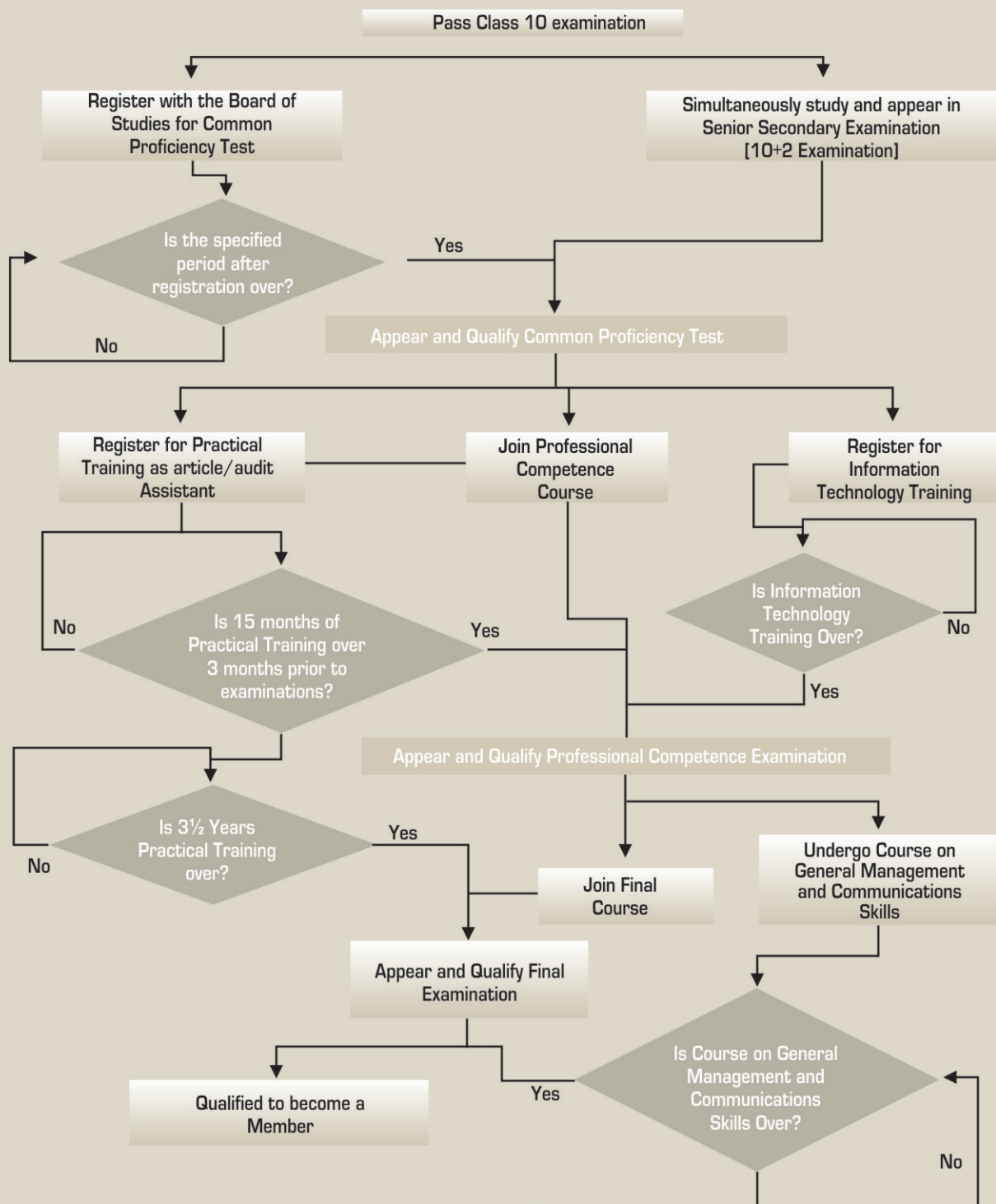
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