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CPT – December 2010 Question Paper (Based on Memory)

1st session **Marks:** 100 Marks **Time:** 2 hrs.

Part A – Accountancy

1. Securities premium will be shown in Balance Sheet under the head of ____
a) Reserves & Surplus b) Miscellaneous exp.
c) Loans & advances d) None

2. Which of the following provide frame work and accounting policies so that the financial statements of different enterprises become comparable.
a) Business Standards
b) Accounting Standards
c) Market Standards d) None

3. Which of the following factor is not considered while selecting accounting policies?
a) Prudence b) Substance over form
c) Accountancy d) Materiality

4. Prorata basis allotted 5000 shares out of 7500 shares were applied, then 600 shares were applied by a person, how many shares allotted and how much amount adjusted to allotment account. If application money is Rs.2 per share ____, ______
a) 400 shares 600/- b) 200 shares 300/-
c) 200 shares 600/- d) 300 shares 500/-

5. Debit the receiver & credit the giver is _____ account
a) Personal b) Real
c) Nominal d) All the above

6. Cash a/c is a ______
a) Real a/c b) Nominal
c) Personal d) None

7. Which of the following is a characteristic of a partnership
a) Artificial person
b) Perpetual succession
c) Limited liability of all partners d) None

8. X and Y are partners. Their profit sharing ratio is 5:3. They admitted a partner Z for $\frac{1}{5}$th share and contribute equally by the old partners, then new profit sharing ratio is __
a) 21:11:8 b) 20:8:9 c) 22:5:6 d) 5:3:2

9. Working capital is ______
a) Current Assets – Current liabilities
b) Fixed Assets- Current liabilities
c) Fixed Assets – liabilities
d) Fixed Assets – Current Assets

10. Sub-partner in the partnership is
a) a partner & the known person
b) a two partners in the same firm
c) two partners in the different time
d) none of these

11. Securities premium used for the purpose of
a) Dividends b) fully paid bonus shares
c) capital loss d) none of these

12. Cash Rs. 6750 paid to M but debited to N account. What would be the effect?
a) Trial balance b) Balance sheet
c) Individual ledgers d) total debtors

13. If there is no agreement in between the partners for sharing profits & losses then they share profits or losses in the ratio of ____
a) capital ratio at the beginning
b) equally c) capital ratio at the ending
d) none of the above

14. Balance in share forfeiture account is shown under the head of ____
a) share capital b) reserves & surplus
c) secured loans d) current liabilities

15. Dissolution of partnership automatically takes place
a) if the business becomes unlawful
b) if any one at the partners became insolvent
c) if all the partners became insolvent
d) all of the above

16. Error relating to fundamental aspect of ____
a) error of principle
b) error of commission
c) error of compensating d) error of omission

17. Liability on bills discounted at the time of final accounts is treated as ____
a) not an liability b) current liability
c) differed liability d) contingent liability

18. Profit or loss on revaluation is shared by old partners in _____ ratio
a) old profit sharing ratio
b) new profit sharing ratio
c) sacrificing ratio d) gaining ratio

19. Goods given as charity credited to _ account
a) charity b) purchases
c) drawings d) sales

20. In sale by description, subject matter can be in the form of
a) sample words b) symbols
c) numbers d) all of the above

21. Selection of accounting policies appropriation is not based on
a) prudence b) amount involved
c) substance over form d) materiality

22. As per accrual concept, which of the followings is not true
a) revenue – expenditure = profit
b) revenue – profit = expenditure
c) sales + gross profit = revenue
d) revenue = profit + expenditure

23. A company forfeited A's 1000 shares Rs. 10 each @ 10% discount. But A failed to pay first call of Rs. 2 and final call of Rs. 4 and all the shares were re issued for Rs.8 per share as fully paid up. The loss on re issue is ____ to forfeited account will be _____
a) debited Rs. 1,000
b) debited Rs. 2,000
c) credited Rs. 2,000
d) No affected will be made

24. Mr. X sold goods to Mr. Y ask Mr. X to keep the goods with him for some time
a) symbolic delivery
b) actual delivery
c) constructive delivery
d) none of these

25. The credit balance in the ledger account shows
a) revenue or an asset
b) expense or an asset
c) expense or an liability
d) revenue or an liability

26. Subsidiary and journal are called
a) primary books b) secondary books
c) principal books d) cash book

27. Hari, Roy and Prasad are sharing in 3:5:1. The Roy retired then his share was taken by Prasad fully, then Hari & Prasad profit sharing ratio is _____
a) 1 : 2 b) 2 : 1 c) 3 : 2 d) equally

28. The liability of a partner in a firm to outside is _____
a) unlimited
b) Unlimited up to their capital sharing ratio
c) Unlimited up to their guaranteed amount
d) Unlimited up to their profit sharing ratio

29. Cost of goods sold Rs.80,700 ; Opening stock Rs.5,800, Closing stock Rs.6,000 then purchases is Rs. ____
a) 80,500 b) 74,900 c) 74,700 d) 80,900

30. If JLP is taken jointly, on death of a partner ______ is distributed to partners against JLP
a) Policy amount b) Surrender value
c) Surrender value for dead partner & policy value for other d) none of these

31. Closing stock increased by 5000, gross profit ratio 10% then what will be the profit
a) Gross profit will be increased by 5000
b) Gross profit will be decreased by 5000
c) Increase by 500 d) decrease by 500

32. Provision for doubtful debts is Rs.1000 & debtors are Rs.90,000 at end of year, provision for doubtful debt 1% required, then the entry
a) P & L A/c Dr 900
To provision for doubtful debts 900
b) Provision for doubtful debts 900
To P & C A/c 900
c) P & L A/c Dr 100
To RDD A/c 100
d) none of these

33. If nothing is written about the accounting assumption to be followed it is presumed that
a) They have been followed
b) They have not been followed
c) They are followed to some extent
d) none of these

34. By preparing trail balance the errors can be revealed the following
a) Posting an entry twice in the ledger
b) Debit of Rs. 1000 is credited twice
c) Omission of complete entry d) none

35. The sale __ is completed with reserved price
a) sale by sample b) sale by description
c) sale by auction d) sale by staple

36. The buyer refused to take delivery and the seller refused to take return then the goods are
a) Deemed to be in transit
b) Not deemed to be in transit
c) both d) none of these

37. Payment made to creditor is with cash discount is ____
a) reduce asset & reduce liability, add to expenses
b) reduce asset & reduce liability, add to income
c) reduce asset & increase liability, add to expenses
d) increase asset & reduce liability, add to income

38. Purchased the asset for Rs. 2,00,000 with available discount 20% then what amount should be credited to debentures A/c, when the purchase consideration is discharged by the issue of debentures.
a) Rs.2,00,000 b) Rs.1,80,000
c) Rs. 1,60,000 d) Rs.2,40,000

39. A sold goods to B on credit for Rs. 10,000 but debited to C instead of B. What will be effected
a) trail balance b) individual account
c) balance sheet d) total debtors

40. On 31-3-09 the balance of the cash book is Rs. 7074 (credit) and balance as per bank statement is Rs. 3159 (debit). On scrutiny it was found that the difference was due to cheque issued but not yet presented for payment. The bank balance as on 31-3-09 will be shown in bank statement as ____
a) as bank overdraft Rs. 3159
b) as cash at bank Rs. 7074
c) as bank overdraft Rs. 7074
d) as cash at bank Rs. 3159

41. A purchased a computer on 1-4-06 for Rs.60,000 and another on 1-10-07 for Rs. 40, 000. He charged depreciation @ 20% p.a under straight line method. What will be the balance as on 31-03-09
a) Rs.40,000 b) Rs.64,000
c) Rs.52,000 d) Rs.48,000

42. A company forfeited 2000 shares of Rs. 10 each 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 Rs._____
a) 10,000 b) 8,000
c) 2,000 d) 18,000

43. Cost of goods sold Rs.10,000, Opening stock Rs.2,000 and Closing stock Rs. 3,000. Find the amount of purchases _____
a) Rs.10,000 b) Rs.11,000
c) Rs.15,000 d) Rs.9,000

44. A draws a bill on B. B did not accept the same. Which of the following Journal entries in the books of A
a) B/R A/c Dr
To B A/c
b) B A/c Dr
To B/P A/c
c) B A/c Dr
To B/R A/c
d) No entry is passed

45. A owned Rs. 25,000 to B. A is insolvent. B got A's computer valuing Rs. 11,500 in full settlement. Pass the Journal entry in the books of B.
a) Purchases a/c Dr 11,500
To A a/c 11,500
b) Computer a/c Dr 11,500
Bad debts a/c Dr. 13,500
To A a/c 25,000
c) Computer a/c Dr 25,000
To A a/c 25,000
d) Computer A/c Dr 11,500
To A a/c 11,500

46. An amount of Rs. 8765 paid to M was debited to N
a) increase in net profit
b) Decrease in net profit c) increase in asset
d) no effect on net profit

47. At the end of financial year, accounts receivable has a balance of Rs.1 lakh & provision for bad & doubtful debts provided amounting to Rs.7,000. The expected of net realisable value of A/c receivable is Rs.____
a) 7,000 b) 1,07,000
c) 93,000 d) 1,00,000

48. Rosa paid Rs.1,200 on 1-7-09 towards yearly subscription (July 1, 2009 to June 30, 2010) of a newspaper. It means she has to make adjustment of _____ expenses for finalisation of a/c for the year ended 31-3-10
a) Rs.300 as prepaid
b) Rs.300 as outstanding
c) Rs.200 as prepaid
d) Rs.200 as outstanding

Part B - M.Law

49. Prima facie risk passes with _____
a) property of ownership
b) computed agreement
c) verification & delivery of goods
d) payment of price

50. Reserve price is considered in ____
a) sale by sample b) sale by description
c) sale by auction d) all of the above

51. An unpaid seller's right of storage of goods in transit can be excised only the buyer is insolvent
a) true b) partly true c) false d) none

52. A agrees to sell B smuggled goods for Rs. 1000 per unit. The agreement is void due to
a) uncertainty b) illegality
c) impossibility d) immortality

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53. Which of the following will be account in fiduciary position
a) parent and son b) doctor and patient
c) all of the above d) none

54. Partnership agreement between persons arise from
a) the states of person b) operation of law
c) the contract of those person
d) none of these

55. The transactions collateral to illegal agreements is ____
a) valid
b) voidable at the option of plaintiff
c) also illegal & not enforceable by law
d) none of these

56. A sleeping partner is ____
a) not take active part in the firm
b) take only salary from the firm
c) not contribute capital to the firm
d) none of these

57. A sells to B 100 Kg. of wheat on the due date B says to A to keep the wheat for some time. This is a _____
a) symbolic delivery b) actual delivery
c) constructive delivery d) none

58. Counter offer is a ____
a) change in the original offer
b) rejection of original offer
c) same as original offer
d) not a offer at all

59. Offer can be withdrawn when
a) before the acceptance of offers against the oferror
b) after the acceptance of offers against the oferror
c) at any time
d) cannot be withdrawn

60. Future goods are the subject matter of
a) sale
b) agreement to sale
c) neither sale or agreement to sale
d) both sale & agreement to sale

61. ______ agreements are created by situation
a) written b) oral
c) void d) implied

62. Under the Indian contract act 1872, the age of the person to enter into the contract is
a) 21 years b) 16 years
c) less than one day of 18 years
d) 1 day more than 18 years

63. Partnership is dissolved automatically in cases of ____
a) All partners are insolvent
b) All partners expect one are insolvent
c) The subject matter becomes unlawful
d) In any of the above statements

64. A invites B to attend to his son's Birthday party and arranged everything but B failed then
a) Here there is no contract
b) There is no intention to create relationship
c) both of the above
d) none of the above

65. In case of _____ sale, it is subjected to be complete at reserve price
a) Sale of sample b) Sale of description
c) Sale of auction d) Reissue of shares

66. Which of the following is under implied authority of a partner in a firm
a) submit a dispute of firm to arbitration
b) acquire a immovable property behalf of firm
c) open a bank account on behalf of firm in his own name
d) participate in the business, decisions

67. Sharing of profits in a partnership firm is
a) Conclusive evidence
b) Not a conclusive evidence
c) must in firms
d) not compulsory

68. A partner in an dangerous situation can act as a person who is in ____
a) ordinary situation
b) as an agent of the firm
c) as an major in the firm
d) all of the above

69. The implied warranty of contract of sale
a) The goods should satisfy buyer purpose
b) The right of the seller to sell the goods
c) Seller can get back his goods at any time
d) none of these

70. If the goods are "perishable goods" then seller resales the goods then the buyer gets
a) good title b) partied goods
c) no title d) none

THE END

Key - Part –A – ACCOUNTS

1.	A	2.	B	3.	C	4.	A	5.	A
6.	A	7.	D	8.	A	9.	A	10.	D
11.	B	12.	C	13.	B	14.	A	15.	D
16.	A	17.	D	18.	A	19.	B	20.	D
21.	B	22.	C	23.	A	24.	A	25.	D
26.	A	27.	A	28.	A	29.	D	30.	A
31.	A	32.	A	33.	B	34.	B	35.	B
36.	A	37.	B	38.	C	39.	B	40.	A
41.	C	42.	D	43.	B	44.	D	45.	B
46.	D	47.	C	48.	A				

Part – B - M.LAW

49.	A	50.	C	51.	A	52.	B	53.	B
54.	C	55.	C	56.	A	57.	A	58.	A
59.	A	60.	B	61.	D	62.	D	63.	D
64.	B	65.	C	66.	D	67.	C	68.	D
69.	A	70.	A	71.		72.		73.	