BOARD OF STUDIES

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT – 11

Time : 4 hours ***Maximum Marks : 200***

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

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)

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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 concept
(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

11. Heavy amount spent on advertisement is _____

(a) Capital expenditure (b) Revenue expenditure
(c) Deferred revenue expenditure (d) None of the above

12. Cost of goods sold can be calculated by ____

(a) Trading account (b) Profit & Loss account
(c) Balance sheet (d) None of the above

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) None of the above

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 of the consignee 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

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(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

21. A businessman purchased goods for Rs. 25,00,000 and sold 70% of such goods during the accounting year ended 31st March, 2010. 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

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

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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. 44,200 (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. Cash in hand at the end of the year was Rs. 5,000. Total of Trial Balance at the end of the year will be _____

(a) Rs. 1,18,000 (b) Rs. 1,20,000
(c) Rs. 1,25,000 (d) Rs. 1,40,000

28. Capital introduced in the beginning by Ram Rs. 15,200, 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 _____

(a) Loss Rs. 3,000 (b) Loss Rs. 2,500
(c) Profit Rs. 5,000 (d) Profit Rs. 4,500

29. 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

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

(a) Rs. 2,500 (b) Rs. 2,000
(c) Rs. 500 (d) None of the three

31. Income tax liability of the proprietor Rs. 1200 was paid out of petty cash. Journal entry will be _____

(a) Dr. drawings and Cr. Cash A/c Rs. 1200
(b) Dr. drawings and Cr. Petty Cash Rs. 1200
(c) Dr Income tax and Cr Cash A/c Rs. 1200
(d) None of the above

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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 -

(a) Rs. 10,000 (b) Rs. 5,000
(c) Rs. 15,000 (d) None of the three

33. Ras started business on 01.01.2010 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?

(a) Rs. 25,000 (b) Rs. 28,000
(c) Rs. 30,000 (d) 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 2010.

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, 2010 closing inventory under FIFO method is -

(a) Rs. 7500 (b) Rs. 5681
(c) Rs. 5800 (d) Rs. 5950

35. Capital introduced by Mr. A on 01.01.2009 Rs. 1,00,000. 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 31.12.2009 will be _____

(a) Rs. 1,57,545 (b) Rs. 1,57,000
(c) Rs. 1,60,000 (d) Rs. 1,55,000

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 A/c Dr.	500	
	To Sales A/c		500
	To A		1,000
(d)	None of the above		

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37. | | |
|---|---|
| **Opening Stock** | **20,000** |
| **Closing Stock** | **18,000** |
| **Purchases** | **85,800** |
| **Carriage inwards** | **2,300** |
| **Carriage outwards** | **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 sent 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. 90,000. 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

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43. **A partnership firm earned net profits during the last 3 years as follows –**

2007	**15,000**
2008	**20,000**
2009	**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 1/7th share and B sacrificed 1/3rd 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 1/4th share in the profits of the firm. C brings Rs. 8,000 as his share of capital. Value of goodwill will be ____**

(a) Rs.6,000 (b) Rs. 5,000
(c) Rs. 8,000 (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. 17,700 (b) Rs. 16,000
(c) Rs. 16,500 (d) Rs. 17,000

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 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. 43,750 (b) Rs. 45,000
(c) Rs. 47,000 (d) Rs. 48,000

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49. Debit Balance as per cash book of Narayan Enterprises as on 28th February 2010 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. 2009 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. No stock left at the end of the venture. 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. 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. 4,389 B Rs. 2926 (b) A Rs. 4,000 B Rs. 3,315
(c) A Rs. 3,000 B Rs. 4315 (d) A Rs. 2,500 B Rs. 4,815

54. A and B are partners, sharing profits in the ratio of 5:3. They admit C with 1/5 share in profits, which he acquires equally from both 1/10 from A and 1/10 from B. New profit sharing ratio between A and B will be

(a) 21:11 (b) 20:10:4
(c) 15:10:5 (d) None of the three

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55. **A, B, and C are partners, sharing profits in the ratio of 4:3:2. D is admitted for 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. The Goodwill amount brought by D 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. 1,000

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 it 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

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SECTION – B : MERCANTILE LAWS (40 MARKS)

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 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

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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
(d) 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

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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 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

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 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

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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

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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

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

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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) upward-sloping to the right (d) vertical

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

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111. 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

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

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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) Privatization up to 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

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129. Which of the following statements is incorrect?

(a) The Indian road network is one of the largest networks 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 in 2010 is:

(a) Between 50 – 60 crore (b) Between 60 – 70 crore
(c) Between 70 – 80 crore (d) Above 117 crore

136. India accommodates nearly _____ per cent of world's population

(a) 10 (b) 50
(c) 16.7 (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

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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) NNP ÷ population (b) Total capital ÷ population
(c) Population ÷ 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) GDP at market price = GDP at factor cost plus net indirect taxes
(b) NNP at factor cost = NNP at market price minus indirect taxes
(c) GNP at market price = GDP at market price plus net factor income from abroad
(d) None of the above

144. Nearly _____ percent of working population is engaged in the service sector (2007-08).

(a) 25 (b) 45
(c) 80 (d) 50

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

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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 of these

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153. Ogive is used to obtain

(a) Mean (b) Mode
(c) Quartiles (d) All of 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 of 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 continuous 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 (a) and (b) (d) None of these

160. The index number is a special type of G.M.

(a) True (b) False
(c) Both (d) None of these

161. The number 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

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164. Number 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, ……. nth term is equal to 403.

(a) 50 (b) 100
(c) 101 (d) 51

166. $\log\frac{128}{\sqrt{2}}$ **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 compounded 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 number of observations into _____ equal parts.

(a) 100 (b) 10
(c) 2 (d) None of these

171. $\lim_{x\to 0}\frac{3^{x+1}-3}{x}$ **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

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173. **6^{th} term of series ab, a^2b^3, a^3b^5 ……. nth term 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**

(a) –15 (b) –18
(c) 18 (d) 12

178. **For what value of 'K' the equation $9x^2 – 24x + K = 0$ has equal roots**

(a) –16 (b) –15
(c) 0 (d) 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**

(a) 25 and 30 (b) 15 and 18
(c) 60 and 72 (d) None of these

180. **The equation of right bisector of line joining the points A (3, –4) and B (5, –6) is equal to**

(a) $2x – 2y – 9 = 0$ (b) $x + y + 1 = 0$
(c) $3x – 2y + 7 = 0$ (d) $x – 5y + 4 = 0$

181. **The regression equation are $8x – 10y + 66 = 0$ and $40x – 18y = 214$, find the coefficient of correlation**

(a) 4/5 (b) –4/5
(c) 3/5 (d) –1

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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 number of the girls in the class.

(a) 50 boys and 100 girls (b) 100 boys and 50 girls
(c) 75 boys and 75 girls (d) None of these

183. Two cards are drawn from a well shuffled pack of playing cards. Find the probability that both are ace.

(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 the Rs. 6,300 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 61^{st} 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) $\frac{n}{6}(n+1)(2n+1)$

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(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 if 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) $\frac{x}{2}\sqrt{x^2+a^2}+\frac{a^2}{2}\log\left|x^2+\sqrt{x^2+a^2}\right|$

(b) $\frac{x}{2}\sqrt{x^2-a^2}+\frac{a^2}{2}\log\left|x^2-\sqrt{x^2-a^2}\right|$

(c) $\frac{x}{2}\sqrt{x^2-a^2}-\frac{a^2}{2}\log\left|x^2+\sqrt{x^2+a^2}\right|$

(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

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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 $\left(\frac{p}{q}\right)^{\frac{p}{q}} - p^{\frac{p}{q}-1}$ reduces to

(a) p (b) q
(c) 0 (d) None of these

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COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT – 12

Time : 4 hours ***Maximum Marks : 200***

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

1. Which of the following is not a sub-field of a 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 band debts (d) Loss by riots.

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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 borne by consignee
(d) Del credere commission is generally given to promote 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

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. According to the Companies Act, 1956, Balance Sheet of a company is prepared as per

(a) Part II of Schedule VI (b) Part I of Schedule VI
(c) Part II of Schedule VII (d) Part I of Schedule VII

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

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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

21. A trader purchased a machinery costing Rs. 1,00,000 on 1st Oct. 2009. Transportation and installation charges were incurred amounting Rs. 10,000 and Rs. 4,000 respectively. Dismentling 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, 2010, 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

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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, 2010. It has purchased the plant and machinery on Jan 1, 2007. Firm has been following the practice of charging full years depreciation every year on diminishing balance system @ 15%. Cost of machinery on 1.1.2007 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, 2009 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.

	Dr.	***Cr.***
	Rs.	**Rs.**
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**	**—**
Creditors		**30,000**
	3,50,000	**3,50,000**

Total of corrected 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. 20,000 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

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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. The securities premium account may be applied by the company

(a) In writing off the preliminary expenses of the company.
(b) In writing off the expenses of or the commission paid or discount allowed on, any issue of shares or debentures of the company.
(c) In paying up un-issued shares of the company to be issued to members of the company as fully paid bonus shares.
(d) All of the above.

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.'s authorized capital is 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

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34. Gopal was holding 100 shares of Rs. 10 each of a company on which he had paid Rs. 3 on application and Rs. 2 on allotment but could not pay Rs. 2 on first call. Directors forfeited his shares. Share capital will be debited by _____

(a) Rs. 1000 (b) Rs. 700
(c) Rs. 500 (d) 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 _____

(a) Rs. 2,000 (b) Rs. 2,500
(c) Rs. 2,800 (d) 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 _____

(a) Rs. 3,000 (b) Rs. 2,000
(c) Rs. 1,500 (d) 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 _____

(a) Added (b) Deducted
(c) Not required to be adjusted (d) Name of the above

38. A company purchased plant for Rs. 5,000. The useful life of the plant is 10 years and the residual 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

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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:

(a) Sales A/c (b) Purchases A/c
(c) Cash A/c (d) None of the three

45. A machinery of Rs. 3,000 was sold for Rs. 4200. Depreciation provision till date of sale 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 _____

(a) Rs. 1200 (b) Rs. 1000
(c) Rs. 1150 (d) 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 _____

(a) Rs. 1,40,000 (b) Rs. 1,35,000
(c) Rs. 1,30,000 (d) Rs. 1,45,000

47.

	Rs.
Opening balance of Capital	**5,000**
Net profit	**2,770**
Income tax	**550**
Drawings	**650**
Interest on capital	**500**
Interest on Drawings	**120**

Capital at end will be

(a) Rs. 6950 (b) Rs. 6000
(c) Rs. 6500 (d) Rs. 6600

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48. **Trial balance of a trader shows the following balances**

	Rs.
Opening Stock	**9600**
Purchases less returns	**11850**
Salaries and wages	**3200**
Carriage on Purchases	**200**
Carriage outwards	**300**
Sales	**24900**
Closing Stock	**3500**

Gross profit will be

(a) Rs. 6750 (b) Rs. 6500
(c) Rs. 3250 (d) Rs. 3200

49.

	Rs.
Jan 1, 2009 Provision for Bad Debts	**2,500**
Dec. 31, 2009 Bad debts	**1,870**
Debtors	**20,000**

Make a provision for bad 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, 2010 Badri 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 January. Anil took delivery and paid Rs. 1200 for Octroi. On 31st January he sold 80 cases for Rs. 10,500. He charged Rs. 775 as his commission. Consignment profit will be _____**

(a) Rs. 2,285 (b) Rs. 2,200
(c) Rs. 2,500 (d) Rs. 2,000

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

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53. **A, B and C are partners in a business sharing profits and losses in the ratio of 3:2:1. On 30th June, 2009, 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.

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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)

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 then 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

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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) Void-ab-intio (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 action 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)

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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

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

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84. Total substitution of new contract in place of old contract takes place in case of _____

(a) Remission (b) Rescission
(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

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(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 of 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 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

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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 followings terms, namely, Y is to pay X Rs. 100 per mile per annum, and X and Y are to share to costs of repairing and replacement of the care, 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

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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 percent, 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 following 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

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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 statement 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) In elastic 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

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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. Economic 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) GDP at market price = GDP at factor cost plus net indirect taxes
(b) NNP at factor cost = 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

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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) GDP at market price = GDP at factor cost plus net indirect taxes
(b) NNP at factor cost = NNP at market prices minus net indirect taxes
(c) GNP at market prices = GDP at market prices plus 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

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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 to 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 slice of bread gives less 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, Rourkela and Durgapur were set up in the

(a) First plan (b) Second plan
(c) Third plan (d) Fourth plan

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149. About _____ per cent of the sick units in India are small units

(a) 10 per cent (b) 4 per cent
(c) 30 per cent (d) 96 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

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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) × 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) 6 pq (b) 36 pq
(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 8^{th} term of series 4, 8, 16 …….. nth term 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 x 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

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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 + 2 y + 1 = 0

171. $\lim_{x \to 3} \frac{x^2 - 9}{x - 3}$ **is equal to**

(a) 0 (b) 6
(c) Does not exist (d) – 6

172. The derivative of y = $\sqrt{2x+1}$ **w.r.t..x is:**

(a) $\frac{1}{\sqrt{2x+1}}$ (b) $\frac{-1}{\sqrt{2x+1}}$

(c) $\frac{1}{2}.\sqrt{2x+1}$ (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) = $\frac{1}{x} - x$, $f\left(\frac{1}{2}\right)$

(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

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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 arranges, then the estimates 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 gifts to each other and total number of gift 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 A.P. series –6, -3, 0 ……. nth term 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 _____

(a) Reduced by 12 (b) Increased by 12
(c) Unchanged (d) 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

(a) 22 (b) 4
(c) 25 (d) 8.30

184. If f (x+1) = 2x + 7 then f (– 2) is _____

(a) 1 (b) 2
(c) 3 (d) 4

185. The roots of the equation $4^{x+1} + 4^{1-x} = 10$ are _____

(a) $\frac{1}{2}, -\frac{1}{2}$ (b) 2, – 2
(c) 1, – 1 (d) None of these

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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

(a) $x + y = 12$ (b) $x + y \leq 12$
(c) $x + y \geq 12$ (d) 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.

(a) 109.54 (b) 99.54
(c) 95.54 (d) None of these

188. The standard deviation of 25, 32, 43, 53, 62, 59, 48, 31, 24, 33 is _____

(a) 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) $2x.\sqrt{\log x}$

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(c) $\frac{1}{\sqrt{\log x}}$ (d) $\frac{1}{x}$

194. Evaluate $\int_2^4 (3x-2)^2\,dx$

(a) 104 (b) 100
(c) 10 (d) None of these

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

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BOARD OF STUDIES

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT – 13

Time : 4 hours ***Maximum Marks : 200***

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

1. Consignment 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. Who is the acceptor of Bills of Exchange?

(a) Creditor (b) Seller
(c) Debtor (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

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7. "Business unit" is separate and distinct from the persons 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 then that journal entry is known as

(a) Compound journal entry (b) Separate journal entry
(c) Posting (d) None of the above

10. Following is not an example of external users

(a) Government (b) Management
(c) Investors (d) Suppliers and other creditors

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

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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

21. According to which concept the owner of an enteprise pays "Interest on Drawings"?

(a) Accrual concept
(b) Conservatism concept
(c) Entity concept
(d) Dual aspect concept

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 31.03.2010 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, 2010 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

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 She in the policy will be

(a) Rs.1,50,000
(b) Rs.90,000
(c) Rs.60,000
(d) Rs.3,00,000

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25. Trial Balance (Total method)

S.No.	Name of the account	*Dr.* (Rs.)	*Cr.* (Rs.)
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. A, B and C are partners in a partnership firm. During the financial year 2008-09 firm earned profit accounting to Rs. 18,000. They distributed the profit in the ratio of 2:2:1. But there is no partnership deed of the firm. Necessary adjustment will be:

			Rs.	Rs.
(a)	P/L Adjustment A/c	Dr.	18,000	
	To A			7,200
	To B			7,200
	To C			3,600
(b)	P/L Adjustment A/c	Dr.	18,000	
	To A			6,000
	To B			6,000
	To C			6,000
(c)	P/L Adjustment A/c	Dr.	18,000	
	To A			1,200
	To B			1,200
	To C			2,400

(d) None of the above

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

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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
(b) The degree of honesty with which accounting work has been done
(c) The capital invested in business
(d) Profit earned or loss suffered by the firm

30. The trial balance checks

(a) Arithmetical accuracy of books (b) The honesty of the book keeper
(c) The valuation of closing stock (d) None of the three

31. Unexpired insurance is

(a) Real A/c (b) Personal A/c
(c) Nominal A/c (d) None of the three

32. In the beginning of 2009 person has goods worth Rs. 4000 in his godown. During the year he purchased goods worth Rs. 20,000. His sales during the year were Rs. 30,000 and there were goods still lying in his godown worth Rs. 3000. Profit has been made

(a) Rs. 9,000 (b) Rs. 8,000
(c) Rs. 10,000 (d) Rs. 9,500

33. Total sales during the year amounted to Rs. 70,000; Cash sales Rs. 10,000; Outstanding debtors at the end of the year Rs. 25,000. Cash received from debtors during the year will be

(a) Rs. 35,000 (b) Rs. 30,000
(c) Rs. 37,000 (d) Rs. 32,000

34. Cost of goods sold Rs. 15,00,000
Closing Stock Rs. 4,00,000
Opening Stock Rs. 6,00,000
Amount of Purchases will be

(a) Rs. 12,00,000 (b) Rs. 13,00,000
(c) Rs. 10,00,000 (d) Rs. 14,00,000

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. 2,370 (b) Rs. 2,500
(c) Rs. 2,300 (d) Rs. 2,380

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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. 6,000
(c) Rs. 6,300 (d) Rs. 6,330

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) Rs. 20730 (b) Rs. 20500
(c) Rs. 20200 (d) Rs. 21000

38. **Jan. 2009 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, 2007 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.3,500 (b) Rs.3,700
(c) Rs.4,000 (d) Rs.3,400

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. In 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. 50,003.45 (b) Rs. 52,000
(c) Rs. 50,000 (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

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42. On 01.12.09, X draws a bill on Y for 30 days after sight. The date of acceptance is 08.12.09. The due date of the bill will be -

(a) 8.01.09 (b) 10.01.09
(c) 11.01.09 (d) 09.10.09

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 Rs. 7,095 (b) Profit Rs. 7,085
(c) Loss Rs. 5,000 (d) Loss Rs. 6,000

44. The total of debit and credit side of Mr. Raja Ram as on 31st March, 2010 were Rs. 20,000 and Rs. 10,000 respectively. The difference was transferred to suspense A/c. On 4th April 2010, 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, 2009 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. 6,300 to capital A/c will be

(a) Capital A/c Dr. Rs. 6,300; To P/L A/c Rs. 6,300
(b) P/L A/c Dr. Rs. 6,300; To Capital A/c Rs. 6,300
(c) Trading A/c Dr. Rs. 6,300; to P/L A/c Rs. 6,300
(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) A revenue or an asset (b) An expense or on asset
(c) A revenue or a liability (d) None of the three

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49. Miss Rakhi consigned 1,000 Radio sets costing Rs. 900 each to Miss Gita, her agent on July 1, 2009. Miss Rakhi incurred the following expenses.

Carriage	Freight	Insurance
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 -

(a) 1,52,036 (b) 1,52,000
(c) 1,50,000 (d) None of the three

50. Amount spent on "Structural alterations" under pressure of law is a

(a) Capital expenditure (b) Revenue expenditure
(c) Deferred revenue expenditure (d) 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 -

(a) Rs.10,000 (b) Rs.12,000
(c) Rs.11,000 (d) 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

(a) $\frac{1}{3}:\frac{1}{3}:\frac{1}{6}:\frac{1}{6}$ (b) 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**

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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) Rs. 16,500 (b) Rs. 15,000
(c) Rs. 15,500 (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) Rs. 95,000 (b) Rs. 90,000
(c) Rs. 98,000 (d) Rs. 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

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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) Rs. 37,000 (b) Rs. 37,500
(c) Rs. 35,500 (d) Rs. 38,000

SECTION – B : MERCANTILE LAWS (40 MARKS)

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

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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

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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

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

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84. Every person attains majority an 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

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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

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

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102. Which of the following is not a characteristic of a "Price taker"?

(a) TR = P **x** Q
(b) AR = Price
(c) Negatively – sloped demand curve
(d) Marginal Revenue = 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

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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 Eleventh plan aims at achieving a growth rate of _____ in the industrial sector.

(a) 5 per cent (b) 8 per cent
(c) 8.5 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) Third

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119. 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 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) NNP / population
(b) Total capital / population
(c) Population / 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) SLR has been kept at 24%.
(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

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128. Population per bank in India is :

(a) around 5000 (b) around 20000
(c) around 15000 (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 usefullness 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 economies 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

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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 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 6^{th} 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

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(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

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152. Ogive is a

(a) Line diagram (b) Bar diagram
(c) Both (d) None of these

153. Which result is true?

(a) H.M. $\leq$ G.M. $\leq$ A.M. (b) H.M. $\geq$ G.M. $\geq$ A.M.
(c) H.M. < G.M. < A.M. (d) G.M. > A.M. > H.M.

154. The range of 12, 15, 17, 9, 21, 25

(a) 3 (b) 16
(c) 25 (d) 12

155. Median is affected by extreme valves

(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) $P(A \bigcap B) < P(A) + P(B)$ (b) $P(A \bigcap B) > P(A) + P(B)$
(c) $P(A \bigcap B) \leq P(A) + P(B)$ (d) $P(A \bigcap B) \geq P(A) + P(B)$

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 number 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 Algebric method we get _____ Linear equations

(a) Two (b) Three
(c) One (d) None of these

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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) $\lfloor 9 : \lfloor 5$ (b) 126:1
(c) 1:1 (d) 2:5

167. The 13th term of series 93, 90, 87 ….. nth term 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. $\lim_{x \to 2} \frac{x^2 - 9}{x - 3}$ is equal to $\frac{\sqrt{3-x} - 1}{2-x}$

(a) ½ (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. log x (d) 1 + log x

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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,** $\frac{1}{\sqrt{3}}$ **….. nth term is** $\frac{1}{243}$ **?**

(a) 13 (b) 14
(c) 15 (d) 12

176. **Fisher's ideal idex no. is equal to**

(a) Laspeyse's index × Pasche's Index (b) $\sqrt{\text{Lasperyre's Index} \times \text{Pasche's Index}}$

(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 16 x = 9y – 94. Find the variance of x if variance of y is 16.**

(a) 4/16 (b) 9
(c) 1 (d) 5/16

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181. If ${}^{n}P_{13} : {}^{n+1}P_{12} = 3:4$ 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 G.P. 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! X 3! X 3! (b) 5 P3
(c) 5! X 3! (d) 5! X 3! X 3! X 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 $1/10^{th}$ 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

(a) 3, 4, 5 (b) 1, 4, 7
(c) 2, 4, 6 (d) None of these

190. The number of subset of a set containing n element is:

(a) 2n (b) 2^n
(c) 2^{-n} (d) None of these

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191. Wages of 8 workers expressed in Rs. as follows 80, 96, 51, 72, 67, 50, 70, find Coefficient of range?

(a) 30.5 (b) 35.3
(c) 31.00 (d) 31.51

192. $\int e^{px} dx$ **is equal to**

(a) $e^x + c$ (b) $\frac{e^{px}}{p} + c$
(c) $\log x + c$ (d) None of these

193. Evaluate $\int_{-3}^{3} (x^3 + x)\, dx$

(a) 0 (b) 3
(c) –3 (d) 1

194 If Arithmetic Mean and coefficient of variation of x are 5 and 20 respectively. What is the variance of (15-2x)?

(a) 16 (b) 2
(c) 64 (d) 32

195. If $y = e^x - e^{-x}$ **then** $\frac{dy}{dx} - \sqrt{y^2 + 4}$ **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

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199. A sum of money triples itself in 20 years. Using Simple Interest calculate 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

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BOARD OF STUDIES

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COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT – 14

Time : 4 hours ***Maximum Marks : 200***

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

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, 2010 Narain Enterprises purchased a loader from Laxmi Motors for Rs. 1,75,000 which is shown in the balance sheet as on 31st March, 2010. 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

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7. B/R is a

(a) Current asset (b) Fixed asset
(c) Fictitious 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 26.02.2010 payable after 90 days. The maturity date of the bill will be -

(a) 30.05.2010 (b) 29.05.2010
(c) 28.05.2010 (d) 27.05.2010

11. Balance of goods sent on consignment account is transferred to -

(a) Profit and Loss Account (b) Trading account
(c) P/L appropriation 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 if 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 contribution, then it is termed as

(a) Capital (b) Reserves
(c) Goodwill (d) Premium for goodwill

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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

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

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

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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 05.02.2010. On 13.03.2010, 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**		
	1,60,000		**1,60,000**

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. 38,000 (b) Rs. 35,000
(c) Rs. 30,000 (d) Rs. 40,000

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 Rs. 700 as godown rent, Rs. 1,000 as clearing charges and Rs. 300 as carriage inwards. Cost of damage will be

(a) Rs. 4,500 (b) Rs. 4,575
(c) Rs. 4,000 (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 Rs. 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. 4,500 (b) Rs. 4,751
(c) Rs. 4,651 (d) None of the above

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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. 1,000

30. Hardcore Computers Ltd. issued to public 15,000 shares of Rs. 10 each at a premium of Rs. 2. Applications were received for 10,000 shares. The amount payable was as follows:

On application	**Rs. 3 per share**
On allotment	**Rs. 4 per share (including premium)**
On first and final call	**Rs. 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. 1,000 (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 Rs. 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 ¼ 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.	8,000	
	To J			8,000
(b)	U's loan A/c	Dr.	8,000	
	To R			4,000
(c)	U's Loan A/c	Dr.	8,000	
	To J			4,000
	To R			4,000
(d)	None of the three			

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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 1/3rd 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

Cost of goods sold	**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

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39. Net salary paid to employees Rs. 45,000 in cash after deducting income tax Rs. 1,000, professional tax Rs. 200, employees provident fund Rs. 2,000, staff welfare fund Rs. 100 and recovery of loan Rs. 1,700. 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 and C, but the said amount was included in last year's 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. 1,080 was brought into the books as Rs. 1,800.

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 three				

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

Year	Rs.
2006	40,000
2007	50,000
2008	60,000
2009	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., 2006 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. 2,400 (b) Profit Rs. 2,300
(c) Loss Rs. 2,406 (d) Loss Rs. 3,219

47. The plant and machinery account of a firm had a debit balance of Rs. 1,47,390 as on 31st December, 2009. On 1st Jan., 2006 Co. started business and has been following the practice of charging full year's depreciation every year on Diminishing balance method @ 15%. Cost of machinery on 01.01.2006 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

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50. Rishi is a partner in a firm. He withdrew the following amounts during the year ended on 31st December, 2009.

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. 2,295 (b) Rs. 2,000
(c) Rs. 2,200 (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

(a) Rs. 500 (b) Rs. 200
(c) Rs. 300 (d) 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. 1,000 each at a discount of 10%. Discount on issue of debentures will be

(a) Rs. 15,000 (b) Rs. 14,000
(c) Rs. 10,000 (d) None of the three

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56. A firm had an unrecorded investment of worth Rs. 5,000. Entry in the firms journal on admission of a partner will be

(a)	Unrecorded Investment A/c	Dr.	5,000	
	To Revaluation A/c			5,000
(b)	Revaluation A/c	Dr.	5,000	
	To Unrecorded Investment			5,000
(c)	Partner Capital a/c	Dr.	5,000	
	To Unrecorded Investment			5,000
(d)	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, 2009. 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

(a) Rs. 400 (b) Rs. 600
(c) Rs. 800 (d) 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. 2,000. Amount transferred to capital reserve account will be

(a) Rs. 250 (b) 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)

61. An agreement made without consideration is valid under 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

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(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 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. 1,000 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)

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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 becomes 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 partners have become 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

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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

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

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87. A person who is mentally deranged 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 allows 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

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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

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 is no consensus ad idem
(d) The contract is not binding

100. A had offered B, a price of Rs. 10,000/- 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 do not agree to sell me your house for Rs.10,000/-". 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

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?

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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

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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 in 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 statements 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) Up to six month from now (b) Up to 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

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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) 4 per cent
(c) 30 per cent (d) 96 per cent

131. 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

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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 year is known as 'year of great divide' for India's population?

(a) 1991 (b) 2001
(c) 1981 (d) 1921

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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) 16.7 (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 Indian

(a) Second (b) Third
(c) Sixth (d) Tenth

145. According to the latest data (2009-10) Plant Load Factor (PLF) is lowest in:

(a) Southern region (b) Northern region
(c) Western region (d) 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 foodgrains 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) 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) and (b)

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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 Standard Deviation would also be divided by 3
(b) New Standard Deviation would be multiplied by 3
(c) New Standard Deviation will increase by 3
(d) New Standard Deviation will decrease by 3

154. More laborious numerical calculations are involved in A.M. than G.M.

(a) True (b) False
(c) Both (d) None of these

155. To find the median graphically we 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. 2^{nd} decile is greater than 1^{st} 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

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159. Probability of throwing an even number 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. AUA is equal to

(a) A (b) ϕ
(c) 2A (d) None of these

166. The sum of m terms of A.P. is n and the sum of n terms of A.P. 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) $(P \cup P')'$

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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 number of factors must be known are _____ 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 $x = \sqrt{2 - \sqrt{2 - \sqrt{2}}}$ … then it is equal to

(a) –2 (b) 5
(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. 12,00 at the rate of _____ p.a. simple interest.

(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

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178. $\lim_{x\to 0} \frac{3^x - 1}{\sqrt{1+x} - 1}$ **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 will be 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**

(a) 120 (b) 60
(c) 30 (d) 15

182. **The difference between Compound Interest and Simple Interest on a certain sum for 2 years at 6% p.a. is Rs. 13.50. Find the sum**

(a) Rs. 3,750 (b) Rs. 2,750
(c) Rs. 4,750 (d) 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**

(a) 5/4 (b) 4/5
(c) 3/5 (d) 5/3

184. **The sum of two numbers is 16 and twice the square of larger part exceeds the square of smaller part by 164, the numbers are**

(a) 10 and 6 (b) 12 and 4
(c) 11 and 5 (d) None of these

185. **If $3y - 2x = 4$ and $4y - px = 2$ are perpendicular to each other, the value of p is equal to**

(a) –6 (b) 6
(c) 2 (d) 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**

(a) 153 (b) 152.5
(c) 155 (d) 151

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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

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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 of 30 students, 20 students like maths, 18 like science and 12 like both the subjects. Find the number of students who like no subject.

(a) 4 (b) 5
(c) 8 (d) None of these

198. 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

$\frac{d}{dx}e^{2lo}$

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

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BOARD OF STUDIES

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COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT – 15

Time : 4 hours ***Maximum Marks : 200***

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

1. A bill has been drawn on 26.02.2010 payable after 90 days, the Maturity date of the bill will be

(a) 30.05.2010 (b) 29.05.2010
(c) 28.05.2010 (d) 27.05.2010

2. Carriage outward is debited to

(a) Trading Account (b) Profit and loss account
(c) Profit and loss appropriation 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

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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.

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

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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

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 2009. 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

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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. 12,250 (b) Rs. 12,000
(c) Rs. 10,000 (d) Rs. 13,000

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. This 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, Assets = Liabilities + Owners equity

(a) Income statement (b) Balance sheet
(c) Statement of cash flow (d) None of the three

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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	**1,000**
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**

Ram's capital will be

(a) Rs.1,85,000 (b) Rs.1,80,000
(c) Rs.1,75,000 (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 **31.01.2006**	**203**	**Mittal & Co. Hissar returned 2 silk sarees @ Rs. 325** **Mohan returned one old type writer @ Rs. 500**

Total of sales return book will be

(a) Rs. 900 (b) Rs. 800
(c) Rs. 1000 (d) None of the three

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34. Following is an incorrect trial balance

	Dr. Balance (Rs.)	*Cr Balance (Rs.)*
Sen Gupta's Capital	**-**	**1556**
Sen Gupta's Drawings	**564**	**-**
Leasehold premises	**750**	**-**
Sales	**-**	**2.750**
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

(a) Normal loss (b) Abnormal Loss
(c) Loss of bad debts (d) Loss by theft

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38. **A stock 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**

(a) Rs. 10,00,000 (b) Rs. 6,00,000
(c) Rs. 8,00,000 (d) 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**

(a) Rs. 80,500 (b) Rs. 74,900
(c) Rs. 74,700 (d) Rs. 80,900

40.

	Rs.
Opening stock	**8500**
Purchases	**30,700**
Direct expenses	**4800**
Indirect expenses	**52000**
Closing Stock	**9000**

Cost of goods sold will be

(a) Rs. 35,000 (b) Rs. 30,000
(c) Rs. 40,000 (d) None of the three

41. **Cost of goods sold Rs. 70,800**
Sales Rs. 1,30,200
Gross Profit will be

(a) Rs. 59,400 (b) Rs. 59,000
(c) Rs. 60,000 (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. 4,000 (b) Rs. 5,000
(c) Rs. 6,000 (d) None of the three

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43.

	Rs.		Rs.
Accounts payable	68,000	Long Term Loan	30,000
Capital	2,00,000	Wages payable	1,20,000
Cash in hand	1,24,000	Investments	2,000
Prepaid expenses	2,000	Net Profit	96,000
Cash at Bank	2,90,000	Bills receivable	80,000
Inventories	16,000		

Total of Balance Sheet will be

(a) Rs. 5,14,000 (b) Rs. 6,00,000
(c) Rs. 6,80,000 (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, 2009 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.

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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. 1,300
(c) Added Rs. 900 (d) Subtracted by Rs. 400

50. Overdraft as per pass book is given Rs. 10,000

(i) Cheques deposited in the Bank but not recorded in Cash Book Rs. 100
(ii) Cheques drawn but not presented for payment Rs. 6,000
(iii) Bank charges recorded twice in cash book Rs. 30
Overdraft as per Cash Book will be

(a) Rs. 16,000 (b) Rs. 16,130
(c) Rs. 15,000 (d) None of the three.

51. Ratan and Karan entered into partnership on April 1, 2009. 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

	Ratan	Karan
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. 4,000 (b) Rs. 3,000
(c) Rs. 5,000 (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 1/8th 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

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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 1/5th share in profits. He brings Rs. 14,000 for his capital. Value of hidden goodwill at the time of C's admission will be

(a) Rs. 26,000 (b) Rs. 25,000
(c) Rs. 20,000 (d) None of the three.

54. A, B and C are partners, sharing profits in the ratio of 4:3:2. D is admitted for 2/9th 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) A only (b) A, B and C (Equally)
(c) A and B (Equally) (d) 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.

(a) 1:1 (b) 2:3
(c) 3:2 (d) 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 -

(a) Rs. 1.00 (b) 0.80 Paisa
(c) 0.60 paisa (d) 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.

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59. In the trial balance of a joint stock company, the following balances are given

		Dr. Rs.	Cr. 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)

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

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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) Illega (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.

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(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) barte (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

80. Minor's estates are liable to reimburse the supplier, who supplies him with _____

(a) Necessaries (b) luxuries
(c) Necessities (d) All the things

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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

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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

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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

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

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104. Which of the following statement is not correct?

(a) GDP at market price = GNP at market price – Net income from abroad
(b) GDP at factor cost = GDP at market price – net indirect taxes
(c) NDP at factor cost = NDP at market price – net indirect taxes
(d) NNP at factor cost = NNP at market price – net income from abroad

105. Identify the item which is not a factor payment :

(a) Free uniform to defence 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

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(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. At present, Bank rate is _____ per cent (May 2011).

(a) 6.0 (b) 7.0
(c) 6.5 (d) 7.5

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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 (May 2011).

(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 Inflation
(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) tertiary 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

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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, using Mixed Recall period (MRP) _____ % people were below poverty line in 2004-2005.

(a) 21.8 (b) 25.2
(c) 26.2 (d) 27.8

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 private to public ownership
(c) It means integrating the domestic economy with the world economy
(d) None of the above

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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 absence 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

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Read the following data and answer Questions 142-147
X, Y and Z are three commodities where X and Y are complementary goods whereas X and Z are substitutes.
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) Giffen Goods
(c) Normal Goods (d) Luxury Goods.

148. Suppose the total cost of producing 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

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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) A.M. (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 Standard Deviation (b) Half the Standard Deviation
(c) Square the Standard Deviation (d) None of these

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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 as that 8/21 does to 4/9.

(a) 2/11 (b) 3/11
(c) 2/21 (d) None of these

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164. $\int \frac{dx}{\sqrt{1+x}}$ **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 …….. nth term 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, then 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. $\lim_{x \to 3} \frac{x^5 - 243}{x^5 - 9}$ **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, then the *f o g* is**

(a) $2x^2 + 7$ (b) $2x + 1$
(c) $x^2 + 5$ (d) None of these

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173. The 20^{th} term of the progression 1, 4, 7, 10 ..... is

(a) 58 (b) 52
(c) 0 (d) None of these

174. Find 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?

(a) 37.36 (b) 39.00
(c) 38.36 (d) None of these

176. is equal to $\frac{d}{dx}\left(\frac{x}{\sqrt{x^2-1}}\right)$

(a) $-(x^2-1)^{-3/2}$ (b) $-(x^2-1)^{3/2}$
(c) $-(x^2+1)^{-3/2}$ (d) $(x^2-1)^{-3/2}$

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

(a) 7000 (b) 720
(c) 7020 (d) 7200

178. If $5 = \sqrt{x+\sqrt{x+\sqrt{x.....\infty}}}$ **, then value of x is**

(a) 10 (b) 20
(c) 5 (d) ∞

179. The value of $\log_4 \log_3 81$ is equal to

(a) 1 (b) 0
(c) 3 (d) None of these

180. At what interset rate will a sum doubles itself in 7 years, if the interest is compounded annually.

(a) 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

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182. The standard deviation of 100 and 150 items are 5,6 respectively; if mean of 250 item is 44, mean of 100 and 150 item are 50 and 40 respectively, then find S.D. for 250 items.

(a) 7.46 (b) 7.64
(c) 6.74 (d) 4.67

183. If r = 0.5, = 120, $\sigma_y = 8$, $\sum x^2 = 90$, 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

$\sum xy$

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 A.M. of two numbers is 6 and G.M. is 6, then find the two 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

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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) 58,756 (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 $\lim_{x\to 3}\frac{x^n - 3^n}{x-3} = 405$, 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(logx) –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

★★★

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BOARD OF STUDIES

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT – 16

Time : 4 hours ***Maximum Marks : 200***

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

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 India are issued by:

(a) Central Govt.
(b) State Govt.
(c) Institute of Chartered Accountants of India
(d) Reserve Bank of India

4. Cost of advertisement on a new product is a_____

(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)

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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

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

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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 (b) Capital
(c) Secret (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

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 ¾ 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 alongwith 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, 2009. 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

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		

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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.

	Rs.		*Rs.*
Opening Stock	**5,570**	**Purchases**	**13,816**
Closing Stock	**8,880**	**Sales**	**15,248**
Purchase return	**390**	**Import charges**	**1,650**
Sales return	**524**	**Salary & wages**	**1,000**

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 2010 amounting Rs. 55,000 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.

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30. Capital introduced by Mr. A on 01.04.09 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 financial year will be _____

(a) Rs. 3,45,350 (b) Rs. 3,95,000
(c) Rs. 3,46,000 (d) 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 _____

(a)	Sales return A/c Dr	1000	
	To Ramesh		1000
(b)	Ramesh Dr.	1000	
	To Sales return		1000
(c)	Sales return of Dr.	1000	
	To suspense		1000
(d)	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

(a) Rs. 11,500 (b) Rs. 7,500
(c) Rs. 3,500 (d) Nil

33. Cost of machine Rs. 135,000
Residual value Rs. 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 _____

(a) Rs. 8,000 (b) Rs. 8,125
(c) Rs. 9,000 (d) Rs. 8,500

34. Mohan and Krishna are equal partners. They admitted Ram for ¼ share in future profits. New profit sharing ratio will be _____

(a) 3:3:2 (b) 3:2:1
(c) 2:2:1 (d) Cannot 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. Expense amount to be excluded while calculating consignment stock will be

(a) Rs. 1,800 (b) Rs. 2,100
(c) Rs. 2,000 (d) Rs. 2,600

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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 _____

(a) 13:11 (b) 12:10
(c) 10:12 (d) 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.

(a) Rs. 150 (b) Rs. 100
(c) Rs. 75 (d) 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____

(a) Rs. 12,510 (b) Rs. 10,510
(c) Rs. 10,000 (d) 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. 1,00,000 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. 15,000 (b) Rs. 12,000
(c) Rs. 10,000 (d) None of the three

41. As per section 12 of Negotiable Instruments Act, which of the following is not a foreign bill?

(a) A bill drawn outside India and made payable outside India.
(b) A bill drawn outside India and made payable in India.
(c) A bill drawn in India on a person resident in India.
(d) A bill drawn in India on a person resident outside India and made payable outside India.

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

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43. A company issued debentures of the face value of Rs. 100,000 at discount of 6% on Jan 2009. 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 1/3rd 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. 1,720, B Rs. 1720 (b) A Rs. 2,000, B Rs. 1,440
(c) A Rs. 1,440, B Rs. 2000 (d) None of the three

47. A, B and C entered into partnership on 1st April, 2009 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 2010 amounted to Rs. 160,000. Sacrifice made by A for C will be _____

(a) Rs. 1,750 (b) Rs. 1,800
(c) Rs. 2,000 (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:

(a) On application 20 (b) On Allotment 20
(c) On First Call 25 (d) 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. 6,000 (b) Rs. 6,500
(c) Rs. 5,000 (d) None of the above.

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50. A, B and C are equal partners with capitals of Rs. 1,00,000, 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. 4,150 (b) Rs. 4,000
(c) Rs. 4,500 (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. 2,000 and 5,000 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. 2,00,000. 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

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58. Indian Currency is a _____

(a) Bills of exchange (b) Cheque
(c) Promissory Note (d) Bank draft

59. Cheque of Rs. 700 received from Hariram in settlement of a debt of Rs. 720, was dishonoured and returned. Entry for dishonour will be _____

(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.			

60. Paid rent to land lord Rs. 2,400, debited to Land Lord's A/c by Rs. 2,009. Rectifying entry will be _____

(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)

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

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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 deserved 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

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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

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(c) When the offeree offers to qualified acceptance of the offer
(d) Offer made to a definite person

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 lot 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

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(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

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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 incapabity 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

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 scares means which have alternative uses." – Robbins
(d) Economics as a Science of Dynamic Growth and Development. – A.C. Pigou

102. Which of the following falls under Micro Economics ?

(a) National Income
(b) General Price level
(c) Factor Pricing
(d) National Saving and Investment

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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.

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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

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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 crore in 1990-91 (Central Government) to more than _____ in 2009-10.

(a) 4,500 crore
(b) 6,400 crore
(c) 5,900 crore
(d) 2,000 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 (May, 2011) is _____ and SLR is _____ for entire net demand and time liabilities of the scheduled commercial banks.

(a) 10, 35
(b) 7, 30
(c) 6, 24
(d) 10, 25

121. India ranks _____ among the top fifteen debtor countries of the world 2008.

(a) Seventh
(b) Fifth
(c) Ninth
(d) Eighth

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 2009-10 at constant price was _____

(a) 51.4 per cent
(b) 45.1 per cent
(c) 42.3 per cent
(d) 57 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

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126. The percentage of people working in Agriculture sector came down to around _____ per cent in 2007-08.

(a) 40 (b) 60
(c) 56 (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) PMGSY

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) 19 (d) 14

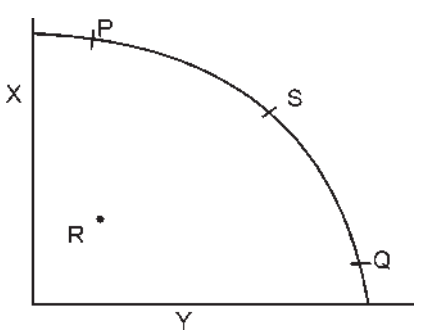
131. In a free market-economy, when consumer decrease their purchase of a good and the level of _____ exceeds _____ then prices tend to fall.

(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



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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 private sector's 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

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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

Qty.	Variable	Fixed Cost cost	Total Cost	Average Varibale 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

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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 substitutes.

A shopkeeper sells commodity X at Rs. 40 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. 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 from 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 cost of manufacturing commodity 'X' 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) Rs. 95,000 (b) Rs. 1,25,000
(c) Rs. 80,000 (d) Rs. 70,000

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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 output 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) As 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) A.M. (b) G.M.
(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

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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. To find out the operational cost, profit per unit of article, output per man etc, which measure will be used by businessman?

(a) A.M. (b) G.M.
(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. $\lim_{x\to 0} \frac{\log(1+x)}{x}$ is equal to _____

(a) 0 (b) 1
(c) –1 (d) ∞

164. _____ terms will amount to 60 in the series 16+14+12 ……. nth term

(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

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166. A bag contains 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, number 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) 7,864.32 (b) 7,684.23
(c) 8,764.32 (d) 6,789.32

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 f(-1), the function given below is continuous at x = -1

$$f(x) = \frac{x^2 - 2x - 3}{x + 1}, \quad \text{for } x \neq -1; \quad \text{The value of } f(-1) \text{ is}$$

(a) 1 (b) –1
(c) -4 (d) None of these

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 $\sqrt{2+\sqrt{2+\sqrt{2}}}$ is equal to

(a) -2 (b) 2
(c) $\sqrt{2}$ (d) 0

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174. If ratio of second to seventh terms in an A.P., where first term is –7 is 1/7. Find the common difference.

(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+) + K
(c) log + K (d) None of these

180. Find the sum of first twenty five terms of A.P. series whose nth term is .

(a) 105 (b) 115
(c) 125 (d) 135

181. The difference between compound interest and simple interest on a certain sum for 3 years at 5% per annum is Rs. 76.25. Find the sum.

(a) Rs. 5,000 (b) Rs. 8,000
(c) Rs. 9,000 (d) Rs. 10,000

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182. A bag contains Rs. 187 in the form of 1 Rupees, 50 Paise, and 10 Paise 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' is 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) 4,275.00 (b) Rs. 4,725.00
(c) 3,662.50 (d) Rs. 3,266.50

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) 23/120 (b) 18/125
(c) 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 observations, 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%

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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 number of samples of size two with replacement.**

(a) 27 (b) 6
(c) 9 (d) None of these

193. **A random sample of 100 articles 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 AX B$\bigcap$ C is**

(a) {(2, 5), (3, 5)} (b) {(4, 2), (4, 6)}
(c) {(4, 3), (4, 2)} (d) None of these

197. $\lim_{x \to 2} \frac{e^x - e^2}{x - 2}$ **is equal to:**

(a) e^2 (b) e
(c) 1 (d) 0

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198. If 3 times of Ramesh's age 6 years 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) 2/3, –2 (b) –2/3, 2
(c) 2, –2/3 (d) –2, –2/3

200. If 1176 = $2^p.3^q.7^r$ Find the value of p, q, r.

(a) 1, 2, 3 (b) 1, 3, 2
(c) 3, 1, 2 (d) 1, 3, 5

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