

CA - CPT – December 2012 Question Paper (Based on Memory)

1st session

Marks: 100 Marks

Time: 2 hrs.

Part A – Fundamentals of Accounting

1. When del credere commission is allowed by consignor to consignee, then amount of abnormal loss will be borne by:
a) Consignor b) consignee
c) Both consignor and consignee in equal proportion
d) Either consignor or consignee
2. The Rule "Debit all expenses and losses, credit all Incomes and gains" is relates to :
a) Personal a/c b) real a/c
c) Nominal a/c d) all the above
3. A and B are partners sharing profits and losses in the ratio of 5:3, C was admitted as new partner and being capital Rs.70,000 and goodwill Rs.48,000. The new profit ratio between A:B:C is 7:5:4. The sacrificing ratio of A and B is :
a) 1:3 b) 3:1 c) 5:4 d) 3:5
4. Estimated useful life of a machine is 5 years. Depreciation is written off in 2nd year under sum of the years digits method :
a) 4/15 b) 3/15 c) 2/15 d) 1/15
5. How many no. of grace days allowed, when bill at sight is:
a) 3 days b) 2 days c) 1 day d) no days
6. Which statement is sent by consignee to consignor :
a) proforma invoice b) account sales
c) Inward invoice d) outward invoice
7. Returns inward is deducted from
a) Sales b) Purchases
c) Returns outwards d) Closing stock
8. Krishna Ltd. Issued 1,50,000 shares of Rs.100 each, at discount of 10% Mr. Ram to whom 300 shares were allotted, failed to pay the final call of Rs.30 per share and hence all his shares were forfeited. At the time of forfeiture, what amount will be transferred to share forfeiture account.
a) Rs.9,000 b) Rs.18,000
c) Rs.21,000 d) Rs.27,000
9. A company forfeited 1000 shares of Rs.10 each, on which Rs.6,000 have been received. The forfeited shares were reissued for Rs.7,000 as full consideration. How much amount is transferred to capital reserve account.
a) Rs.1000 b) Rs.3,000
c) Rs.4,000 d) Rs.6,000
10. A and B sharing $\frac{2}{3}$ rd. of profits of the firm and C and D are sharing in the ratio of 3:2. Find the ratio of A : B : C : D
a) 2.5 : 2.5 : 3 : 2 b) 5 : 5 : 3 : 2
c) 4 : 3 : 3 : 2 d) 5 : 3 : 2 : 3
11. Matching concept means:
a) Assets = liabilities + capital.
b) Transactions are recorded at accrual concept.
c) Anticipate no profit but recognize all losses
d) Expenses should be matched with the revenue of the period.
12. Discount on reissue of forfeited shares cannot exceed :
a) 50% of face value b) Face value of shares
c) 50% of amount forfeited
d) Amount forfeited
13. When the bill is endorsed, which account should be credited?
a) Bills receivable a/c b) Endorsee a/c
c) Endorser a/c d) None of these
14. When equity shares are issued to promoters for the services rendered by them _____ a/c is debited.
a) Capital reserve b) Promoters a/c
c) Equity share capital d) Good will a/c
15. According to companies Act 1956, Interest in calls- in -arrears and calls- in -Advance, the maximum rate is
a) 4% p.a and 5% p.a b) 5% p.a and 4% p.a
c) 6% p.a and 5% p.a d) 5% p.a and 6% p.a

16. Final accounts of a company are prepared according to _____ of the company's act 1956.
 a) Sec iv b) Sec v c) Sec vi d) Sec vii

17. Which type of error occurs, when credit sale is wrongly entered in purchases book.
 a) Error of commission b) Error of omission
 c) Compensating error d) Error of principle

18. On 31st March, Ranis final a/c's condition following information cost of goods sold Rs.35,000, closing stock Rs.8,000 opening stock Rs.10,000, purchase returns Rs.5,000. Calculate cost of goods purchased were:
 a) Rs.33,000 b) Rs.28,000
 c) Rs.38,000 d) Rs.37,000

19. On 31.3.2011, the books of Ajit shows a net profit of Rs.84,000, later in it is discovered that the closing stock was overvalued by Rs.4,000 and the discount received of Rs.1500 was treated as an expense. What was the correct net profit of Ajit.
 a) Rs.81,500 b) Rs.83,000
 c) Rs.89,500 d) Rs.91,000

20. A company has paid salary Rs.50,000 to Mr. A, on March 25, 2011. However Mr. A deposited the cheque of salary on April 3rd, in his bank a/c, At end of the year, what entry is made by the company.
 a) No entry is passed
 b) Bank account Dr 50,000
 To salary a/c 50,000
 c) Outstanding salary a/c Dr 50,000
 To Bank a/c 50,000
 d) Bank a/c Dr 50,000
 To outstanding salary a/c 50,000

21. At the time of admission of a new partner, it is decided that goodwill of the firm be calculated at 2 years purchase of average profits for 3 years. The 3 years profit were Rs.8,620, Rs.11,800, Rs.9430. amount of goodwill be:
 a) Rs.19,500 b) Rs.19,000
 c) Rs.19,900 d) none of these

22. What is the effect if Revenue expenditure is wrongly written as capital expenditure?
 a) Overstatement of profits and understatement of Assets.
 b) Understatement of profit and overstatement of Assets.
 c) Understatement of profit and overstatement of Assets.
 d) Understatement of profit and understatement of Assets.

23. How many members should have _____ in public company?
 a) Any no.of persons b) Seven
 c) Twenty d) Fifty

24. Mr. X forgot to record the following transactions while preparing his final accounts for the year ended 31st March, 2011. Outstanding expenses Rs.20,000, prepaid insurance Rs.2,000. Interest receivable on investments Rs.3,000. What is the net effect in profits after taking the items:
 a) Decrease – Rs.21,000
 b) Increase – Rs.21,000
 c) Decrease – Rs.15,000
 d) Increase – Rs.15,000

25. Rent of proprietor's residential house is paid from business account by cash is:
 a) Decrease the profit b) Increase the profit
 c) Reduce the capital of business
 d) Reduce the cash as well as capital of business.

26. A minor can join as a co-venturer in joint venture business?
 a) Yes, if accepted all co-venturer
 b) Yes, if accepted by competent authority
 c) Cannot be join as a co-venturer
 d) Yes, for benefit of joint venture

27. Calls – in – arrears is shown in balance sheet
 a) Deduction from called up capital
 b) Added to paid up capital
 c) Added to issued capital
 d) Deducted from issued capital

28. Find the cost of Raw materials used
 Purchase of Raw materials Rs.80,000

	Opening stock	Closing stock
Raw materials	5,000	6,350
Work – in progress	12,000	12,400
Finished goods	8,500	4,500

a) Rs.82,500 b) Rs.78,250
 c) Rs.78,650 d) Rs.82,250



29. The bank charged Rs.1000 of bank charges to a client and communicated the same to him. Afterwards the accountant of the bank, later verified, that charges were wrongly charged and cancelled in client's a/c but forgot to communicate the same to the client. If the client is starting with the cash book, what will be the effect of this transaction for balance as per pass book.
- a) Reduce Rs.1000 b) Add Rs.1000
c) Add Rs.2,000 d) no treatment
30. Sacrificing ratio is used to distribute _____ among old partners in case of admission of a new partner.
- a) Goodwill b) Reserve
c) Revaluation profits d) Unrecorded assets
31. An increase in doubtful debts will result in _____ in working capital and _____ in net profit.
- a) Increases, Decreases
b) Increases, Increases
c) Decreases, Increases
d) Decreases, Decreases
32. A new machine was purchased in Delhi and brought to Jaipur factory site for installation. The Machine was damaged during transit and repair expenses were incurred amounting to Rs.20,000. Such repairs will be treated as:
- a) Capital Expenditure
b) Revenue Expenditure
c) Deferred Revenue Expenditure
d) Reserves
33. A loss is a natural and unavoidable is called
- a) Abnormal loss b) Normal loss
c) contingent loss d) none of these
34. An amount of Rs.5,000 debited twice in Pass Book, to prepare Bank Reconciliation statement, when overdraft balance as per cash book is starting point.
- a) Rs.5,000 deducted b) Rs.5,000 added
c) Rs.10,000 deducted d) Rs.10,000 added
35. On 15-4-2011, Ram draws a bill on Shyam. Shyam accept the same for 1 month. Ram endorses the bill to Vijay. What will be the entry regarding endorsement in the books of shyam.
- a) Vijay A/c Dr.
 To Bills Payable A/c
b) Bills Payable A/c Dr.
 To Vijay A/c
c) Rams A/c Dr.
 To Bills Payable A/c
d) No entry will be passed
36. Bank overdraft as per cash book on 31st May 2008 Rs.8,720. Cheque deposited Rs.690 on 28th May was credited by Bank on 4th June. Bank overdraft as per Pass Book is _____
- a) Rs.8054 b) Rs.8030 c) Rs.9410 d) Rs.9366
37. The permission will be allowed to the company for issue of fresh shares at a discount, it must be atleast for _____ year / years must have elapsed since the company was to commence the business.
- a) 1 year b) 2 years
c) 3 years d) none of these
38. If delcredere commission is given by consignor to consignee _____ is responsible for bad debts
- a) Consignor b) Consignee
c) Both d) None of these
39. Radhika sent goods worth Rs.1,20,000 on consignment to sarika. 1/8th of the goods were lost in transit. No claim was received. Sarika sold 2/3rd of the goods received for Rs.1,00,000. What will be the cost of goods lying with sarika?
- a) Rs.29,000 b) Rs.35,000
c) Rs.29,167 d) Rs.40,000
40. A, B and C are partners in a firm, sharing profits & losses in the ratio of 5:3:2 respectively. The balance of capital is Rs.50,000 for A & B each and Rs.40,000 for 'C'. 'B' decides to retire from firm. The goodwill of firm is valued at Rs.30,000 and profit on revaluation of Assets at Rs.5,000. The firm also have a balance in the reserve A/c for Rs.15,000 on that date. What amount will be payable to 'B'.
- a) Rs.45,000 b) Rs.55,000
c) Rs.65,000 d) Rs.75,000



41. The ____ concept means that similar items in a set of accounts should be given similar accounting treatment and it should be applied from one period to another.
- a) Going Concern b) Prudence
c) Consistency d) Materiality
42. A machine was purchased for Rs.3,10,000 on 01.04.2000. Estimated scrap value Rs.10,000. Its estimated useful life is 15 years. Depreciation is provided under Straight line method. On 31.3.2010, the expert of the company said, the machine would work for another 10 years. What will be the depreciation for the year 2010-11
- a) Rs.10,000 b) Rs.20,000
c) Rs.11,000 d) Rs.6,000
43. Discount on issue of shares A/c appears on the ____ side of the Balance Sheet under the heading ____
- a) Liabilities, Current Liabilities and Provisions
b) Assets, other non- current Assets
c) Assets, miscellaneous expenditure
d) Assets, investment
44. On 31.3.2011 the Bank statement of M/s Shills traders showed a credit balance of Rs.10,585. During the year the following transactions not entered in cash book.
- (i) Bank debited Rs.35 per month as Bank charges
(ii) Quarterly interest credited Rs.25, 42, 39, 57 respected.
- What is the balance of Cash book before such items
- a) Rs.10,547 b) Rs10,713
c) Rs.10,328 d) Rs.10,842
45. Overriding commission is given by consignor to ____
- a) To encourage the sales to overcome bad debts
b) To encourage the sales at higher price than specified price
c) To sell the goods by consignee
d) To sell and take care of goods by consignee as consignor
46. Goods distributed as free samples worth Rs.50,000 for advertisement. Which of the following entry should be passed
- a) Advertisement A/c Dr.
 To Purchases A/c
b) Purchases A/c Dr.
 To sales A/c
c) Advertisement A/c Dr.
 To sales A/c
d) None of the above
47. The furniture book value Rs.15,000 and sold for Rs.6,000. A new furniture purchased for Rs.20,000. The debit balance of furniture A/c will be:
- a) Rs.20,000 b) Rs.29,000
c) Rs.11,000 d) Rs.18,000
48. The following details related to a trading concern for the year 2010: opening stock Rs.4,000, purchases and sales during the year Rs.36,000 and 35,000 respectively. Profit on sales 20% uniform throughout the year. 50% of the closing stock was found to be obsolete and estimated to fetch only 50% of cost. The value of closing stock at the end of the year will be:
- a) Rs.9,000 b) Rs.12,000
c) Rs.6,000 d) Rs.10,500
49. The bank column of a trader showed a debit balance of Rs.8,900 in cash book. As per the standing orders, after payment made by the Bank, in Bank statement the balance showed a debit of Rs.10,300 on a particular date. Which balance is shown in balance sheet at that particular date.
- a) Rs.8,900 (Dr) b) Rs. 8,900 (Cr)
c) Rs.10,300 (Dr) d) Rs.10,300 (Cr)
50. Opening stock understated by 20,000 Closing stock overstated by 25,000. The net profit is ____
- a) Overstated by 5,000
b) Understated by 45,000
c) Understated by 5,000
d) Overstated by 45,000
51. 1000 kgs of vegetables are consigned at 18,000 freight 4,000, during transit normal loss 40 kgs, 800 kgs were sold. Value of unsold stock ____
- a) 2,880 b) 3,667 c) 3,520 d) 3,000

52. From the following information ascertain the closing balance of debtors. opening balance of debtors Rs.32,600, Total Sales Rs.1,03,000, Cash Sales Rs.43,000, Cash collection from debtors Rs.70,000, Sales returns Rs.1,500, Bad debts 700, Discount allowed Rs.1,200
a) 19,200 b) 20,400 c) 63,400 d) 21,900
53. Mr.X paid commission to his consignee agent Mr. Y Rs.25,000 @ 5% on sales made by him. Goods sold by Mr.Y at a profit of 25% on cost. Stock in hand as on 31.03.2011 is Rs.50,000 at cost. So cost of goods sent by Mr.X is:
a) Rs.5,50,000 b) Rs.75,000
c) Rs.4,50,000 d) Rs.6,00,000
54. A dealer sends his goods on sale or return basis. He sends goods for Rs.10,000 record as normal sale. The profit on sale is 20%. The value of physical stock taken is Rs.50,000 then the value of closing stock appearing in the balance sheet will be:
a) Rs.50,000 b) Rs.60,000
c) Rs.57,500 d) Rs.58,000
55. Cash Sale Rs.50,000, Credit Sales Rs.3,50,000, Sales returns 50,000 out of Rs.3,50,000. Goods costing 40,000 were sent of approval basis for Rs.50,000 and approval is not yet received, then the net sales are:
a) Rs.3,50,000 b) Rs.3,25,000
c) Rs.3,20,000 d) Rs.3,00,000
56. Purchase from SN & Co. for Rs.750 but wrongly credited to RN & Co. The effect on trail balance is _____
a) Debit side of the trail balance short by 750
b) Credit side of the trail balance short by 750
c) Debit side of the trail balance more by 750
d) No effect on trail balance
57. A and B are partners in a firm they are entitled to interest on their capitals but the net profit was not sufficient for this interest, then the net profit will be distributed among partners in:
a) Profit sharing ratio b) Capital ratio
c) Agreed ratio d) None of these
58. X & Y are partners in a firm sharing profit & losses in the ratio of 3:1. Z is admitted as a partner who pays Rs.4,000 as Goodwill. The new sharing ration is 2:1:1. Then good will is credited to:
a) X capital 3,000 & Y capital 1,000
b) Y Capital 4,000
c) X capital 4,000 d) None of these
59. 5,000 12% redeemable preference shares of Rs.100 each was redeemed by issuing equity shares of 100 each at a premium of 25%. The number of equity shares to be issued are:
a) 4,000 b) 6,000 c) 5,000 d) 7,000
60. R Ltd., made allotment of 25,000 shares for every 36,000 shares on prorata basis. Mr.A has applied 1800 shares and paid Rs.5 on application then how many shares are allotted to him and how much surplus amount is carried forward for allotment.
a) 1800 shares, Rs.nil
b) 1250 shares, Rs.2,750
c) 1800 shares, Rs.2,750
d) 1250 shares, Rs.nil

Part B – Mercantile Laws

61. A contract is an agreement
a) Made by the parties who are competent to contract
b) Not enforceable by law
c) Enforceable at the option of aggrieved party
d) Made without free consent and consideration.
62. 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
63. The principle which does not allow a person to retain unjust benefit at the expense of another is called:
a) Quasi contract b) Implied contract
c) Unenforceable contract
d) Voidable contract
64. A Specific offer is Accepted by _____
a) Any Person
b) The person to whom it is made



65. An offer made to public in general is known as _____
a) Cross offer b) Counter offer
c) General offer d) Standing offer
66. Which of the following is correct?
a) There can be a stranger to the consideration
b) There can be a stranger to the contract
c) There can be a stranger to consideration and stranger to contract
d) All of these
67. "X" agrees to procure an employment to "Y" and "Y" agrees to pay Rs.10,000. This agreement is ____
a) Valid b) Void
c) Voidable d) None of these
68. An agreement to put a fire on person's car is _
a) Legal b) Voidable c) Valid d) Illegal
69. In case of Illegal Agreements, the collateral transactions are _____
a) Void b) Valid
c) Voidable d) Enforceable
70. _____ Involves physical threat.
a) Undue Influence b) Fraud
c) Coercion d) None of these
71. Fraud may be committed by _____
a) A party to the contract
b) An agent of the party to the contract
c) Any person to the contract
d) Any of the above
72. An agreement restraining a person from exercising trade is _____
a) Valid b) Void c) Voidable d) Illegal
73. "A" promises to pay Rs.10,000 to "B" after 2 years. Mean while during the period "B" dies. After the end of period, "C" the son of "B" demanded the payment. Now C's claim is ____
a) Invalid b) Unenforceable
c) Enforceable d) Illegal
74. The person succeeds rights, Interest, obligations and benefits of another person is termed as _____
a) Assignment b) Succession
c) Remission d) Rescission
75. On being performed the contract is _____
a) Completely terminated
b) Substituted c) Altered
d) Petitioned in the court
76. Supervening impossibility is related to _____
a) Frustration b) Quasi contract
c) Privity of contract d) None of these
77. Brown promises to sell his house to crown for Rs.20 lacs. Later on both of them agreed not to execute the deal. Then it is known as ____
a) Novation b) Remission
c) Rescission d) Alteration
78. A fair and genuine pre-estimate sum of damages likely to result due to breach of contract is termed as _____
a) Liquidated damages b) Ordinary damages
c) penalty d) None of these
79. Exemplary damages otherwise called as _____
a) Punitive damages b) Vindictive damages
c) Both of these d) Nominal damages
80. A public company can have maximum number of _____ members.
a) Unlimited b) Fifty c) Twenty d) Ten
81. The application form for registration should be signed by _____
a) Any of the partner
b) All the partners
c) Agent of the partner d) All of these
82. An unregistered partnership firm cannot claim set – off in excess of Rs. _____
a) 100 b) 10 c) 1000 d) 1,00,000
83. An act of a partner for acquiring an immovable property on behalf of firm is within the provisions of _____ authority under the Indian Partnership Act, 1932.
a) Implied b) Semi – implied
c) Restricted d) Express
84. According to the Indian partnership act 1932, the term 'act of the firm' means, an act or omission by _____ which gives an enforceable right to or against the firm.
a) Any partner b) All the partners
c) Agent of the firm d) Any of the above



85. In the given below, who can be admitted as a partner in partnership firm?
a) An illiterate of 19 years old
b) A convict who is in prison
c) An insolvent person d) None of the above
86. A Firm on the expulsion of a partner is _____ under Indian partnership Act, 1932.
a) Reconstituted b) Reorganised
c) Dissolved d) Re-Registered
87. "XYZ" Firm has a partners of "XYZ" and "A", for $\frac{1}{4}$ th share in profits. XYZ expelled "A" from the firm because of not having interest for the firm. Can "XYZ" expel "A"?
a) No XYZ cannot expel
b) Yes XYZ can expel
c) The partnership is dissolved d) None
88. Where all partners except one become insolvent the firm is _____
a) Compulsorily dissolved b) Not dissolved
c) Reconstituted d) Renewed
89. When a partner in a firm is adjudicated as insolvent as per the Indian Partnership Act, 1932 he ceases to be a partner
a) On the date of order of adjudication
b) On the date of dissolution of the firm
c) The date of intimation of insolvency to the partnership firm
d) The date decided by the firm
90. In case of _____ the continuing guarantee given to the partnership firm in respect to the transactions of the firm is revoked for the future transactions.
a) Dissolution of firm
b) Insolvency of a partner
c) Change in the constitution of a firm
d) None of these
91. The goods which are in existence with the seller at time of sale are _____
a) Present goods b) Existing goods
c) Future goods d) Contingent goods
92. In case of contract of sale, if price is not fixed, then the buyer is required to pay ____
a) Maximum market price
b) Least market price
c) Average price d) Reasonable price
93. In case of breach of condition in a contract of sale of goods, then the buyer is _____
a) Has to pay the price
b) Can claim only damages
c) Can refuse to accept the goods
d) can't refuse to accept the goods
94. In case of deterioration caused due to delay in transit the damages will be recovered, even without notice, from _____
a) Carrier b) Seller c) Buyer d) All these
95. Under the Sale of Goods Act, 1930 where there is a contract of sale of un-ascertained goods then the property in the goods does not pass to the buyer unless the goods are:
a) Appropriated b) Ascertained
c) Identified d) Set – apart
96. Under the sale of goods Act, 1930 the delivery of goods means voluntary transfer of _____ from one person to another person.
a) Property b) Parts
c) Possession d) Place
97. Under the sale of goods act, 1930 delivery of goods does not deal with physical goods.
a) True b) Partly True
c) False d) None of these
98. According to the sale of goods act, 1930 physical delivery of goods is not an essential element
a) False b) True
c) Partly True d) Partly False
99. Auctioneer is _____
a) Seller b) An unpaid seller
c) An agent governed by law of agency
d) The principal of seller
100. At an auction sale "X" is the highest bidder for a flower vase. Auctioneer to purport the acceptance fall a hammer on the table on which flower vase was kept and the flower vase fallen and broken into several pieces. Now the loss fall on _____
a) The Auctioneer
b) Mr. "X" the highest bidder
c) Both Auctioneer and Mr. "X"
d) None of the above



Key - Part A – FUNDAMENTALS OF ACCOUNTING

1.	A	2.	C	3.	B	4.	A	5.	D
6.	B	7.	A	8.	B	9.	B	10.	B
11.	D	12.	D	13.	A	14.	D	15.	D
16.	C	17.	A	18.	C	19.	B	20.	A
21.	C	22.	B	23.	A	24.	C	25.	D
26.	C	27.	A	28.	C	29.	D	30.	A
31.	D	32.	B	33.	B	34.	B	35.	D
36.	C	37.	A	38.	B	39.	B	40.	C
41.	C	42.	A	43.	B	44.	D	45.	B
46.	A	47.	A	48.	A	49.	D	50.	D
51.	B	52.	A	53.	C	54.	D	55.	D
56.	D	57.	B	58.	C	59.	C	60.	B

Part B – MERCANTILE LAWS

61.	A	62.	B	63.	A	64.	B	65.	C
66.	A	67.	B	68.	D	69.	A	70.	C
71.	D	72.	B	73.	C	74.	B	75.	A
76.	A	77.	C	78.	A	79.	B	80.	A
81.	B	82.	A	83.	D	84.	D	85.	A
86.	A	87.	A	88.	A	89.	A	90.	C
91.	B	92.	D	93.	C	94.	B	95.	B
96.	A	97.	C	98.	B	99.	C	100.	B

THE END



Part A – General Economics

1. A 10% increase in price of Tea, results in 8% increase in the demand for coffee. The cross elasticity of Demand is _____

a) 0.8 b) 1.25 c) 1.5 d) 1.8

2. Even though there is change in price, if there is no change in total expenditure, then the Elasticity of Demand is _____

a) 0 b) 1 c) >1 d) <1

3. At a price of Rs.25 per Kg the supply of a commodity is 10,000 kg per week. An increase in its price to Rs.30 per kg increases the supply of commodity to 12,000 kg per week. The elasticity of supply will be

a) 0.75 b) 1.00 c) 1.50 d) 1.75

4. The convexity in indifference curve is due to

a) Declining MRS b) Rising MRS
c) Constant MRS d) None of these

5. The rate at which consumer is willing to substitute one commodity to another is called _____

a) Increasing of marginal utility
b) Marginal rate of substitution
c) Marginal rate of technical substitution
d) All of these

6. Which of the following is not a feature of land

a) Free gift of nature
b) Mobile factor of production
c) It is limited in quantity
d) not destructible

7. Production Activity in short period is analyzed with the help of _____

a) Law of variable proportions
b) Law of returns to scale
c) Both (a) & (b) d) None of these

8. Production function shows the relation between

a) Physical inputs and physical output
b) Technical input and technical output
c) Market price and quantity supplied
d) None of these

9.

Output	0	1	2	3	4
Total cost	25	45	60	85	105

Find AVC at 4 units

a) 20 b) 30 c) 25 d) 26

10. The change in total cost due to one unit change in output is referred to _____ cost

a) Average b) Average variable
c) Marginal d) Average fixed

11. When AC curve is rising MC curve must be _____ to it

a) equal b) above c) below d) parallel

12. AFC at 6 units of output is Rs.30. How much is at 4 units

a) 25 b) 35 c) 45 d) None

13. A firm's total cost is Rs.200 at 5 units of output and Rs.220 at 6 units of output. The marginal cost of producing 6th unit of output will be Rs. _____

a) 20 b) 220 c) 120 d) 440

14. What will be the TVC if we produce 4 units?

Output	0	1	2	3	4
TC	25	30	40	50	60

a) 25 b) 35 c) 45 d) 55

15. When price is above AVC and below AC then the firm should _____

a) Make profits b) Should produce
c) Should produce but incur losses
d) None of these

16. Which of the following is not a feature of oligopoly

a) Interdependence of the firms in decision making b) Price rigidity
c) Group behavior
d) Existence of large number of firms



17. A monopolist can fix
a) Both price and output
b) Either price or output
c) Neither price nor output
d) None of these
18. Under perfect competition the demand curve is ____
a) Perfectly elastic b) Perfectly inelastic
c) Slopes upwards d) None of these
19. Which of the following is the feature of perfect competition
a) Large number of buyers and sellers
b) Freedom of entry and exit
c) Perfect mobility of factors
d) All of these
20. Capitalist economy follows the policy of ____
a) Laissez faire policy b) Regulated
c) Promoting public sector d) None of these
21. Which of the following is a macro concept
a) Study of firms
b) Income of individual
c) Study of particular firms
d) Net national product
22. What will be the shape of the production possibility curve when marginal opportunity cost is constant?
a) Convex b) Concave
c) Straight line d) none of these
23. In economics choice making implies
a) No choice is to be made
b) Choice to be made between alternatives uses
c) Choice to be made between means and ends
d) None of these
24. Rate of economic development is affected by ____
a) Rate of capital formation
b) Technological progress
c) Capital output ratio d) All of these
25. Economic development of a country cannot be achieved without ____
a) Foreign aid b) Profit making
c) Domestic savings d) External borrowings
26. Which year is known as year of great divide for India's population
a) 1921 b) 1951 c) 1991 d) 1981
27. IRDP was introduced in ____ plan
a) Fifth b) Sixth c) Seventh d) Eighth
28. Which of the following cannot remove poverty in India
a) Population control
b) Increase in production
c) Equitable distribution
d) Government subsidies
29. Disguised unemployment is a common phenomenon in which sector of India?
a) Industrial b) Agriculture
c) Service d) All of these
30. Which is regulating authority for Telecom in India
a) BSNL b) MTNL c) SEBI d) TRAI
31. In order to provide access to electricity to all villages _____ programme was started
a) Rajiv Gandhi Grameen Vidhyuthikaran
b) Mahatma Gandhi Grameen Vidhyuthikaran
c) Indira Gandhi Grameen Vidhyuthikaran
d) None of these
32. _____ provides crop storage facilities in India
a) IDBI b) FCI c) ICICI d) IFCI
33. Commercial banks come under _____ sector
a) Primary b) Secondary
c) Service d) None of these
34. Chairman of planning commission is ____
a) Prime Minister b) Finance Minister
c) Secretary, Ministry of planning
d) Ministry of planning
35. Annual production of 250 million tons of food grains is a goal of ____
a) National nutritional policy 1993
b) Applied nutrition project
c) Special nutrition programme
d) Mid day meal programme
36. Maximum contribution in India's national income comes from ____ sector
a) Agriculture b) industrial
c) service d) None of these



37. The main objective of regional rural bank is to provide credit to ____
a) Rural people
b) Weaker sections of society
c) weaker sections of rural population
d) All the people of society
38. ____ control affect indiscriminately all sectors of the economy
a) Selective
b) Quantitative
c) Marginal requirement
d) None of these
39. ____ is the rate at which central bank discounts the bills of commercial banks
a) Bank rate
b) Interest rate
c) Growth rate
d) None of these
40. Corporate income tax is levied on the incomes of ____
a) Registered companies and corporate companies
b) Individuals and HUFs
c) Both (a) & (b)
d) None of these
41. State which of the following income is wholly exempted from the income tax
a) Income from salary
b) Income from property
c) Income from business and profession
d) Income from agriculture
42. Borrowings and other liabilities are added to budget deficit then it is known as ____
a) Revenue deficit
b) Primary deficit
c) Capital deficit
d) Fiscal deficit
43. Deficit budget is linked with ____
a) Deficit in revenue account
b) Deficit in capital account
c) Both (a) & (b)
d) None of these
44. FRBM act stands for ____
a) Fiscal revenue and budget management
b) Foreign revenue and business management
c) Fiscal responsibility & budget management
d) Foreign responsibility & budget management
45. A systematic record of all transactions between one country and the rest of the world is ____
a) Balance of trade
b) Balance of transaction
c) Budget
d) Balance of payment
46. Balance of payments deficit can be removed through
a) Devaluation of currency
b) Vigorous export promotion
c) Import substitution
d) All of these
47. As a part of globalization tariffs rate is ____ in India
a) Raised
b) lowered
c) No change
d) Abolished
48. Globalization is a process of increasing economic integration among ____ in the world
a) Nations
b) Trade organizations
c) Social institutions
d) Cultural forms
49. Which of the following organisation is replaced by WTO in 1995?
a) GATT
b) IMF
c) Wolrd bank
d) OPEC
50. $GDP_{FC} = GDP_{MP} - IT +$ ____
a) depreciation
b) Subsidies
c) Transfer payments
d) Operating surplus

Part B - Quantitative Aptitude

51. A man travels from Agra to Gwalior at a speed of 30kmph and returns at a speed of 60kmph. What is his average speed?
a) 38 kmph
b) 40kmph
c) 45 kmph
d) 35 kmph
52. If the mode of data is 18 and mean is 24, then median is ____
a) 18
b) 24
c) 22
d) 21
53. The Mean salary of a group of 50 persons is Rs.5, 850. Later on it was discovered that the salary of on employee has been wrongly taken on Rs.8, 000 instead of Rs.7,800. The corrected mean salary is:
a) Rs.5, 854
b) Rs.5, 846
c) Rs.5, 650
d) None of these
54. In a normal distribution Q.D is 6 , then S.D is
a) 4
b) 9
c) 7
d) 6
55. If the S.D of x is σ then S.D of $\frac{ax+b}{c}$ is
a) $\left| \frac{a}{c} \right| \sigma$
b) $\left| \frac{b}{c} \right| \sigma$
c) $\left| \frac{c}{a} \right| \sigma$
d) None



56. Which of the following measures of dispersion is used for finding consistency between the series?

- a) Q.D b) S.D
c) Coefficient of variation d) None of these

57. In Spearman's rank correlation coefficient the sum of difference of ranks between variables shall be

- a) 0 b) 1 c) -1 d) +1

58. If the coefficient of correlation between x and y series is -0.38. The linear relations between x & u and y & v are $3x+5u=3$ and $-8y-7v=44$ respectively. Then the coefficient of correlation between u & v is:

- a) 0.38 b) -0.38 c) 0.40 d) None

59. If $y = 18x+5$ is the regression line of x on y then the value of b_{xy} is _____

- a) $\frac{5}{18}$ b) 18 c) 5 d) $\frac{1}{18}$

60. For certain x and y series which are correlated, the two lines of regression are

$5x - 6y + 9 = 0$, $15x - 8y + 130 = 0$. The correlation coefficient is:

- a) $4/5$ b) $3/4$ c) $2/3$ d) $1/2$

61. If Fisher index number is 150, and Paasche's index number is 144 then Laspeyres' index number is:

- a) 147.77 b) 156.25 c) 140.17 d) 138.08

62. Net monthly salary of an employee was Rs.3000. The consumer price Index in 1985 is 250 with 1980 as base year. If he has to be rightly compensated, then additional Dearness Allowance to be paid to the employee is _____

- a) Rs.4000 b) Rs.4800
c) Rs.5500 d) Rs.4500

63. The point of Intersection of "less than" and "more than" ogives corresponds to

- a) mean b) mode
c) median d) 10^{th} percentile

64. For a data on frequency distribution of weights 70, 73, 49, 57, 56, 44, 56, 71, 65, 62, 60, 50, 55, 49, 63 and 45

If we assume class length as 5, the number of class intervals will be

- a) 5 b) 6 c) 7 d) 8

65. An exclusive series is?

- a) In which, both upper and lower limits are not included in class frequency
b) In which lower limit is not included in class frequency
c) In which upper limit is not included in class frequency
d) None of these

66. The odds against A solving a problem are 4 to 3. And the odds in favour of B solving the same problem are 7 to 5. What is the probability that the problem will be solved if they both try?

- a) $\frac{15}{21}$ b) $\frac{16}{21}$ c) $\frac{17}{21}$ d) $\frac{13}{21}$

67. A bag contains 6 red balls and some blue balls. If the probability of drawing a blue ball from the bag is twice that of drawing red ball. Find the no of blue balls in the bag

- a) 10 b) 12 c) 14 d) 16

68. If two dice are thrown together then the probability of getting multiple of 3 on one die and multiple of 2 on other die is

- a) $2/3$ b) $1/6$ c) $1/3$ d) none

69. Find the expected value of the following probability distribution

X:	-20	-10	30	75	80
P(x=x):	$\frac{3}{20}$	$\frac{1}{5}$	$\frac{1}{2}$	$\frac{1}{10}$	$\frac{1}{20}$

- a) 20.5 b) 22.5 c) 21.5 d) 24.5

70. If a random variable x follows poisson distribution such that $E(x^2) = 30$, then the variance of the distribution is

- a) 7 b) 5 c) 30 d) 20

71. For Normal Distribution

- a) 1^{st} and 2^{nd} Quartiles are equidistant from median
b) 2^{nd} and 3^{rd} Quartiles are equidistant from median
c) 1^{st} and 3^{rd} Quartiles are equidistant from median
d) None of these

72. The criteria for an ideal estimator are

- a) Unbiased minimum variance
b) Consistency and efficiency
c) sufficiency d) All of these



73. If parameters of a binomial distribution are n and p then this distribution tends to a poisson distribution when
a) $n \rightarrow \infty, p \rightarrow 0$ b) $p \rightarrow 0, np = \lambda$
c) $n \rightarrow \infty, np = \lambda$
d) $n \rightarrow \infty, p \rightarrow 0, np = \lambda$ where λ is a finite constant
74. Sampling is a method used to measure the characteristic of
a) population b) sample
c) Data d) All of the above
75. If N, n denotes sizes of population and sample respectively then finite population correction factor is:
a) $\sqrt{\frac{N-n}{N-1}}$ b) $\sqrt{\frac{N-1}{N-n}}$ c) $\sqrt{\frac{1-N}{N-n}}$ d) $\sqrt{\frac{N+n}{N-1}}$
76. Which is True if $\frac{1}{ab} + \frac{1}{bc} + \frac{1}{ca} = \frac{1}{abc}$
a) $\log(ab+bc+ca) = abc$
b) $\log\left(\frac{1}{a} + \frac{1}{b} + \frac{1}{c}\right) = abc$
c) $\log(abc) = 0$ d) $\log(a+b+c) = 0$
77. If $\log_{10}^5 + \log_{10}^{(5x+1)} = \log_{10}^{(x+5)} + 1$ then $x =$
a) 5 b) 3 c) 1 d) None
78. Value of x , if $x \cdot x^{1/3} = (x^{1/3})^x$
a) 3 b) 4 c) 2 d) 6
79. In an A.P the common difference is 2. Sum of n terms is 49. If 7th term is 13. Find n .
a) 0 b) 5 c) 7 d) 13
80. In a group of 200. 100 are interested in music, 70 in photography and 40 in swimming. 40 are interested in both music and photography, 30 in music and swimming. 20 in photography and swimming and 10 in all the three. How many are interested in photography but not in music or swimming?
a) 30 b) 15 c) 25 d) 20
81. If $f: \mathbb{R} \rightarrow \mathbb{R}$ is a function defined by $f(x) = 10x - 7$. If $g(x) = f^{-1}(x)$ then $g(x)$ is equal to
a) $\frac{1}{10x-7}$ b) $\frac{1}{10x+7}$
c) $\frac{x+7}{10}$ d) $\frac{x-7}{10}$
82. The number of elements in range of constant function
a) one b) zero
c) infinite d) indetermined
83. If the sum of n terms is $2n^2 + 5n$ then its n th term is
a) $4n - 3$ b) $3n - 4$ c) $4n + 3$ d) $3n + 4$
84. The first term of G.P whose second term is 2 and sum to infinity is 8 will be
a) 6 b) 3 c) 4 d) 7
85. If the point $(k, 3)$ is at a distance of $\sqrt{5}$ units from the point $(2, k)$, the value of ' k ' is:
a) 1 b) 4
c) Both (a) & b d) None of these
86. On the average, experienced person does 5 units of work while a fresh one 3 units of work daily but the employer has to maintain the output of at least 30 units of work per day. This situation can be expressed as:
a) $5x + 3y \leq 30$ b) $5x + 3y \geq 30$
c) $5x + 3y = 30$ d) None of these
87. α, β are the roots of the equation $2x^2 + 3x + 7 = 0$. Then the value of $\alpha\beta^{-1} + \beta\alpha^{-1}$ is
a) 2 b) $3/7$ c) $7/2$ d) $-19/14$
88. If $|x-2| + |x-3| = 7$ then $x =$
a) 6 b) -1 c) 6 & -1 d) None
89. The quadratic equation $x^2 - 2kx + 16 = 0$ will have equal roots then $k =$
a) ± 1 b) ± 2 c) ± 3 d) ± 4
90. $\lim_{x \rightarrow 1} \frac{x-1}{2x^2 - 7x + 5}$
a) $1/3$ b) $-1/3$ c) 1 d) None
91. For the function $y = x^3 - 3x$ then the value of $\frac{d^2y}{dx^2}$ at which $\frac{dy}{dx} = 0$ is
a) ± 1 b) ± 3 c) ± 6 d) None



92. If $y = \log \frac{5-4x^2}{3+5x^2}$ then $\frac{dy}{dx}$
- a) $\frac{8}{4x^2-5} - \frac{10}{3+5x^2}$ b) $(4x^2-5) - (3+5x^2)$
 c) $\frac{8x}{4x^2-5} - \frac{10x}{3+5x^2}$ d) $8x-10$
93. The equation of the tangent to the curve $y = x^3-2x+3$ at the point (2,7) is:
 a) $y = 2x-13$ b) $y = 10x$
 c) $y = 10x - 13$ d) $y = 10$
94. $\int 2^{3x} \cdot 3^{2x} \cdot 5^x dx =$
 a) $\frac{2^{3x} \cdot 3^{2x} \cdot 5^x}{\log 720} + c$ b) $\frac{2^{3x} \cdot 3^{2x} \cdot 5^x}{\log 360} + c$
 c) $\frac{2^{3x} \cdot 3^{2x} \cdot 5^x}{\log 180} + c$ d) $\frac{2^{3x} \cdot 3^{2x} \cdot 5^x}{\log 90} + c$
95. A man has 3 sons and 6 schools within his reach. How many ways can his sons go to school, if no two of them are in same school.
 a) 6P_2 b) 6P_3 c) 6^3 d) 3^6
96. If ${}^{13}C_6 + 2 \cdot {}^{13}C_5 + {}^{13}C_4 = {}^{15}C_x$, then $x =$ ____
 a) 6 b) 7 c) 8 d) 9
97. Number of permutations can be formed from the letters of the word "DRAUGHT", if no two vowels are separable.
 a) 720 b) 1440 c) 140 d) 2880
98. Find the two numbers such that the mean proportional between them is 18. And third proportional between them is 144.
 a) 9, 36 b) 8, 32 c) 7, 28 d) 6, 24
99. The principle of 90,500 with rate of interest 7.5% will be calculated at simple interest when it is calculated the interest wrongly taken as 5.7. Then the difference will be 9, 774. At what time the amount will be cleared?
 a) 7y b) 4.5y c) 6y d) 8y
100. How much investment required to yield an annual income of Rs.420 at the rate of 7% p.a by Simple interest.
 a) 6000 b) 6420 c) 5580 d) 5000

Key - Part A – GENERAL ECONOMICS

1.	A	2.	B	3.	B	4.	A	5.	B
6.	B	7.	A	8.	A	9.	A	10.	C
11.	B	12.	C	13.	A	14.	B	15.	C
16.	D	17.	B	18.	A	19.	D	20.	A
21.	D	22.	C	23.	C	24.	D	25.	C
26.	A	27.	B	28.	D	29.	B	30.	D
31.	A	32.	B	33.	C	34.	A	35.	A
36.	C	37.	A	38.	B	39.	A	40.	A
41.	D	42.	D	43.	C	44.	C	45.	D
46.	D	47.	B	48.	A	49.	A	50.	B

Part B – QUANTITATIVE APTITUDE

51.	B	52.	C	53.	B	54.	B	55.	A
56.	C	57.	A	58.	B	59.	D	60.	C
61.	B	62.	D	63.	C	64.	B	65.	C
66.	B	67.	B	68.	C	69.	C	70.	B
71.	C	72.	D	73.	D	74.	A	75.	A
76.	D	77.	B	78.	B	79.	C	80.	D
81.	C	82.	A	83.	C	84.	C	85.	C
86.	B	87.	D	88.	C	89.	D	90.	B
91.	C	92.	C	93.	C	94.	B	95.	B
96.	B, C	97.	B	98.	A	99.	C	100.	A

THE END