COMMON PROFICIENCY TEST

Time Allowed – 4 Hours   **Maximum Marks – 200**

SECTION A: FUNDAMENTALS OF ACCOUNTING

1. Neeraj and Gopi are partners in a firm with capitals of Rs. 5,00,000 each. They admit Champak as a partner with 1/4th share in the profit of the firm. Champak brings Rs. 8,00,000. The P&L Account should a credit balance of Rs. 4,00,000 as on the date of admission. The value of hidden goodwill will be:

    (a) 14,00,000

    (b) 18,00,000

    (c) 10,00,000

    (d) None

2. If average stock is Rs. 14,000, closing stock is 3,000 more than opening stock then the value of closing stock will be:

    (a) 15,500

    (b) 15,000

    (c) 11,000

    (d) 12,500

3. Cost of physical stock on 15.4.2014 were Rs. 3,00,000. Sales amounting Rs. 1,00,000 and purchases worth Rs. 50,000 were held between 31.3.2014 and 15.4.2014. Goods are sold at a profit of 20% on sales. Value of inventory as on 31.3.2014:

    (a) 3,50,000

    (b) 2,70,000

    (c) 3,00,000

    (d) 3,30,000

4. Which assets is compulsory revalued at the time of admission of a partner?

    (a) Goodwill

    (b) land and building

    (c) Plant and machinery

    (d) Furniture and fittings

5. Where a machine produces products of uniform size, the _____method of depreciation is applied.

    (a) Machine hour method

    (b) Sinking fund method

    (c) Annuity method

    (d) Production units

6. Reserve Capital means -

    (a) Accumulated Profit

    (b) Part of Capital Reserve

    (c) Part of subscribed uncalled capital

    (d) None of the three

7. Which of the following is not the feature of a company?

    (a) Separate legal entity

    (b) Perpetual existence

    (c) Incorporated association

    (d) No separation between management and ownership

8. Which of the following share capital is not shown in the Balance sheet of a company?

    (a) Subscribed share capital

    (b) Un-issued share capital

    (c) Authorised share capital

    (d) Paid up share capital

9. In Profit and Loss Account, the selling and distribution expenses will not include

    (a) Commission to Sales Agent

    (b) packing Expenses

    (c) Legal Expenses

    (d) Advertisement Expenses

    Study the following table and answer Qus no. 10 and 11

Date	Receipts	Issue	Balance
1.4.14	Opening		1,000 units amounting Rs. 12,000
8.4.14		550 units amounting Rs. 6,600	450 units amounting Rs. 5,400

13.4.14	1,100 units amounting Rs. 11,000		
25.4.14	300 units amounting Rs. 3,900		
28.4.14		1,650 units amounting Rs. 17,700	

10. The method of pricing the issue which you consider to have been adopted for the issue of material is:

    (a) FIFO

    (b) LIFO

    (c) Weight average

    (d) None of the above

11. The Quantity & Value of closing stock on the basis of valuation adopted is:

    (a) 200 units, Rs. 2195

    (b) 200 units, Rs. 2,400

    (c) 200 units, Rs. 2,600

    (d) Can't be ascertained from the given data.

12. _____is prepared to ascertain the arithmetical accuracy of posting and balancing of accounts

    (a) Cash book

    (b) Journal

    (c) Trial balance

    (d) Bank Reconciliation Statement

13. A provision for depreciation is created by debiting _____

    (a) Machinery account

    (b) Profit and Loss Account

    (c) Profit and Loss Appropriation account

    (d) None of the above

14. Renewal fee for patent is a

    (a) Capital expenditure

    (b) Revenue expenditure

    (c) Deferred revenue expenditure

    (d) Development expenditure

15. If opening equity of a business is Rs. 90,000, profit for the year is Rs. 20,000 and liabilities at the end of year are of Rs. 60,000, total of assets side of the business will be

    (a) Rs. 1,50,000

    (b) Rs. 1,20,000

    (c) Rs. 30,000

    (d) Rs. 1,70,000

16. If depreciation rate is equal, the amount of depreciation in SLM method with comparison to WDV method will be_____.

    (a) Equal in first year but will be lesser in remaining years

    (b) Less in first year but will be more in remaining years

    (c) Equal in first year but will be more in remaining years

    (d) Less in first year but will be equal in remaining years.

17. The subscribed share capital of SAI Ltd. i.e. Rs. 80,00,000 (shares of Rs. 100 each). There were no call in arrears till the final call was made. The final call was paid on 77,500 shares. The call-in-arrear amounted to Rs. 67,500. The amount of final call per share will be:

    (a) 20

    (b) 25

    (c) 62.50

    (d) 27

18. In a partnership firm, in case of insufficient profits i.e. net profit loss than the amount of interest as capital, the amount of profit is distributed:

    (a) In the Profit Sharing Ratio

    (b) In the ratio of capital

    (c) Equally

    (d) None

19. At the time of admission of a partner in a firm, the journal entry for recording an unrecorded investment of Rs. 30,000 will be:

    (a) Revaluation A/c   30,000

            To unrecorded investment   30,000

    (b) Unrecorded investment   30,000

            To revaluation   30,000

(c)	Partner's Capital A/c	30,000	
	To unrecorded investment		30,000
(d)	Unrecorded investment	30,000	
	To Partner's Capital A/c		30,000

20. Accounting has universal application for recording _____and events and presenting suitable information for decision making

    (a) Entries

    (b) Transactions

    (c) Date

    (d) Figures

21. Retirement of bill means

    (a) Discounting of bill

    (b) Dishonour of bill

    (c) Renewal of bill

    (d) Payment of bill before maturity

22. Preference shares cannot be redeemed unless they are

    (a) Partly Paid up

    (b) Fully paid-up

    (c) Transferred

    (d) Reissued

23. Zebra Ltd. invites application for subscription of 50,000 shares for which Rs. 2 per share is to be paid on application. Applications were received for 80,000 shares and shares were allotted on Pro-rata basis to applicants of 70,000 shares. If the application money is refunded, how much money will be refunded to Mr. Lion who has been allotted 200 shares?

    (a) Rs. 100

    (b) Rs. 160

    (c) Rs. 240

    (d) Rs. 80

24. On 1st April, Mr. A sold goods worth Rs. 10,000 to Mr. B and drew a bill on him for three months for the amount, Mr. B. Accepted the bill and returned it to Mr. A who discounted it with bank @ 15% p.a. The amount of discount to be charged as expenses is

    (a) Rs. 125

    (b) Rs. 250

    (c) Rs. 375

    (d) Nil

25. Under _____ , the premium paid a treated as an ordinary expense and joint Life policy does not appear as an asset in the Balance Sheet of the firm.

    (a) Ordinary Business Expense method

    (b) Surrender Value method

    (c) Joint Life Policy Reserve method

    (d) Sinking Fund method

26. Which of the following is not a contingent liability?

    (a) Claims against the firm not acknowledged as debts

    (b) Guarantees given in respect of third parties

    (c) Amount due to trade creditor which is not disputed

    (d) Bills discounted from bank.

27. Karthik and Dhoni enter into a joint venture sharing profit and loss in the ratio of 2:1. Karthik purchased the goods costing Rs. 2,00,000. Dhoni sold the goods for Rs. 2,50,000. Karthik is entitled to get 1% commission on purchases and Dhoni is entitled to get 5% commission on sales. The profit on venture will be

    (a) Rs. 35,500

    (b) Rs. 36,000

    (c) Rs. 34,000

    (d) Rs. 38,000

28. On 31.03.13, the balance of the Bank column of the cash book is Rs. 7,074 (Credit) and Balance as per Bank Statement is Rs. 3,159 (Debit). On scrutiny, it was found that the difference was due to cheques issued but yet not presented for payment. The Bank balance as on 31.03.2013 will be shown in Balance sheet as:

    (a) As Bank Overdraft Rs. 3,159

    (b) As Cash at Bank Rs. 7,074

    (c) As Bank Overdraft Rs. 7,074

    (d) As Cash at Bank Rs. 3,159

29. The opening stock is overstated by Rs. 10,000 and closing stock is understated by Rs. 15,000. The impact of these on net profit for the current year is

    (a) Rs. 5,000 overstated

    (b) Rs. 25,000 overstated

    (c) Rs. 25,000 understated

    (d) Rs. 5,000 understated

30. Overriding Commission is a commission

    (a) Based on fixed percentage of the gross sales proceeds made by the consignee

    (b) Based on fixed percentage of the cash sales made by the consignee

    (c) An extra commission to promote sales at higher price than specified

    (d) A commission on credit sales for protection from bad debts.

31. C and D enter in to a joint venture to share profit in the ratio of 5:3. Apart from the profits, D is entitled to a commission of 5% of net profit after charging such commission. If net profit of joint venture is Rs. 33,600 before charging such commission. What will be share of profit of C and D.

    (a) C will get profit Rs. 19,950 and D Rs. 11,970

    (b) C will get profit Rs. 20,000 and D Rs. 12,000

    (c) C will get profit Rs. 21,000 and D Rs. 12,600

    (d) C will get profit Rs. 21,600 and D Rs. 12,000.

32. De-credere commission is fixed in terms of percentage say, 10%. The Credit Sales is of Rs. 1,00,000 and Cash Sales is of Rs. 50,000; amount of _____commission will be allowed.

    (a) Rs. 10,000

    (b) Rs. 15,000

    (c) Rs. 5,000

    (d) None of the above

33. Ram Limited has issued 15% Debentures of Rs. 20,00,000 at a discount of 10% on April 01, 2012. The Company pays interest half yearly on June 30 and December 31 every year. On March 31, 2013, the amount shown as "Interest Accrued but not yet due in the Balance Sheet" will be

    (a) Rs. 2,25,000

    (b) Rs. 1,00,000

    (c) Rs. 75,000

    (d) Rs. 3,00,000

34. Fixed assets are held by business organization for _____.

    (a) Conversion into cash

    (b) Generating income

    (c) Resale

    (d) None of the above

35. Mr. X purchased a computer for Rs. 60,000 by making a down payment of Rs. 10,000 and balance of Rs. 50,000 by signing the agreement of bills payable due in 50 days. As a result of these transactions

    (a) Total assets increased by Rs. 50,000 with the corresponding increase in liability by Rs. 50,000

    (b) Total assets increased by Rs. 50,000

    (c) Total assets increased by Rs. 60,000 with corresponding increase in liability by Rs. 50,000

    (d) Total assets increased by Rs. 60,000 with the corresponding increase in liability by Rs. 60,000.

36. Goods destroyed by fire Rs. 20,000 and insurance company admitted full claim. Claim receivable from insurance company will be shown in the

    (a) Manufacturing account

    (b) Trading account

    (c) Profit and Loss account

    (d) Balance Sheet.

37. At the end of the year 2012-13, the ledger of a firm shows following balances to prepare balance sheet:

Capital	Rs. 2,00,000
Net profit for the year 2012-13	Rs. 1,50,000
Provision for taxes	Rs. 75,000
Liabilities	Rs. 1,00,000
Cash and Bank	Rs. 60,000
Fixed Assets	Rs. 4,65,000

    The total of the balance sheet would be

    (a) Rs. 4,65,000

    (b) Rs. 5,25,000

    (c) Rs. 5,65,000

    (d) Rs. 5,10,000.

38. A and B are equal partners. They admit C as a partner with 1/7th share. What is the new profit sharing ratio of A and B?

   (a) 6/7: 1/7

   (b) 3/7: 3/7

   (c) 4/7: 2/7

   (d) 2/7: 4/7

39. Rectification entries are first recorded in _____.

   (a) Ledger

   (b) Subsidiary books

   (c) Journal proper

   (d) Trial balance

40. The cash book showed on overdraft of Rs. 2,000 as cash at Bank, but the Pass book made upto the same date showed that cheque of Rs. 100,150 & 175 respectively had not been presented for payments and cheque of Rs. 600 deposited into account had not been cleared. The over draft balance as per pass book will be:

   (a) Rs. 2150

   (b) Rs. 2175

   (c) Rs.1475

   (d) Rs. 1925

41. Wages Rs. 500 paid for installation of a new machine was wrongly posted to wages account. It is an error of

   (a) Commission

   (b) Principle

   (c) Omission

   (d) Clerical nature

42. X sent some goods costing Rs. 3500 at a Profit of 25% on sale on return basis to Y. Y returned goods costing Rs. 800 on sale and return basis to Y. Y returned goods costing Rs. 800. At the end of accounting year i.e. 31st Dec. 2013, remaining goods were neither returned nor approved by him. The stock on approved will be shown in the Balance sheet at:

   (a) 2700

   (b) 2000

   (c) 2700 less 5% of 2700

   (d) 3500

43. In journal, the entries which pertain to outstanding expenses, prepaid expenses or depreciation are called:-

   (a) Adjusting Entries

   (b) Rectification Entries

   (c) Transfer Entries

   (d) Closing Entries

44. Ajay Ltd. decides to redeems 10,000 Pref. Shares of Rs. 10 at 10% premium. Balance in Profit & Loss A/c. is Rs. 65,000 and in securities Premium A/c is Rs. 5,000. You are required to calculate the minimum number of equity shares of Rs. 10 each to be issued to the purpose of redemption, if the new issue is to be issued at a discount of 20%.

   (a) 13,125 Shares

   (b) 5,625 Shares

   (c) 13,750 Shares

   (d) 5,000 Shares

45. Which of the following can't be described as provision?

   (a) Appropriation made for payment of taxes still to be assessed.

   (b) Amount set aside for writing off bad debts

   (c) Amount set aside for any unknown liability.

   (d) Amount retained for any known liability of which the amount cannot be ascertained with substantial accuracy.

46. When the debentures are issued as collateral security for a loan then, such debenture holders are entitled to:

   (a) Interest on the amount of loan

   (b) Interest on the amount of debenture

   (c) No interest amount

   (d) Either A or B

47. A draws a bill on B for Rs. 30,000. A wants to settle C's account of Rs. 35,000 at 2% discount with the help of B's acceptance and balance payment in cash. How much cash A will pay to C?

   (a) Rs. 4,300

   (b) Rs. 4,000

   (c) Rs. 4,100

   (d) Rs. 5,000.

48. X & Y are partners. Given below is detail of items appearing in their Profit and Loss Appropriation account:

Particulars	X	Y
	Rs.	Rs.
Interest on Capital	1600	1800
Interest on drawings	500	400
Remuneration to partners	2000	3000
Share of profit after above appropriations	8000	12000

What was the net profit of the firm before appropriation?

(a) Rs. 17, 500

(b) Rs. 22,500

(c) Rs. 27,500

(d) Rs. 29,300.

49. A, B, C & D are partners in the firm. 2/3rd of the profit is shared equally by A & B and the balance profit is shared by C & D in the ratio of 3:2. Profit sharing ratio of A, B, C & D will be:

(a) 4:4:3:2

(b) 7:7:6:4

(c) 2.5:2.5:3:2

(d) 5:5:3:2.

50. A new machine was purchased in Delhi & brought to Jaipur factory for installation. The machine was damaged during transit and heavy repair expenses were incurred amounting of Rs. 20,000. Such repairs will be treated as

(a) Capital expenditure

(b) Revenue expenditure

(c) Deferred revenue expenditure

(d) Reserves.

51. At the end of the financial year, Debtors has a balance of Rs. 1,00,000 and provision for bad and doubtful debts is amounting to Rs. 7,000. The expected net realizable value of the accounts receivable is

(a) Rs. 7,000

(b) Rs. 1,07,000

(c) Rs. 93,000

(d) Rs. 1,00,000.

52. Kaju and Pista entered into partnership on April 1, 2012. They invested capital Rs. 30,000 and Rs. 20,000 respectively. It was agreed that 8% p.a. interest will be calculated both on capital and drawings. Drawings were made as follows:

	Kaju	Pista
June 30	1,200	1,600
September 30	1,000	1,400
December 31	800	1,200

Pista was entitled to a salary of Rs. 500 p.m.

Profit before adjusting interest and salary was Rs. 17,696. Divisible profit will be

(a) Rs. 8,000

(b) Rs. 6,000

(c) Rs. 10,000

(d) None of the three.

53. Sona of Kanpur sent 400 chairs @ Rs. 300 per chair to Tom of Delhi. Sona paid freight of Rs. 1,000 and Rs. 400 as insurance in transit. Tom paid Rs. 200 as cartage and Rs. 600 as godown rent. At the end of the year, 300 chairs were sold. The selling price of each chair in Delhi was Rs. 350. Value of stock unsold will be

(a) Rs. 30,000

(b) Rs. 30,400

(c) Rs. 32,000

(d) None of the three.

54. Om, Shyam and Ram 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. 3,50,000. Om retires from the firm and Shyam and Ram decided to share future profits equally. Om's share of goodwill will be debited to Shyam's and Ram's capital A/c's in the ratio.

(a) 1:1

(b) 2:3

(c) 3:2

(d) None of the three.

55. 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.

56.   The following errors affect the trial balance

(a)   Error of partial omission

(b)   Error of principal

(c)   Error of complete omission

(d)   All of the above.

57.   Tom Ltd. issued 50,000 equity shares of Rs. 100 each at a premium of Rs. 10 payable at Rs. 30 on application, Rs. 30 on allotment and balance in the first call. Application received for 1,00,000 equity shares but the company issued to them only 50,000 shares. Excess money was refunded to them after adjustment for further calls. Last call on 1,000 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.

58.   Mr. X paid commission to his consignee Mr. Y Rs. 25,000 @ 5% on sales made by him. Goods were sold by Mr. Y at a profit of 25% on cost. Stock in hand as on 31.3.2013 is Rs. 50,000 at cost. What is the cost of goods sent by Mr. X on consignment to Mr. Y?

(a)   Rs. 4,50,000

(b)   Rs. 75,000

(c)   Rs. 5,50,000

(d)   Rs. 6,00,000.

59.   A Ltd. forfeited 1,000 shares of Rs. 10 each on which Rs. 6,000 have been received. Forfeited shares were re-issued for Rs. 7,000. The amount transferred to capital reserve account would be:

(a)   Rs. 1,000

(b)   Rs. 3,000

(c)   Rs. 4,000

(d)   Rs. 6,000.

60.   Rent due for the month of March will appear _____in the cash book

(a)   On the receipt side

(b)   On the payment side

(c)   As a contra entry

(d)   No where.

SECTION B : MERCANTILE LAWS

61. A contract is said to be executed when it has been performed wholly on-
    - (a) One side
    - (b) Two sides
    - (c) More than two sides
    - (d) None of these

62. Which of the following persons do not fall under the category of persons of unsound mind-
    - (a) Drunkards
    - (b) Lunatics
    - (c) Idiots
    - (d) Blind person

63. "A" a tradesman leaves the goods at "B"s house, by mistake. "B" treats the goods as its own. Which one of the following statement is correct-
    - (a) B is bound to pay for the goods
    - (b) B is not bound to pay
    - (c) B offers to give part payment
    - (d) Both (a) & (c)

64. R saves S's goods from fire without being asked to do so. State the position of R in the given situation as per the Indian Contract Act, 1872-
    - (a) R cannot demand any reward for his services
    - (b) R can demand any reward for his services
    - (c) R is entitled for the reward for his services
    - (d) Both (b) and (c)

65. Exceptions to the doctrine of privity can be seen in which of the following conditions-
    - (a) In the case of trust
    - (b) In the case of contracts made by the agent
    - (c) In the case of partition
    - (d) Both (a) and (b)

66. Husband obtained a release deed from his wife and son under a threat of committing suicide, the transaction was set aside on the ground of –
    - (a) Coercion
    - (b) Undue- influence
    - (c) Fraud
    - (d) Mis-representation

67. A finder of goods can-

    (a) File a suit to recover his expenses

    (b) Sells the goods if he likes

    (c) Can sue for a reward, if any

    (d) None of the above

68. The liability of the Joint promisor is-

    (a) Joint

    (b) Several

    (c) Joint and several

    (d) None of the above

69. A valid tender or offer of performance must be made -

    (a) At proper time

    (b) At proper place

    (c) To the proper person

    (d) All the above

70 Acceptance of lesser amount or lesser degree of performance than what was contracted for in full discharge of the contract, is known as -

    (a) Rescission

    (b) Remission

    (c) Waiver

    (d) Alteration

71. A promises B to abandon a prosecution which he had instituted against B for robbery and B promises in lieu thereof to restore the value of the property robbed. This agreement is-

    (a) Valid

    (b) Voidable

    (c) Void

    (d) Unenforceable

72. Misstatement of a material fact made believing it to be true, without an intent to deceive the other party, is-

    (a) Fraud

    (b) Mistake

    (c) Mis-representation

    (d) Coercion

73. An agreement, the meaning of which is not certain, but is capable of being made certain, such an agreement is –

    (a) Void

    (b) Valid

    (c) Voidable

    (d) Illegal

74 A, singer, enters into a contract with B, the Manager of a theatre, to sing at his theatre two nights in every week during next two months, and B engages to pay her 100 rupees for each night's performance. On the sixth night, A willfully absents herself from the threatre. Pick the correct statement.

    (a) B is at liberty to put an end to the contract.

    (b) B cannot end the contract.

    (c) A is entitled to claim the damages

    (d) A can end the contract.

75. Where at the time of entering into a contract, the promisor alone knows about the impossibility of performance. State the legal position of promisee in the given situation-

    (a) The promisee is entitled to claim compensation for loss suffered on account of non-performance

    (b) The promisee is not entitled to claim compensation

    (c) Promisor is not liable to the promisee

    (d) Both (b) and (c)

76. When a person at whose option a contract is voidable rescinds it, there in such situation, the other party thereto –

    (a) need not perform any promise

    (b) need to perform the promise

    (c) cannot set aside the promise

    (d) Both (b) and (c)

77. State the damages that are awarded when there has been a breach of contract but not suffered any real damage-

    (a) Special Damages

    (b) Nominal Damages

    (c) Ordinary damages

    (d) Exemplary damages

78. Under a contract made between the parties, the work has been done and accepted. Subsequently that contract was discovered to be void. Pick the correct statement in the given situation-

    (a) The person who has performed the part of the contract is entitled to recover the amount for the work done.

    (b) The party, who receives and accepts the benefit under such contract, must make compensation to the other party.

    (c) Either (a) and(b)

    (d) Both (a) and (b)

79. P supplies milk to his customer R who receives and consumes it. State the position of R-

    (a) R is bound to pay the price.

    (b) R is not liable to pay as there is no promise to pay

    (c) R is not liable as there is no agreement

    (d) Both (b) and (c)

80. A person contracted to deliver a part of a specific crop of potatoes. The potatoes were destroyed by blight though no fault of the party. The contract is-

    (a) Valid

    (b) Voidable

    (c) Void due to frustration of contract

    (d) Illegal

81. Whether a stipulation is a condition or a warranty depends on-

    (a) The Construction of the contract

    (b) The conduct of the parties

    (c) The trade custom

    (d) The local law

82. The sale of Goods Act, 1930 deals with-

    (a) Cash sales

    (b) Credit sales

    (c) Hire Purchase sales

    (d) Sale of goods in general

83. Where a contract of sale purports to effect a present sale of future goods, the contract operates as-

    (a) A sale

    (b) An agreement to sell

(c) Both (a) and (b)

(d) All the above

84. For passing of property in goods, the goods must be in –

    (a) Deliverable state

    (b) Manufacturing state

    (c) Consumable state

    (d) Marketing state

85. Which of the following is relevant for determining the passing of property in ascertained goods-

    (a) Intention of parties

    (b) Delivery of goods

    (c) Payment of price

    (d) All of the above

86. Transfer of documents of title to the goods sold to the buyer, amounts to-

    (a) Actual delivery

    (b) Symbolic delivery

    (c) Constructive delivery

    (d) None of these

87. The unpaid seller's right of lien is to-

    (a) Re-organize possession of goods

    (b) Re-sell the goods

    (c) Regain the possession of goods

    (d) Retain possession of goods

88. In an auction sale, the property shall be sold to the-

    (a) Lowest bidder

    (b) Highest bidder

    (c) Any bidder

    (d) All bidders

89. A partnership formed for the purpose of carrying venture or undertaking is known as-

    (a) Limited partnership

    (b) Special partnership

    (c) Joint venture

    (d) Particular partnership

90. Which is not a characteristic of partnership firms?

   (a) Perpetual succession

   (b) Unlimited liability of partners

   (c) Mutual Agency

   (d) Sharing of profits of business

91. Registration of the firm under the partnership Act is-

   (a) Optional

   (b) Obligatory

   (c) Compulsory

   (d) Necessary

92. In case of an unregistered firm the partners can file a suit for the-

   (a) Dissolution of the firm

   (b) Accounts of dissolved firm

   (c) Realization of property of dissolved firm

   (d) All of the above

93. The liability of a minor partner is limited to the extent of-

   (a) His share in the firm

   (b) His personal assets

   (c) His share in the firm as well as his personal assets

   (d) He is not liable

94. An act done by a partner is binding on the firm if it is done in the name of-

   (a) Partners own name

   (b) God

   (c) Firm

   (d) Law

95. A change in nature of business can be effected only based on-

   (a) Unanimous consent of all the partners

   (b) Consent of majority partners

   (c) Consent of active partners

   (d) Decision of court

96. Unless there is a contract to the contrary, a firm is automatically dissolved on-

   (a) The expiry of fixed term

   (b) Death of a partner

(c) Insolvency of a partner

(d) All of the above

97. Dissolution of partnership between all the partners of a firm is called-

(a) Dissolution of partnership

(b) Dissolution of partners

(c) Dissolution of the firm

(d) Reconstitution of firm

98. Public notice in case of a firm is not required in case of-

(a) Admission of a partner

(b) Retirement of a partner

(c) Expulsion of a partner

(d) Dissolution of the firm

99. A registered firm is a-

(a) Legal person

(b) Illegal person

(c) Corporate body

(d) Co-operative organizations

100. Liability of a partner is-

(a) Limited

(b) Unlimited

(c) Restricted upto amount of capital

(d) Restricted upto profits

SECTION C : GENERAL ECONOMICS

101. The following is not an example of visible items in balance of payments:

    a.   Exports of tea.

    b.   Export of banking services.

    c.   Import of crude oil.

    d.   Import of gold.

102. Which of the following is a Normative Statement?

    a.   The law of demand establishes an inverse relationship between price and quantity demanded.

    b.   In view of the fact that so many farmers are committing suicide, the government should waive off their loans.

    c.   It is not possible to satisfy all wants.

    d.   In a capitalist economy, the central problems are solved with the help of price mechanism.

103. The price of I Phone falls from Rs. 60000 to Rs.50000 and its monthly demand rises from 1000 to 1200. Find price elasticity of demand.

    a.   2.18

    b.   1.18

    c.   1

    d.   1.95

104. Which of the following is the characteristic of indifference curves?

    a.   Indifference curves are concave to the origin.

    b.   Indifference curves slope upwards to the right.

    c.   Indifference curves touch the axis.

    d.   Indifference curves do not intersect each other.

105. If 6 units of labour and 2 machines give monthly production of 10000 units and 12 units of labour and 4 machines give monthly production of 20000 units. It is a matter of:

    a.   Constant returns to scale

    b.   Decreasing returns to scale

    c.   Increasing returns to scale

    d.   Chance.

106. If as a result of 25% increase in prices of computers the supply increases by 30%, the elasticity of supply is:

    a.   0.80

    b.   1.20

    c.   – 0.80

    d.   0.75

107. What is the relation between average cost curve and marginal cost curve?

    a.   When average cost curve is rising, marginal cost curve is falling.

    b.   When marginal cost curve is rising, average cost curve is falling.

    c.   When marginal cost curve is rising, average cost curve is rising.

    d.   When average cost curve is rising, marginal cost curve is above it.

108. Find Average Variable Cost of 5 units from the following data:

Output (units):	0	1	2	3	4	5	6
Total Cost (Rs):	100	165	204	240	270	305	345

    a.   Rs. 20

    b.   Rs. 61

    c.   Rs. 41

    d.   Rs. 29

109. Identify the fixed cost from the following:

    a.   Labour cost

    b.   Cost of raw material

    c.   Electricity bill

    d.   Salary of watchman

110. Which of the following statements is Incorrect?

    a.   The more substitutes one product has, less elastic it is.

    b.   Demand for common salt is inelastic.

    c.   If two goods are substitutes, the cross elasticity between them is positive.

    d.   A consumer is said to be in equilibrium at a point where his price line is tangent to the indifference curve.

111. A firm uses both fixed factors and variable factors for producing its goods. Which of the following is variable factor of production?

    a.   Rent of the factory.

    b.   Salary of the production manager.

    c.   Interest on the loan taken for buying the machinery.

    d.   Cost of raw material.

112. A firm should shut down, if.

    a.   average total cost equals price at the profit maximizing level of output.

    b.   average variable cost equals price at the profit maximizing level of output

    c.   average fixed cost equals price at the profit maximizing level of output

    d.   marginal cost equals price at the profit maximizing level of output.

113. Under _____ market conditions, firms make normal profits in the long run.

    a.   Perfect Competition.

    b.   Monopoly

    c.   Oligopoly.

    d.   None of these.

114. Siddharth's preferences satisfy the non-satiation assumption. This means that he must prefer the bundle consisting of two glasses of lemon juice and one burger to which of the following bundles?

    a.   One glass of lemon juice and two burgers.

    b.   Three glasses of lemon juice and one burger

    c.   Three glasses of lemon juice and no burgers

    d.   One glass of lemon juice and one burger.

115. Which one of the following could explain a shift to the left of the supply curve for a good?

    a.   The imposition of a tax on the good

    b.   A new supplier entering the market

    c.   A fall in firms' wage costs.

    d.   A rise in the price of the good.

116. Which of the following would cause shift in the demand curve to the right?

    a.   The price of production inputs fall

    b.   The price of a substitute good falls

c. Consumer incomes increase

d. Production technology improves

117. In monopolistic competition, a firm is in the long run equilibrium _____.

   a. when price is below the minimum of average variable cost.

   b. at the minimum point of the LAC curve.

   c. in the declining segment of the LAC curve.

   d. when price is equal to marginal cost.

118. In a perfectly competitive market, the process of entry or exit ends when

   a. firms are operating with excess capacity.

   b. firms are making zero economic profit.

   c. firms experience decreasing marginal revenue.

   d. price is equal to marginal cost.

119. An Commerce College decides to raise fees paid by students to Rs 1500 per student per month because it believed this would result in greater revenues. But in reality, total revenues fell. Therefore, the demand for Commerce College courses by people must have actually been:

   a. relatively inelastic

   b. unit elastic

   c. relatively elastic

   d. perfectly elastic

120. In price discrimination, which section of the market is charged the lower price?

   a. the section with the richest people

   b. the section with the oldest people

   c. the section with the most inelastic demand

   d. the section with the most elastic demand

121. The phenomenon of scarcity stems from the fact that:

   a. in most economies production methods are not very good

   b. in most economies, wealthy people consume disproportionate quantities of goods and services.

   c. governments restricts production of too many goods and services

   d. resources are limited

122. An inward shift of the PPF means:

   a.   increased size of the government

   b.   economic slow down

   c.   more consumption

   d.   more equality among citizen

123. Suppose the single monopoly price is Rs.1000 and elasticities of demand in markets A and B are respectively 3 and 5. If the monopolist wants to discriminate between the markets, in which market should he charge less?

   a.   Market A

   b.   Market B

   c.   Same price should be charged in both the markets.

   d.   Insufficient data

124. If all the firms in a perfectly competitive market form a monopoly and there is no other change in the market conditions, what will happen to the price of the commodity?

   a.   The price charged by the monopolist will be same as before.

   b.   The price charged will be less than before.

   c.   The price charged will be more than before.

   d.   Insufficient data.

125. Which of the following statements is correct?

   a.   A firm in a perfectly competitive market can never earn abnormal profits in the short-run.

   b.   A monopolist can never earn losses in the short-run.

   c.   A monopolist must earn normal profits in the long run.

   d.   A firm in a perfectly competitive market must earn normal profits in the long run.

126. A Gini Index of one represents--------.

   a.   perfectly equal distribution

   b.   perfectly unequal distribution

   c.   Socialist economy.

   d.   Constant returns to scale.

127. Which rate of growth has been called as the Hindu rate of growth?

   a.   5.5%

   b.   4.5%

    c.   6.5%

    d.   3.5%

128. If Cash Reserve ratio is to be raised, which of the following banks will decide it?

    a.   State Bank of India

    b.   SIDBI

    c.   NABARD

    d.   Reserve Bank of India.

129. Which of the following sectors contribute maximum to India's GDP?

    a.   Agriculture

    b.   Industry

    c.   Tertiary

    d.   Tourism

130. Which of the following is an example of private sector bank in India?

    a.   State Bank of India

    b.   RBI

    c.   Indus Ind Bank

    d.   Bank of India

131. Which of the following is not a nationalized bank in India?

    a.   Bank of India

    b.   Punjab National Bank

    c.   Vijaya Bank

    d.   State Bank of India.

132. Identify the correct equation:

    a.   GNP at market price – net income from abroad = NNP at market price

    b.   GNP at market price – depreciation = NNP at market price

    c.   GNP at market price – net indirect taxes = NNP at market price

    d.   GDP at market price – depreciation = NNP at market price

133. India's present population is :

    a.   between 50-60 crore

    b.   between 60-70 crore

    c.   between 70-80 crore

    d.   above 120 crore

134. According to census 2001, the state with the highest literacy ratio is ___.

   a. Kerala

   b. Tamil Nadu

   c. Maharashtra

   d. Uttar Pradesh

135. India in a home to nearly __ population of the world?

   a. one half

   b. one third

   c. one sixth

   d. one tenth

136. If as a result of putting two additional workers, the production of the factory does not increase, it means there exists _____ unemployment.

   a. Cyclical

   b. Seasonal

   c. Technological

   d. Disguised

137. If revenue receipts is 100 crore, loan recovery is 15 crore, and total expenditure is 120 crore, what is Fiscal Deficit?

   a. 20 crore

   b. 105 crore

   c. 5 crore

   d. insufficient data

138. If there are 100 persons in an economy, out of which 75 are economically active, out of these 75, only 50 are in work force. What is the unemployment rate?

   a. 33.3%

   b. 50%

   c. 25%

   d. Insufficient data

139. Which of the following has been specially established to meet the requirements of farmers and villagers in India?

   a. RBI

   b. RRB

c. SIDBI

d. World Bank

140. Which of the following is considered as watch dog on international trade?

a. World Bank

b. World Trade Organization

c. International Monetary Fund

d. United Nations Organization

141. NIXI stands for:

a. National Import and Export Institute.

b. National Internet Exchange of India.

c. Net Index for Export and Import.

d. New Indian Exchange for Import.

142. Every _____ poor person in the world is an Indian.

a. tenth

b. fifth

c. hundredth

d. third

143. Pure oligopoly is based on?

a. homogeneous products

b. differentiated products

c. unrelated products

d. None of the above

144. FDI is allowed in all of the following except:

a. atomic energy

b. banking

c. insurance

d. pharmaceuticals.

145. _____ affect selective sectors of an economy.

a. Selective credit controls

b. Quantitative controls

c. Cash Reserve Ratios

d. None of the above

146. All of the following are the name of schemes in India for generating employment except:

    a.   Pradhan Mantri Garam Sadak Yojana

    b.   National Rural Employment Guarantee Scheme

    c.   Sonia Gandhi Awas Yojana

    d.   Swaran Jayanti shahkari Yojana

147. Which of the following is indirect tax?

    a.   Personal income tax

    b.   VAT

    c.   Gift Tax

    d.   Wealth Tax

148. The International Bank for Reconstruction and Development is more popularly known as the:

    a.   WTO

    b.   World Bank

    c.   IMF

    d.   Asian Development Bank

149. When prices persistently rise because of increased demand for goods and services, it is called:

    a.   Stagflation

    b.   Demand pull inflation

    c.   Cost push inflation

    d.   deflation

150. During inflation, it is advisable to:

    a.   Lower Bank Rate and purchase securities in the market.

    b.   Increase Bank Rate and purchase securities in the open market.

    c.   Decrease Bank Rate and sell securities in the open market.

    d.   Increase Bank Rate and sell securities in the open market.

151. The sum of n terms of the series 3+33+333+......... to n terms

    (a) $\dfrac{1}{27}\left(10^{n+1} - 9n - 10\right)$

    (b) $\dfrac{1}{81}\left(10^{n+1} - 9n - 10\right)$

    (c) $\left(10^{n+1} - 9n - 10\right)$

    (d) None of these

152. The lines 3x-4y+5=0, 7x-8y+5=0 and 4x+5y-45=0 are

    (a) Concurrent

    (b) Parallel

    (c) Not concurrent

    (d) None of these

153. If the roots of the equation $2x^2$-7x+3m=0 are reciprocals of each other then the value of m

    (a) 7/3

    (b) 2/3

    (c) -7/3

    (d) 3/2

154. The distance from the origin to the point of Intersection of the two straight lines 3x-2y=6 and 3x+2y=18 is

    (a) 2 units

    (b) 3 units

    (c) 4 units

    (d) 5 units

155. $\displaystyle \lim_{x \to \infty} \dfrac{1^2 + 2^2 + 3^2 + ... + x^2}{x^3} =$

    (a) $\dfrac{1}{3}$

    (b) ∞

(c) -∞

(d) none of these

156. If 6 times the no. of permutations of n items taken 3 at a time is equal to 7 times the no. of Permutations of (n-1) items taken 3 at a time then the value of n will be

(a) 7

(b) 9

(c) 13

(d) 21

157. The number of arrangement of the letters of the word "COMMERCE"

(a) $\underline{|8}$

(b) $\dfrac{\underline{|8}}{\underline{|2}\,\underline{|2}\,\underline{|2}}$

(c) $\underline{|7}$

(d) None of these

158. If $y = a.e^{nx} + b.e^{-nx}$ then $\dfrac{d^2y}{dx^2}$ is equal to

(a) $n^2 y$

(b) $-n^2 y$

(c) ny

(d) none of these

159. if $\dfrac{a}{4} = \dfrac{b}{5} = \dfrac{c}{9}$ then $\dfrac{a+b+c}{c}$ is

(a) 4

(b) 2

(c) 7

(d) none of these

160. The value of $\log_2[\log_2\{\log_3(\log_3 27^3)\}]$ is equal to

(a) 1

(b) 2

(c) 0

d) none of these

161. The sum of two digits numbers is 10. If 18 be subtracted from it the digits in the resulting number will be equal .The numbers is.

(a) 37

(b) 73

(c) 75

(d) None of these

162. If α and β be the roots of the equation $2x^2-4x-3=0$ the value of $α^2+β^2$ is

(a) 5

(b) 7

(c) 3

(d) -4

163. If the lines 3x-4y-13=0; 8x-11y-33=0 and 2x-3y+ λ =0 are concurrent then the value of λ is

(a) 11

(b) 5

(c) -7

(d) none of these

164. If $f(x) = \dfrac{x-1}{x+1}$ then $f\left[\dfrac{1}{f(x)}\right]$ is

(a)-1/x

(b) 1/x

(c) $\dfrac{x+1}{x-1}$

(d) 0

165. The difference between the simple interest and the compound interest on Rs.2400 for 2 years at 5% p.a. is

(a) Rs.5

(b) Rs.10

(c) Rs.16

(d) Rs.6

166. The time in which a sum of money will be double at 5% p.a. Compound Interest is

(a) 10 years

(b) 12 years

(c) 14.2 years

(d) None of these

167. From 7 boys and four girls a committee of 6 members is formed .The number of ways to have 2 girls in the committee will be

(a) 370

(b) 373

(c) 372

(d) 210

168. $\sum\limits_{i=4}^{7} \sqrt{2i-1}$ Can be written as

(a) $\sqrt{7} + \sqrt{9} + \sqrt{11} + \sqrt{13}$

(b) $2\sqrt{7} + 2\sqrt{9} + 2\sqrt{11} + 2\sqrt{13}$

(c) $2\sqrt{7} + 2\sqrt{9} - 2\sqrt{11} + 2\sqrt{13}$

(d) none of these

169. The sum of three integers in AP is 15 and their product is 8 .The integers are

(a) 2, 8, 5

(b) 8, 2, 5

(c) 2, 5, 8

(d) 8, 5, 0

170. Sum of the series 1+3+9+27…… is 364.The number of terms is

(a) 5

(b) 6

(c) 11

(d) none of these

171. if $f(x) = \dfrac{|x|}{x}$, when $x\neq0$, then $f(x)$ is

   (a) Discontinuous at x=0

   (b) Continuous at x=0

   (c) Maxima at x=0

   (d) Minima at x=0

172. The equation of the curve which passes through the point (1, 3) and has the slope 4x-3 at any point (x,y) is

   (a) $y = 2x^3-3x+4$

   (b) $Y=2x^2-3x+4$

   (c) $X=2y^2-3y+4$

   (d) none of these

173. Evaluate $\int\left(\dfrac{e^x - e^{-x}}{e^x + e^{-x}}\right)dx$ and the value is

   (a) $\log_e\left|e^{-x} + e^{2x}\right|$

   (b) $\log_e\left|e^x + e^{-x}\right| + K$

   (c) $\log_e\left|e^x - e^{-x}\right|$

   (d) none of these

174. if $x=at^2, y=2at$ then $\left[\dfrac{dy}{dx}\right]_{t=2}$ is equal to

   (a) 1/2

   (b) -2

   (c) -1/2

   (d) none of these

175. $nC_1+nC_2+nC_3+\ldots\ldots\ldots=$

   (a) 2^n-1

   (b) 2^n

   (c) 2^n+1

   (d) none of these

176. Which of the following statement is true?

   (a)   Median is based on all observations

   (b)   The Mode is the mid value

   (c)   The Median is the 2nd Quartile

   (d)   The Mode is the 5th decile

177. A population comprises 5 members. The number of all possible samples of size 2 that can be drawn from it with replacement is

   (a)   100

   (b)   15

   (c)   125

   (d)   25

178. Which of the following statement is true?

   (a)   Paasche's index number is based on base year quantity

   (b)   Fisher's index satisfies the circular test

   (c)   Arithmetic mean is the most appropriate average for constructing the index number means constructing one continuous series from two different indices on the basis of common base

   (d)   Splicing means constructing one continuous series from two different indices on the basis of common base.

179. If a variate X has, Mean > Variance, then its distribution will be

   (a)   Binomial

   (b)   Poisson

   (c)   Normal

   (d)   t-distribution

180. Method used to test the human blood is called in statistical terminology _____

   (a)   Census investigation

   (b)   Blood investigation

   (c)   Sample investigation

   (d)   None

181. If it is known that the 95% LCL and UCL to population mean are 48.04 and 51.96 respectively. If the sample size is 100, what will be the value of population SD?

   (a)   8

(b) 10

(c) 12

(d) 12.5

182. If a pair of dice is thrown what is the probability of occurring neither 7 nor 11?

(a) 1/6

(b) 1/8

(c) 2/9

(d) 7/9

183. An urn contains 2 red and 1 green balls, another urn contains 2 red and 2 green balls.

An urn was selected at random and then a ball was drawn from it. If it was found to be red then the probability that it has been drawn from first urn is

(a) 4/7

(b) 3/7

(c) 2/3

(d) 7/12

184. Mean & variance of a binomial variate are 4 and 4/3 respectively then $P(X \geq 1)$ will be

(a) $\dfrac{728}{729}$

(b) $\dfrac{1}{729}$

(c) $\dfrac{725}{729}$

(d) none of these

185. For a bivariate frequency table having (p+q) classification the total number of cells is

(a) p

(b) p+q

(c) q

(d) pq

186. Two regression lines for a variate data are 2x-5y+6=0 and 5x-4y+3=0. Then the coefficient Correlation shall be _____

(a) $-\dfrac{2\sqrt{2}}{5}$

(b) $\dfrac{2}{5}$

(c) $+\dfrac{2\sqrt{2}}{5}$

(d) $\dfrac{\sqrt{2}}{5}$

187. If the coefficient of correlation between two variables is 0.7 then the percentage of variation unaccounted for is

(a) 70%

(b) 30%

(c) 51%

(d) 49%

188. For 10 pairs of observations, No. of Concurrent deviations were found to be 4 .What is the value of the coefficient of concurrent deviation?

(a) $\sqrt{0.2}$

(b) $-\sqrt{0.2}$

(c) 1/3

(d) -1/3

189. To draw Histogram the frequency distribution should be

(a) Inclusive type

(b) Exclusive type

(c) Inclusive and Exclusive type

(d) None of the above

190. The odds in favour of an event are 3:7. The probability of occurrence of the event is:

(a) $\dfrac{3}{10}$

(b) $\dfrac{4}{10}$

(c) $\dfrac{7}{10}$

(d) none of these

191. If $P(A) = \dfrac{1}{2}$; $P(B)$ and $P(A \cap B) = \dfrac{1}{4}$ then the value of $P(\overline{A} \cap \overline{B})$ is

(a) 5/12

(b) 7/12

(c) 1/2

(d) none of these

192. If A,B and C are mutually exclusive and Exhaustive events, then P(A)+P(B)+P(C) equals to

(a) 1

(b) 1/3

(c) 0

(d) none of these

193. Find the points of the Inflexion of the normal curve

$$f(x) = \dfrac{1}{4\sqrt{2}\sigma} \cdot e^{-\frac{(x-10)^2}{32}}$$

for $-\infty < x < \infty$

(a) 6 and 14

(b) 10 and 14

(c) 7 and 10

(d) 10 and 14

194. A parameter may be defined as a characteristic of a population based on ____

(a) Sample units

(b) All the units

(c) Few units

(d) Any of the above

195. The quartile deviation of a normal distribution with mean 10 and standard deviation 4 is
   (a) 0.675
   (b) 67.50
   (c) 2.70
   (d) 3.20

196. If the relation between two variables x and y in given by 2x+3y+4=0, then the Value of the correlation coefficient between x and y is
   (a) 0
   (b) 1
   (c) -1
   (d) negative

197. If x and y are related by 2x+3y+4=0 and SD of x is 6, then SD of y is
   (a) 22
   (b) 4
   (c) $\sqrt{5}$
   (d) 9

198. The mean and SD a,b and 2 are 3 and $\dfrac{2}{\sqrt{3}}$ respectively. The value of ab, would be
   (a) 5
   (b) 6
   (c) 12
   (d) 3

199. A shift in origin has no Impact on
   (a) Range
   (b) Mean deviation
   (c) Standard Deviation
   (d) All these and Quartile deviation

200. If SD of 1st n natural numbers is 2, then the value of n must be
   (a) 2
   (b) 7
   (c) 6

(d) 5