

MOCK TEST PAPER - 1
COMMON PROFICIENCY TEST

Time Allowed – 4 Hours

Maximum Marks – 200

SECTION A: FUNDAMENTALS OF ACCOUNTING

1. A sent some goods costing Rs. 3,500 at a profit of 25% on sale to B on sale or return basis. B returned goods costing to A Rs. 800. At the end of the accounting period i.e. on 31st December, 2016, the remaining goods were neither returned nor were approved by him. The stock on approval will be shown in the balance sheet at
 - (a) Rs. 2,000
 - (b) Rs. 2,700
 - (c) Rs. 2,700 less 25% of Rs. 2,700
 - (d) Rs. 3,500
2. B Ltd. issued shares of Rs. 10 each. Mr. C purchased 30 shares and paid Rs. 2 on application but did not pay the allotment money of Rs. 3 and further call money. If the company forfeits his entire shares, the forfeiture account will be credited by
 - (a) Rs. 90
 - (b) Rs. 81
 - (c) Rs. 60
 - (d) Rs. 54
3. A draws a bill on B for Rs. 30,000. A wants to endorse it to C in settlement of Rs. 35,000 at 2% discount with the help of B's acceptance and balance in cash. How much cash A will pay to C?
 - (a) Rs. 4,300
 - (b) Rs. 4,000
 - (c) Rs. 4,100
 - (d) Rs. 5,000
4. P of Faridabad sent out goods costing Rs. 45,000 to Y of Delhi at cost + $33\frac{1}{3}\%$. $\frac{1}{10}$ th of goods were lost in transit. $\frac{2}{3}$ rd of the goods received are sold at 20% above invoice price. The amount of sale value will be:
 - (a) Rs. 54,000
 - (b) Rs. 43,200

- (c) Rs. 60,000
 - (d) Rs. 36,000
5. Rent paid on 1st October, 2015 for the year to 30th September, 2016 was Rs. 1,200 and rent paid on 1st October, 2016 for the year to 30th September, 2017 was Rs. 1,600. Rent paid, as shown in the profit and loss account for the year ended 31st December 2016, would be:
- (a) Rs. 1,200
 - (b) Rs. 1,600
 - (c) Rs. 1,300
 - (d) Rs. 1,500
6. If repair cost is Rs. 25,000, whitewash expenses are Rs. 5,000, cost of extension of building is Rs. 2,50,000 and cost of improvement in electrical wiring system is Rs. 19,000; the amount to be expensed in the books will be
- (a) Rs. 2,99,000
 - (b) Rs. 44,000
 - (c) Rs. 30,000
 - (d) Rs. 49,000
7. A company forfeited 1,000 shares of Rs. 20 each (which were issued at par) held by Mr. Mohan for non-payment of allotment money of Rs. 8 per share and further call money. The called-up value per share was Rs. 18. On forfeiture, the amount debited to share capital will be
- (a) Rs. 20,000
 - (b) Rs. 8,000
 - (c) Rs. 2,000
 - (d) Rs. 18,000
8. It is essential to standardize the accounting principles and policies in order to ensure
- (a) Transparency
 - (b) Consistency
 - (c) Comparability
 - (d) All of the above
9. 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 of assets will be_____
- (a) 6,000 shares

- (b) 7,500 shares
 - (c) 9,375 shares
 - (d) 5,625 shares
10. The following information pertains to X Ltd.:
- Equity share capital called up - Rs. 5,00,000; Calls in arrear - Rs. 40,000; Calls in advance - Rs. 25,000; and Rate of dividend - 15%
- The amount of dividend payable will be
- (a) Rs. 75,000
 - (b) Rs. 72,750
 - (c) Rs. 71,250
 - (d) Rs. 69,000
11. The subscribed share capital of S Ltd. is Rs. 80,00,000 of Rs. 100 each. There were no calls in arrear till the final call was made. The final call made was paid on 77,500 shares. The calls in arrear amounted to Rs. 62,500. The final call on each share will be _____
- (a) Rs. 25
 - (b) Rs. 7.80
 - (c) Rs. 20
 - (d) Rs. 62.50
12. Ram's acceptance to Dinesh for Rs 8,000 renewed for 3 months on the condition that Rs. 4,000 be paid in cash immediately and the remaining amount will carry interest @ 12% p.a. The amount of interest will be _____
- (a) Rs. 120
 - (b) Rs. 480
 - (c) Rs. 960
 - (d) Rs. 240
13. A and B entered into a Joint Venture. A purchased goods costing Rs. 2,00,000, B sold 4/5th of the same for Rs. 2,50,000. Balance goods were taken over by B at cost less 20%. If same set of books is maintained, find out profit on venture.
- (a) Rs. 82,000
 - (b) Rs. 90,000

- (c) Rs. 50,000
 - (d) Nil.
14. Amit Ltd. purchased a machine on 1.1.2016 for Rs 1,20,000. Installation expenses were Rs. 10,000. Residual value after 10 years Rs. 5,000. On 01.07.2016, expenses for repairs were incurred to the extent of Rs. 2,000. Depreciation is provided under straight line method. Annual Depreciation will be _____
- (a) Rs. 12,500
 - (b) Rs. 11,500
 - (c) Rs. 13,000
 - (d) Rs. 12,700
15. Rs. 2,500 spent on the overhaul of a machine purchased second-hand is _____
- (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Deferred revenue expenditure
 - (d) None of the above
16. Manufacturing account is prepared to
- (a) Ascertain the profit or loss on the goods produced
 - (b) Ascertain the cost of the manufactured goods
 - (c) Show the sale proceeds from the goods produced during the year
 - (d) Both (b) and (c).
17. Financial statements only consider
- (a) Assets expressed in monetary terms
 - (b) Liabilities expressed in monetary terms
 - (c) Assets expressed in non-monetary terms
 - (d) Assets and liabilities expressed in monetary terms
18. If sales revenue is Rs. 4,00,000; cost of goods sold is Rs. 3,10,000 and expenses are Rs. 60,000, the gross profit is
- (a) Rs. 30,000
 - (b) Rs. 90,000
 - (c) Rs. 3,40,000
 - (d) Rs. 60,000

19. A & B are partners sharing profits and losses in the ratio of 5:3. After admission of C, new profit sharing ratio between A, B and C is 7:5:4. The sacrificing ratio among A : B will be
- 3:1
 - 4:7
 - 5:4
 - 2:1
20. Opening Stock – Rs. 20,000 Carriage on sales - Rs. 3,000
 Closing Stock - Rs. 18,000 Rent of Office - Rs. 5,000
 Purchases - Rs. 85,800 Sales - Rs. 1,40,700
 Carriage on purchases - Rs. 2,300
 Gross profit will be
- Rs. 50,000
 - Rs. 47,600
 - Rs. 42,600
 - Rs. 50,600
21. When the shares are issued at premium and the premium has already received by the company later on, if such shares are forfeited
- Securities premium account should be debited
 - Securities premium account should be credited
 - Securities premium account should not be affected
 - None of the above.
22. X and Y share profits and losses in the ratio of 2 : 1. They take Z as a partner and the new profit sharing ratio becomes 3 : 2 : 1. Z brings Rs. 4,500 as premium for goodwill. The full value of goodwill will be
- Rs. 4,500
 - Rs. 18,000
 - Rs. 27,000
 - Rs. 24,000

- 6

27. The balance of machine on 31st March 2016 is Rs. 72,900 (after charging depreciation of the year). The machine was purchased on 1st April 2013 charging depreciation @ 10% p.a. by diminishing balance method. The cost price of the machine as on 1st April 2013 would be
- (a) Rs. 1,00,000
 - (b) Rs. 90,000
 - (c) Rs. 81,000
 - (d) Rs. 72,900
28. Estimated life of an asset is 10 years and estimated scrap value is Rs. 3,200. Depreciation as per SLM is charged at Rs. 2,500 every year on the asset. Find the cost of the asset.
- (a) Rs. 25,000
 - (b) Rs. 28,200
 - (c) Rs. 28,000
 - (d) Rs. 30,200.
29. R, J and D are partners sharing profits in the ratio 7:5:4. D died on 30th June 2016 and profits for the accounting year 2015-2016 were Rs. 24,000. How much share in profits for the period 1st April 2016 to 30th June 2016 will be credited to D's Account?
- (a) Rs. 6,000
 - (b) Rs. 1,500
 - (c) Nil
 - (d) Rs. 2,000
30. Mr. A is a partner in a firm along with Mr. B. Both contributed capitals of Rs. 40,000 and Rs. 50,000 respectively on the 1st of July, 2016. Interest on capital is to be charged @ 10% p.a. Books of account are to be closed on 31st December, 2016. Interest on capital is
- (a) Rs. 2,500
 - (b) Rs. 2,000
 - (c) Rs. 4,500
 - (d) None of the above
31. A purchased a computer costing Rs. 10,000. Repairing expenses Rs. 1,000 and miscellaneous expenses Rs. 500 were incurred by him. He sold the computer at 20% margin on selling price. The sales value will be
- (a) Rs. 12,500

- (b) Rs. 11,000
 - (c) Rs. 14,375
 - (d) Rs. 13,800
32. Following is the example of internal users of financial statements:
- (a) Government
 - (b) Investors
 - (c) Creditors
 - (d) Employees
33. Unintentional omission or commission of amounts and accounts in the process of recording transactions are known as
- (a) Frauds
 - (b) Misinterpretation
 - (c) Errors
 - (d) None of the above
34. At the time of admission of a new partner, if the value of goodwill is shown in the books, it is written back by _____
- (a) Old partners in old profit/loss sharing ratio
 - (b) All the partners including the new partner in new profit/loss sharing ratio
 - (c) Old partners in sacrificing ratio
 - (d) New partner in gaining ratio
35. Mohit, the acceptor of the bill has to honour a bill on 31st March 2016. Due to financial crisis, he is unable to pay the amount of bill of Rs. 20,000. Therefore, he approaches Rohit on 20th March 2016 for extension of bill for further 3 months. Rohit agrees to extend the credit period by drawing a new bill for Rs. 20,500 together with interest of Rs. 1,000 in cash. In this case, old bill of Rs. 20,000 will be considered as
- (a) Discounted
 - (b) Dishonoured
 - (c) Cancelled
 - (d) Retired
36. E Ltd. had allotted 10,000 shares to the applicants of 14,000 shares on pro rata basis. The amount payable on application is Rs.2. F applied for 420 shares. Calculate the number of shares allotted and the amount carried forward for adjustment against allotment money due from F.
- (a) 60 shares; Rs. 120

- (b) 340 shares; Rs. 160
 - (c) 320 shares; Rs. 200
 - (d) 300 shares; Rs. 240
37. The bill of Rs. 10,000 accepted by Ritesh on 1 July 2016, was discounted by Hitesh on 15 July 2016 for Rs. 9,600. On 4th October 2016, the bill was dishonoured and bank notified it for Rs. 200. The amount to be received from Ritesh would be
- (a) Rs. 10,600
 - (b) Rs. 10,000
 - (c) Rs. 10,200
 - (d) Rs. 10,400
38. Brave Ltd. issued 60,000 shares of Rs. 9 each. The application money was Rs. 2, allotment money was Rs. 4, and first call was of Re.1. The amount of final call will be
- (a) Rs. 3
 - (b) Rs. 2
 - (c) Re.1
 - (d) Nil
39. Jadu Ltd. reissued 2,000 shares, which were forfeited by crediting Share forfeiture account by Rs. 3,000. These shares were reissued Rs. 9 per share. The amount to be transferred to Capital Reserve account will be
- (a) Rs. 3,000
 - (b) Rs. 2,000
 - (c) Rs. 1,000
 - (d) Nil
40. In the bank reconciliation statement, when balance as per the cash book is taken as the starting point, then direct deposits from the customer of Rs. 2,500 in the bank will be
- (a) Added
 - (b) Subtracted
 - (c) Ignored
 - (d) None of the above
41. If a sales return of Rs. 1,500 has been wrongly posted to the credit of the purchase returns account, but has been correctly entered in the debtors' account, the total of the
- (a) Trial balance would show the debit side to be Rs. 3,000 more than the credit.

- (b) Trial balance would show the credit side to be Rs. 3,000 more than the debit.
 - (c) The debit side of the trial balance will be Rs. 1,500 more than the credit side.
 - (d) The credit side of the trial balance will be Rs. 1,500 more than the debit side.
42. The total cost of goods available for sale with a company during the current year is Rs. 12,00,000 and total sales during the period is Rs. 13,00,000. If the gross profit margin of the company is $33\frac{1}{3}\%$ on cost, the closing inventory during the current year is
- (a) Rs. 4,00,000
 - (b) Rs. 3,00,000
 - (c) Rs. 2,25,000
 - (d) Rs. 2,60,000
43. On 31st March 2016, Suraj has to pay to M/s Chandra and Co. Rs. 7,000 on account of credit purchase from the later. He paid Rs. 1,800 on 30th June 2016 after availing a cash discount of 10%. On 30th September 2016, he paid Rs. 2,850 after availing 5% cash discount. On account of final settlement, the amount to be paid by Suraj without any discount will be
- (a) Rs. 2,350
 - (b) Rs. 2,000
 - (c) Rs. 2,200
 - (d) Rs. 2,150
44. Which of the following is not a transaction?
- (a) Goods are purchased on cash basis for Rs. 1,000.
 - (b) Salaries paid for the month of May, 2016.
 - (c) Land is purchased for Rs. 10 lakhs.
 - (d) An employee dismissed from the job.
45. Following figures have been taken from the trial balance of a trader:
- Purchases Rs. 30,000
 Purchase Returns Rs. 5,000
 Sales Rs. 40,000
 Sales Returns Rs. 5,000
 The amount of profit will be
- (a) Rs. 10,000.
 - (b) Rs. 5,000.

- (c) Rs. 7,500.
 - (d) None of the three.
46. Radha, Seeta and Laxmi were partners sharing profits and losses in the ratio of 2:3:5. Seeta retired on 1st June, 2016 and Goodwill of the firm is to be valued at Rs. 1,20,000 on that date. What will be the treatment for Goodwill ?
- (a) Profit and Loss a/c will be credited by Rs. 1,20,000.
 - (b) Seeta's Capital a/c will be debited by Rs. 36,000 with corresponding credit to Radha and Laxmi in their gaining ratio.
 - (c) Seeta's Capital a/c will be credited by Rs. 36,000 with corresponding debit to Radha and Laxmi in their gaining ratio.
 - (d) None of the these.
47. The date of maturity of bill is 10th October, 2016. The Government of India suddenly declared 10th October, 2016 as the holiday under the Negotiable Instruments Act, then the bill will mature on _____
- (a) 9th October, 2016
 - (b) 10th October, 2016.
 - (c) 12th October, 2016
 - (d) 11th October, 2016.
48. On 1.1.2016, a machine costing Rs. 10,000 and a piece of furniture costing Rs. 20,000 was purchased. Depreciation is provided @ 5% p.a. on furniture and 10% per annum on machine. The depreciation for the year ended 31st March, 2016 should be:
- (a) Rs. 1,000.
 - (b) Rs. 300
 - (c) Rs. 500
 - (d) None of the three.
49. Mr. A sent 250 units costing Rs. 10,000 each to Mr. B. Mr. B sold 150 units @ Rs. 14,200 per unit on credit and 75 units @ Rs. 14,000 for cash. Mr. B is entitled to a commission Rs.500 per unit. The amount of commission will be:
- (a) Rs. 75,000
 - (b) Rs. 37,500
 - (c) Rs. 1,12,500
 - (d) Rs. 85,000

50. Gama Ltd. issued 10,000, 10% debentures of Rs. 100 each at a discount of 10%. The entire amount is payable on application. Application were received for 12,000 debentures. The allotment of debentures was made on 10th October, 2016. The amount which should be credited to the debentures account on 10th October, 2016 will be:
- (a) Rs. 12,00,000.
 - (b) Rs. 10,80,000.
 - (c) Rs. 9,00,000
 - (d) Rs. 10,00,000
51. On January 1, 2016 Victory Ltd., purchased a second hand machinery for Rs. 50,000 and spend Rs. 2,000 as shipping and forwarding charges, Rs. 1,000 as import duty, Rs. 1,000 as carriage inwards, Rs. 500 is repair charges, Rs. 200 as installation charges, Rs. 400 as brokerage of the middle man and Rs. 100 for an iron pad. Total cost of machinery is
- (a) Rs. 55,100
 - (b) Rs. 55,000
 - (c) Rs. 54,600
 - (d) Rs. 55,200.
52. If bank balance as per cash book differs from that appearing in the current account statement, then the balance considered for finalizing the accounts is of
- (a) Adjusted cash book.
 - (b) Cash book before any adjustments.
 - (c) Pass book.
 - (d) Not taken to final accounts in case of difference in the balance
53. A company issued 1,00,000 equity shares of Rs.10 each at a premium of Rs. 2 and 5,000 10% Debentures of Rs. 100 each at 10% discount. All the shares and debentures were subscribed and allotted by crediting 10% Debentures account with
- (a) Rs. 10,00,000
 - (b) Rs. 12,00,000
 - (c) Rs. 5,00,000
 - (d) Rs. 4,50,000
54. 3,000 shares of Rs. 10 each of Krishna were forfeited by crediting Rs. 5,000 to share forfeiture account. Out of these, 1,800 shares were re-issued to Radhe for Rs. 9 per share. The amount to be transferred to capital reserve account will be
- (a) Rs. 3,200.

- (b) Rs. 2,000.
 (c) Rs. 1,800.
 (d) Rs. 1,200.
55. He, She and Me are partners in a firm sharing profits and losses in the ratio of 5:3:2. Firm took Separate Life Policy of Rs. 50,000, Rs.1,00,000 and Rs.1,50,000 for He, She and Me respectively. The share of Me in the policy will be:
 (a) Rs. 1,50,000.
 (b) Rs. 90,000.
 (c) Rs. 60,000.
 (d) Rs. 3,00,000.
56. 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.
57. Opening stock of the year is Rs. 20,000, Goods purchased during the year is Rs. 1,00,000, Carriage Rs. 2,000 and Selling expenses Rs. 2,000. Sales during the year is Rs. 1,50,000 and closing stock is Rs. 25,000. The gross profit will be:
 (a) Rs. 53,000.
 (b) Rs. 55,000.
 (c) Rs. 80,000.
 (d) Rs. 51,000.
58. 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.
59. 18% investment of Rs. 1,00,000 and interest received on investment Rs. 15,000 have been given in the trial balance for the period ended on 31.3.2016. The amount of interest outstanding in the final accounts will be _____
- (a) Rs. 18,000
 - (b) Rs. 15,000
 - (c) Rs. 3,000
 - (d) Nil
60. If the profit is 25% of the cost price then it is
- (a) 25% of the sales price
 - (b) 33% of the sales price
 - (c) 20% of the sales price
 - (d) 15% of the sales price.

SECTION B: MERCANTILE LAW

61. 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 and consideration
 - (d) None of the above
62. An auction sale is complete on the
- (a) delivery of goods
 - (b) payment of price
 - (c) fall of hammer
 - (d) none of the above
63. A minor is
- (a) A partner of a firm
 - (b) Representative of the firm
 - (c) Entitled to carry on the business of the firm
 - (d) Entitled to the benefits of the firm
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. In case of anticipatory breach, the aggrieved party may treat the contract
- (a) as discharged and bring an immediate action for damages
 - (b) as operative and wait till the time for performance
 - (c) exercise option either (a) or (b)
 - (d) None of these
66. Generally, the following damages are not recoverable?
- (a) Ordinary damages
 - (b) Special damages

- (c) Remote damages
 - (d) Nominal damages
67. A, by a letter dated 25th December, 2008, offers to sell his house to B for Rs. 10 lakhs. The letter reaches B on 27th December, 2008, who posts his acceptance on 28th December, 2008 which reaches A on 30th December, 2008. Here, the communication of offer is complete on
- (a) 25th December, 2008
 - (b) 27th December, 2008
 - (c) 28th December, 2008
 - (d) 30th December, 2008
68. Where the consent of a party is obtained by misrepresentation, the contract is
- (a) valid
 - (b) void
 - (c) voidable
 - (d) illegal
69. The unpaid seller has right of stoppage of goods in transit only where the buyer
- (a) become insolvent
 - (b) refuses to pay price
 - (c) acts fraudulently
 - (d) all of these
70. Goods which are in existence at the time of the Contract of Sale is known as
- (a) present Goods
 - (b) existing goods
 - (c) specific goods
 - (d) none of the above
71. The doctrine of Caveat Emptor does not apply, when
- (a) the goods are bought by sample
 - (b) the goods are bought by sample as well as description
 - (c) the goods are purchased under its brand name
 - (d) all of the above

72. 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
73. A partner can retire on:
- (a) Reaching the age of superannuation
 - (b) On the balance in the capital account reaching a certain amount
 - (c) In accordance with the Partnership Deed
 - (d) On the condition of his nominee becoming a partner
74. Moral pressure is involved in the case of
- (a) Coercion
 - (b) Undue Influence
 - (c) Misrepresentation
 - (d) Fraud
75. 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 up to the date of death
76. When the consent of a party is not free, the contract is
- (a) Void
 - (b) Voidable
 - (c) Valid
 - (d) Illegal
77. Which of the following acts are not included in the implied authority of a partner?
- (a) To buy or sell goods on accounts of partners.
 - (b) To borrow money for the purposes of firm.
 - (c) To enter into partnership on behalf of firm.
 - (d) To engage a lawyer to defend actions against firm.

78. An offer may lapse by:
- (a) Revocation
 - (b) Counter Offer
 - (c) Rejection of Offer by Offeree
 - (d) All of these
79. 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
80. A void agreement is one which is
- (a) Valid but not enforceable
 - (b) Enforceable at the option of both the parties
 - (c) Enforceable at the option of one party
 - (d) Not enforceable in a court of law.
81. A agrees to pay Rs. One Lakh to B if he brings on earth a star from sky. This is a contingent contract and
- (a) Illegal
 - (b) Valid
 - (c) Voidable
 - (d) Void
82. A minor's liability for necessities supplied to him
- (a) Arises after he attains majority age
 - (b) Is against only minor's property
 - (c) Does not arise at all
 - (d) Arises if minor gives a promise for it
83. 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
84. In case of illegal agreements, the collateral agreements are:
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Any of these
85. Under the doctrine of Caveat Emptor the seller is
- (a) responsible for the bad selection of goods by the buyer
 - (b) not responsible for the bad selection of goods by the buyer
 - (c) both (a) and (b)
 - (d) none of the above
86. Which of the following persons can perform the contract?
- (a) Promisor alone
 - (b) Legal representatives of promisor
 - (c) Agent of the promisor
 - (d) All of these
87. 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
88. Which one of the following is /are documents of title to goods?
- (a) railway receipt
 - (b) wharfinger's certificate
 - (c) warehouse keeper's certificate
 - (d) all of the above
89. 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
90. Mercantile Agent is having an authority to
- (a) sell or consign goods
 - (b) raise money on the security of goods
 - (c) sell or buy goods
 - (d) any of the above
91. Acceptance of delivery of goods is deemed to take place when the buyer
- (a) intimates to the seller that he had accepted the goods
 - (b) does any act of the goods, which is inconsistent with the ownership of the seller
 - (c) rejects and retains the goods after the lapse of a reasonable time, without intimating the seller
 - (d) any of the above
92. When the unpaid seller has parted with the goods to a carrier and the buyer has become insolvent he can exercise
- (a) right of lien
 - (b) right of stoppage in transit
 - (c) right of resale
 - (d) none of the above
93. 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
94. An unregistered firm cannot claim"
- (a) Set on
 - (b) Set off
 - (c) Set on and set off
 - (d) None of the above

95. Which of the following is not an exception to the rule- No Consideration, No contract
- (a) Compensation for involuntary services
 - (b) Love and affection
 - (c) Contract of agency
 - (d) Gift
96. 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
97. 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
98. The term "goods" under Sale of Goods Act, 1930 does not include
- (a) Goodwill
 - (b) Actionable claims
 - (c) stocks and shares
 - (d) harvested crops
99. A contract with the minor, which is beneficial for him, is
- (a) void ab initio
 - (b) voidable
 - (c) valid
 - (d) illegal
100. Which one of the following is not an implied warranty
- (a) warranty as to undisturbed possession
 - (b) warranty as to existence of encumbrance
 - (c) disclosure of dangerous nature of goods
 - (d) warranty as to quality or fitness by usage of trade

SECTION C: GENERAL ECONOMICS

101. Economics is the study of
- (a) production technology
 - (b) consumption decisions
 - (c) how society decides what, how, and for whom to produce
 - (d) the best way to run society
102. The opportunity cost of a good is
- (a) the time lost in finding it
 - (b) the quantity of other goods sacrificed to get another unit of that good
 - (c) the expenditure on the good
 - (d) the loss of interest in using savings
103. A market can accurately be described as
- (a) a place to buy things
 - (b) a place to sell things
 - (c) the process by which prices adjust to reconcile the allocation of resources
 - (d) a place where buyers and sellers meet
104. In a free market _____
- (a) governments intervene
 - (b) governments plan production
 - (c) governments interfere
 - (d) prices adjust to reconcile scarcity and desires
105. In the mixed economy
- (a) economic problems are solved by the government and market.
 - (b) economic decisions are made by the private sector and free market
 - (c) economic allocation is achieved by the invisible hand.
 - (d) economic questions are solved by government departments
106. Normative economics forms _____ based on _____
- (a) positive statements, facts
 - (b) opinions, personal values
 - (c) positive statements, values

- (d) opinions, facts
107. Microeconomics is concerned with
- (a) the economy as a whole
 - (b) the electronics industry
 - (c) the study of individual economic behaviour
 - (d) the interactions within the entire economy
108. Macroeconomics is the study of _____
- (a) individual building blocks in the economy
 - (b) the relationship between different sectors of the economy
 - (c) household purchase decisions
 - (d) the economy as a whole
109. A real value can be derived from a nominal value by
- (a) adjusting for changes over time
 - (b) adjusting for data collection errors
 - (c) adjusting for population changes
 - (d) adjusting for changes in prices
110. The equilibrium price clears the market; it is the price at which _____
- (a) Everything is sold
 - (b) Quantity demanded equals quantity supplied
 - (c) Excess demand is zero
 - (d) b and c
111. When a market is in equilibrium
- (a) Quantity demanded equals quantity supplied
 - (b) Excess demand and excess supply are zero
 - (c) The market is cleared by the equilibrium price
 - (d) All of the above
112. _____ and _____ do not directly affect the demand curve
- (a) the price of related goods, consumer incomes
 - (b) consumer incomes, tastes
 - (c) the costs of production, bank opening hours
 - (d) the price of related goods, preferences

113. If price increase of good A increases the quantity demanded of good B, then good B is a
- (a) substitute good
 - (b) complementary good
 - (c) bargain
 - (d) inferior good
114. An increase in consumer income will increase demand for a _____ but decrease demand for a _____
- (a) substitute good, inferior good
 - (b) normal good, inferior good
 - (c) inferior good, normal good
 - (d) normal good, complementary good
115. What is the best indicator of economic development of any country?
- (a) Good agricultural development
 - (b) Higher per capita Income
 - (c) Higher GDP growth
 - (d) Lower rate of inflation
116. Who is called the father of Operation Flood in India?
- (a) Verghese Kurien
 - (b) M.S. Swaminathan
 - (c) Norman Borlaug
 - (d) Vinoba Bhave
117. Which of the following is not a Kharif Crop?
- (a) Maize
 - (b) Jowar
 - (c) Groundnut
 - (d) Wheat
118. The concept of Economic Planning in India is derived from?
- (a) Britain
 - (b) Russia
 - (c) USA
 - (d) Australia

119. Which round of discussion replaced the GATT by World Trade Organisation (WTO)?
- (a) Doha
 - (b) Geneva
 - (c) Washington
 - (d) Uruguay
120. Which of the following is known as narrow money?
- (a) M1
 - (b) M2
 - (c) M3
 - (d) M4
121. Which of the following is a direct tax?
- (a) Sales Tax
 - (b) Excise Duty
 - (c) Custom Duty
 - (d) None of these
122. During the pre-reform period, the banking sector:
- (a) Functioned in a highly regulated environment.
 - (b) Functioned in a manner detrimental to the general public.
 - (c) Concentrated on making huge profits.
 - (d) None of the above.
123. What is the meaning of Fiscal policy?
- (a) Policy relating to money and banking in a country.
 - (b) Policy relating to public revenue and public expenditure.
 - (c) Policy relating to non-banking financial institutions.
 - (d) None of the above.
124. When $AR = \text{Rs. } 10$ and $AC = \text{Rs. } 8$ the firm makes _____.
- (a) Normal profit
 - (b) Net profit
 - (c) Gross profit
 - (d) Supernormal profit

125. Which bank among the following is responsible for issuing currency notes in India?
- (a) SBI
 - (b) RBI
 - (c) UTI
 - (d) World Bank
126. The unsustainable levels of government deficits in the late 1980's increased because of:
- (a) High levels of government expenditures.
 - (b) Insufficient revenues.
 - (c) Poor returns on government investments.
 - (d) All of the above.
127. Relationship between AR, MR and Price elasticity of demand is
- (a) $MR = AR + [e - 1/e]$
 - (b) $MR = AR \times [e - 1/e]$
 - (c) $AR = MR \times [e - 1/e]$
 - (d) $MR = AR \times [e/e - 1]$
128. Which of the following sector does not comes under the service sector in India?
- (a) Real estate
 - (b) Transport
 - (c) Restaurants & hotels
 - (d) Formation of electronic television
129. Since when the service tax is being imposed in India?
- (a) 1991
 - (b) 1999
 - (c) 1994
 - (d) 2001
130. Balance of payment consists of:
- (a) Balance of current account and capital account
 - (b) Only Capital account
 - (c) Only Current Account
 - (d) Only trade account.

131. What is the meaning of GILT- EDGED market?
- (a) Market of pure metals
 - (b) Market of government securities
 - (c) Bullion market
 - (d) Market of guns
132. Devaluation of a currency means:
- (a) Reduction in the internal value of the domestic currency
 - (b) Reduction in the external value of the domestic currency
 - (c) Increment in the internal value of the domestic currency
 - (d) Reduction in the printing of new currency by the RBI
133. Who is the father of green revolution in India?
- (a) Norman Borlaug
 - (b) M.S. Swaminathan
 - (c) Salim Ali
 - (d) Sam Pitroda
134. Which of the following is not a part of Fiscal policy?
- (a) Subsidy under public distribution system
 - (b) Control of population
 - (c) Imposition of taxation
 - (d) Issue of bonds by government
135. Which sector provides largest employment in India?
- (a) Textile
 - (b) Agriculture
 - (c) Service
 - (d) Pharmaceutical
136. Which of the following banks introduced ATM in India?
- (a) ICICI
 - (b) SBI
 - (c) HDFC
 - (d) HSBC

137. In which year did India adopt liberal and free market policies?
- (a) 1991
 - (b) 2001
 - (c) 1981
 - (d) 1947
138. When was Value added Tax introduced in India?
- (a) 1991
 - (b) 2001
 - (c) 1981
 - (d) 2005
139. National Income is equal to :
- (a) Net National Product plus Taxes.
 - (b) Net National Product minus Indirect Taxes plus Subsidies
 - (c) Net National Product plus Indirect Taxes plus Subsidies
 - (d) Net National Product minus Direct Taxes minus Subsidies
140. In macro- economics, disposable income refers to:
- (a) After tax Income.
 - (b) Income after tax and transfers
 - (c) Income spent on consumer durables
 - (d) Net National Product minus Direct Taxes minus Subsidies
141. In the Industrial Policy of 1991, how many industries were reserved only for Public Sector?
- (a) 7
 - (b) 8
 - (c) 11
 - (d) 13
142. In an oligopolistic market, firms do not raise their prices because even a small price increase will lose many customers. Which among the following is the most suitable terms used for this concept ?
- (a) Supra competitive pricing
 - (b) Swing Demand

- (c) Kinked Demand
 - (d) imperfect competition
143. About 96 percent of the sick units in India are _____ units.
- (a) small
 - (b) big
 - (c) banking
 - (d) trading
144. India's present population in 2010 is:
- (a) Between 50 – 60 crore
 - (b) Between 60 – 70 crore
 - (c) Between 70 – 80 crore
 - (d) Above 120 crore
145. 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
146. For inferior commodities, income effect is—
- (a) Zero
 - (b) Negative
 - (c) Infinite
 - (d) Positive
147. "Human Welfare is the subject of Economics." This statement is associated with the name of which of the economists?
- (a) Marshall
 - (b) Pigou
 - (c) Penson
 - (d) All of the above
148. The Slope of Indifference Curve indicates
- (a) Marginal Rate of Substitution of x for y
 - (b) Prices of x and y

- (c) Slope of the budget line
 - (d) Change in prices
149. 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
150. Model of Monopolistic Competition (i.e. Imperfect competition) is characterized by
- (a) Homogeneous goods
 - (b) Differentiated goods
 - (c) Single Good
 - (d) All of the above

SECTION –D: QUANTITATIVE APTITUDE

151. The integral part of a logarithm is called _____, and the decimal part of a logarithm is called _____.
- (a) Mantissa, Characteristic
 - (b) Characteristic, Mantissa
 - (c) Whole, Decimal
 - (d) None of these
152. The value of $\frac{1}{\log_3 60} + \frac{1}{\log_4 60} + \frac{1}{\log_5 60} =$ _____
- (a) 0
 - (b) 1
 - (c) 5
 - (d) 60
153. If $\log_4 (x^2 + 4) - \log_4 (x + 1) = 2$ then the value of x is
- (a) 2
 - (b) 3
 - (c) 16
 - (d) 8
154. If a line passes through the midpoint of the line segment joining the points (-3, -4) & (-5, 6) and its slope is 4/5 then the equation of the line is
- (a) $4x - 5y + 21 = 0$
 - (b) $4x - 5y + 11 = 0$
 - (c) $5x - 4y + 21 = 0$
 - (d) $5x + 4y + 11 = 0$
155. If $2^{x+y} = 2^{x-y} = \sqrt{8}$, then the respective values of x and y are _____
- (a) 1, 1/2
 - (b) 1/2, 1
 - (c) 1/2 1/2
 - (d) none of these

156. Let E_1, E_2 are two linear equations in two variables x and y . $(0, 1)$ is a solution for both the equations E_1 & E_2 . $(2, -1)$ is a solution of equation E_1 only and $(-2, -1)$ is a solution of equation E_2 only then E_1, E_2 are _____.
- $x = 0, y = 1$
 - $2x - y = -1, 4x + y = 1$
 - $x + y = 1, x - y = -1$
 - $x + 2y = 2, x + y = 1$
157. The maximum number of points of intersection of 10 circles will be
- 2
 - 20
 - 90
 - 180
158. x, y, z together starts a business. If x invests 3 times as much as y invests and y invests two third of what z invests, then the ratio of capitals of x, y, z is _____
- 3: 9: 2
 - 6: 3: 2
 - 3: 6: 2
 - 6: 2: 3
159. If an amount is kept at Simple Interest, it earns Rs.600 in first 2 years but when kept at Compound Interest it earns at interest of Rs.660 for the same period; then the rate of interest and principle amount respectively are
- 20%; Rs.1200
 - 10%; Rs.1200
 - 20%; Rs.1500
 - 10%; Rs.1500
160. Mr. X bought an electronic item for Rs. 1000. What would be the future value of the same item after two years, if the value is compounded semi-annually at the rate of 22% per annum?
- Rs.1488.40
 - Rs.1518.07
 - Rs.2008.07
 - Rs.2200.00

161. In how many ways can a selection of 6 out of 4 teachers and 8 students be done so as to include atleast two teachers?

- (a) 220
- (b) 672
- (c) 896
- (d) 968

162. $\lim_{x \rightarrow 2} \frac{x^n - 2^n}{x - 2} = 80$

- (a) $n=5$
- (b) $n=4$
- (c) $n=0$
- (d) none of these

163. $\lim_{n \rightarrow \infty} \left(\frac{1}{1-n^2} + \frac{2}{1-n^2} + \frac{3}{1-n^2} + \dots + \frac{n}{1-n^2} \right)$

- (a) $-1/2$
- (b) $1/2$
- (c) -1
- (d) -2

164. A function $f(x)$ is defined by $f(x) = (x-2) + x^2$ overall real values of x , now $f(x)$ is

- (a) continuous at $x=2$
- (b) discontinuous at $x=2$
- (c) Undefined at $x=2$
- (d) none of these

165. If $y = \sqrt{\frac{1-x}{1+x}}$ then $\frac{dy}{dx}$

- (a) $-\frac{y}{1-x^2}$
- (b) $\frac{y}{1-x^2}$

- (c) $\frac{x}{1-x^2}$
- (d) None
166. The integral of $px^3 + qx^2 + rk + w/x$
- (a) $px^2 + qx + r + k$
- (b) $p \frac{x^3}{3} + q \frac{x^2}{2} + rx$
- (c) $3px + 2q - w/x^2$
- (d) none of these
167. $\int_0^1 x e^x dx$ and the value is
- (a) -1
- (b) 10
- (c) 10/9
- (d) +1
168. if $f'(x) = x-1$, the equation of the curve $y = f(x)$ passing through the point (1,0) is given by
- (a) $y = x^2 - 2x + 1$
- (b) $y = x^2/2 - x + 1/2$
- (c) $y = x^2/2 - x + 1$
- (d) none of these
169. if $f(x) = 1/(1-x)$ and $g(x) = (x-1)/x$ then $g \circ f(x)$ is
- (a) $x-1$
- (b) x
- (c) $1/x$
- (d) None of these
170. The function $f(x) = 2^x$ is
- (a) one-one mapping
- (b) one-many
- (c) many-one
- (d) none of these

171. Find the three numbers in G.P, such that their sum is 13 and the sum of the squares is 91
- (a) 1,3,27
 - (b) 1,9,27
 - (c) 9, 3, 1
 - (d) none of these
172. if a, b, c are in G.P, then $\frac{1}{a+b}, \frac{1}{2b}, \frac{1}{b+c}$ are in
- (a) G.P
 - (b) A.P
 - (c) H.P
 - (d) none of these
173. if a, b, c are in G.P., and x, y be the arithmetic means between a, b and c respectively, then $a/x + c/y =$
- (a) 3
 - (b) 1
 - (c) 2
 - (d) 0
174. If six times the number of permutations of n objects taken 3 at a time is equal to seven times the number of permutations of (n-1) objects taken 3 at a time, find the value of n.
- (a) n= 20
 - (b) n=19
 - (c) n= 21
 - (d) n= 18
175. if $x = 3^{1/3} + 3^{-1/3}$, then $3x^3 - 9x$ is
- (a) 15
 - (b) 10
 - (c) 12
 - (d) one of these
176. Data collected on religion from the census reports are
- (a) Primary data

- (b) Secondary data
 - (c) Sample data
 - (d) a) or b)
177. The normal curve is
- (a) Positively skewed
 - (b) Negatively skewed
 - (c) Symmetrical
 - (d) All these
178. For a Poisson variate X , $P(X=1) = P(X=2)$. What is the mean of X ?
- (a) 1
 - (b) $3/2$
 - (c) 2
 - (d) $5/2$
179. A sample may be defined as a part of population is selected with a view to representing in all its ____
- (a) Units
 - (b) Characteristics
 - (c) Costs
 - (d) Errors
180. A parameter is a characteristic of
- (a) Population
 - (b) Sample
 - (c) Both a) & b)
 - (d) None of the above
181. The measure of divergence is ____ as a size of the sample approaches that of the population
- (a) More
 - (b) Less
 - (c) Same
 - (d) None

182. The suitable index numbers for the comparison of every year is ____
- (a) Fixed base index number
 - (b) Fisher's ideal index number
 - (c) Chain base index number
 - (d) Both a) and c)
183. The two lines of regression become identical when
- (a) $r = 1$
 - (b) $r = -1$
 - (c) $r = 0$
 - (d) a) or b)
184. In the year 2010 the monthly salary was Rs. 24,000. The consumer price index number was 140 in the year 2010 which rises to 224 in the year 2016. If he has to be rightly compensated what additional monthly salary to be paid to him
- (a) Rs. 14,400
 - (b) Rs. 38,400
 - (c) Rs. 7,200
 - (d) None of these
185. If the coefficient of correlation between x and y variables is -0.90 then what will be the coefficient of determination.
- (a) 0.10
 - (b) 0.81
 - (c) 0.94
 - (d) None
186. Purchasing power of money is
- (a) Reciprocal of price index number
 - (b) Equal to price index number
 - (c) Unequal to price index number
 - (d) None of these
187. If R_x and R_y denote ranges of x and y respectively where x and y are related $3x+2y+10=0$, what would be the relation between x and y ?
- (a) $R_x = R_y$
 - (b) $2. R_x = 3.R_y$

- (c) $3. R_x = 2.R_y$
 (d) $R_x = 2.R_y$
188. The coefficient of Mean deviation about mean for the first 9 natural numbers?
 (a) $200/9$
 (b) 80
 (c) $400/3$
 (d) 50
189. If $P(A) = 2/3$ and $P(B) = 3/5$ and $P(A \cup B) = 5/6$. Then $P(A' \cap B)$
 (a) $5/18$
 (b) $13/18$
 (c) $7/12$
 (d) $5/12$
190. If the mean of two numbers is 30 and Geometric Mean is 24 then what will be those two numbers?
 (a) 36 and 24
 (b) 30 and 30
 (c) 48 and 12
 (d) None of these
191. If variance of random variable x is 23, then what is the variance of $2x+10$?
 (a) 56
 (b) 33
 (c) 46
 (d) 92
192. The MD about mode for the numbers $4/11, 6/11, 8/11, 9/11, 12/11, 8/11$
 (a) $1/6$
 (b) $1/11$
 (c) $4/11$
 (d) $8/11$
193. If the regression coefficient y on x is 4.56 and coefficient of non-determination is 0.24, the regression coefficient x on y is
 (a) 4.24

- (b) 1.64
 - (c) $1/6$
 - (d) 2
194. There are two horses in A and B for a race. The probability of A winning is thrice that of B. If one of the horses to win the probability of A winning is
- (a) $1/4$
 - (b) $3/4$
 - (c) $2/3$
 - (d) $1/3$
195. If X and Y are independent random variables with Standard deviation 3. And 4 then the standard deviation of (X+Y) is
- (a) 7
 - (b) 1
 - (c) 25
 - (d) 5
196. Find the sample size such that proportionality of the sample mean differing from the population mean by not more than $1/10$ th of its SD is 0.95
- (a) 225
 - (b) 375
 - (c) 395
 - (d) 384
197. If x is a Poisson random variable with $E(x^2) = 6$, the mean of x is
- (a) 1
 - (b) 2
 - (c) -2
 - (d) 3
198. If the probability of answering a multiple choice question is $1/3$ and there are 50 questions in at least. What's the most probable score assuming each correct question gets 1 mark?
- (a) 16
 - (b) 17
 - (c) 8

(d) (a) and (b)

199. Population mean is

(a) a statistic

(b) a parameter

(c) Probability distribution

(d) an estimator

200. For two independent events A and B $P(A) = 1/5$ and $P(A \cup B) = 3/4$, then $P(B)$ is

(a) $11/20$

(b) $11/16$

(c) $5/16$

(d) $9/20$