



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST
Model Test Paper – BOS/CPT-1 / 2007

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

PART-I

1. All the following errors do not effect the trial balance except.
 - (a) Compensating errors
 - (b) Error of complete omission
 - (c) Error of partial omission
 - (d) Error of principle
2. Financial statements are part of -
 - (a) Accounting
 - (b) Book-keeping
 - (c) All of the above
 - (d) None of the above
3. The areas where in different accounting policies can be adopted are.
 - (a) Providing depreciation
 - (b) Valuation of inventories
 - (c) Valuation of investments
 - (d) All of the above

4. The total of the sales book is posted periodically to the credit of
 - (a) Sales account
 - (b) Cash book
 - (c) Journal proper
 - (d) Name of the above
5. The amount of the dishonoured bill has been wrongly debited to general expenses account, which type of error has been committed?
 - (a) Error of principle
 - (b) Error of commission
 - (c) Compensating error
 - (d) Error of omission
6. Bank account is _____
 - (a) Personal account
 - (b) Intangible real account
 - (c) Nominal account
 - (d) Both (b) and (c)
7. Cost of tour abroad by the sales manager to develop markets (tour was successful) is _____
 - (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Deferred revenue expenditure
 - (d) Both (a) & (b)
8. 'Advance received from customers is not taken as sale' is based on
 - (a) Money measurement concept
 - (b) Accrual consent
 - (c) Consistency concept
 - (d) Conservation
9. Income includes
 - (a) Income received
 - (b) Income receivable
 - (c) Both (a) and (b)
 - (d) None of the above
10. Mohan Stationers will debit purchase of stationery in _____
 - (a) Stationery account

- (b) General expenses account
- (c) Purchases account
- (d) None of the three

PART-II

11. Heavy amount spent on advertisement is _____
- (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Deferred revenue expenditure
 - (d) Name of the three
12. Cost of goods sold can be calculated by _____
- (a) Trading account
 - (b) Profit & loss account
 - (c) Balance sheet
 - (d) Name of the three
13. Rs. 5,000 spent on repairs of a newly purchased old motor car is debited to _____
- (a) Repairs account
 - (b) General expenses account
 - (c) Motor car account
 - (d) Name of the three
14. Suspense account debit balance Rs. 2000 in trial balance, will be recorded in the _____
- (a) Liability side of balance sheet
 - (b) Asset side of balance sheet
 - (c) Profit & loss account Cr side
 - (d) None of the three
15. Liability for bill discounted is a _____
- (a) Current liability
 - (b) Contingent liability
 - (c) Fixed liability
 - (d) None of the three
16. In valuation of consignment stock only _____ expenses are added
- (a) Direct
 - (b) Indirect

- (c) Both (a) and (b)
 - (d) None of the three
17. Premium on issue of shares is recorded in _____
- (a) Profit & loss debit side
 - (b) Profit & loss appropriation account Dr side
 - (c) Profit & loss appropriation Cr side
 - (d) Balance sheet liability side
18. Interest is calculated on _____ securities
- (a) Market value
 - (b) Face value
 - (c) Purchase value
 - (d) None of the three
19. Income tax in case of a sole trader is treated as _____
- (a) Business expense
 - (b) Personal expense
 - (c) Debtors expense
 - (d) None of the three
20. In double entry system every business transaction affects _____
- (a) Two accounts
 - (b) Two sides of the same account
 - (c) The same account on different dates
 - (d) None of the three

PART – III

21. A businessman purchased goods for Rs. 25,00,000 and sold 70% of such goods during the accounting year ended 31st March, 2005. The market value of the remaining goods was Rs. 5,00,000. He valued the closing stock at Rs. 5,00,000 and not at Rs. 7,50,000 due to
- (a) Money measurement
 - (b) Conservatism
 - (c) Cost
 - (d) Periodicity
22. XY LTD. issued 25,000 equity shares of Rs. 100 each at a premium of Rs. 15 each payable as Rs. 25 on application, Rs. 40 on allotment and balance in the first call. Applications received for 75,000 equity shares but the company issued to them only 25,000 shares. Excess money was refunded to them after adjustment for further calls.

Last call on 500 shares were not received and were forfeited after due notice. The above is the case of _____

- (a) Over subscription
- (b) Pro-rata allotment
- (c) Forfeiture of shares
- (d) All of the above.

PART-IV

23. Opening stock Rs. 3,700, Purchases Rs. 20,800, Closing stock Rs. 2,500. Cost of goods sold will be _____

- (a) Rs. 22,000
- (b) Rs. 25,000
- (c) Rs. 18,000
- (d) Rs. 30,000

24. Original cost Rs. 25,000, salvage value Rs. 1,000, useful life 10 years. Annual depreciation under SLM will be

- (a) Rs. 2,000
- (b) Rs. 2,400
- (c) Rs. 3,000
- (d) Rs. 2,500

25. When preparing a Bank Reconciliation Statement if you start with balance as per Pass Book, then cheques paid by bank recorded twice in Pass Book Rs. 1050 will be _____

- (a) Added
- (b) Deducted
- (c) Not required to be adjusted
- (d) None of the three

26.		Rs.		Rs.
	Gross Profit	50,000	Provision for Bad Debts (old)	2,000
	Rent paid	6,000	Apprentice Premium (Credit)	4,000
	Salaries	5,800		

Net profit of the firm will be

- (a) Rs. 42,200
- (b) Rs. 40,000
- (c) Rs. 42,000
- (d) Rs. 45,000

27. A started business with Rs. 20,000 cash and Rs. 11,000 stock. Cash sales & cash purchases were Rs. 10,000 & Rs. 5,000. Total sales and purchases amounted to Rs. 70,000 & Rs. 50,000. Outstanding creditors were Rs. 15,000 and Debtors Rs. 25,000. Expenses paid Rs. 17,000. Machine was purchased for Rs. 10,000 out of which Rs. 8000 has been paid. Trial Balance total will be _____
- (a) Rs. 1,18,000
 - (b) Rs. 1,20,000
 - (c) Rs. 1,25,000
 - (d) Rs. 1,40,000
28. Capital introduced in the beginning by Ram Rs. 15,2000, further capital introduced during the year Rs. 2,000. Drawings Rs. 400 per month and closing capital is Rs. 16,900. The amount of profit or loss for the year is _____
- (a) Loss Rs. 3,000
 - (b) Loss Rs. 2,500
 - (c) Profit Rs. 5,000
 - (d) Profit Rs. 4,500
29. Goods purchased Rs. 1,00,000, sales Rs. 90,000 Margin 20% on sales. Closing stock is _____
- (a) Rs. 10,000
 - (b) Rs. 25,000
 - (c) Rs. 28,000
 - (d) None of the above
30. Mohan paid Rs. 500 towards a debit of Rs. 2,500, which was written off as bad debt in the previous year. Mohan's account will be credited with
- (a) Rs. 2,500
 - (b) Rs. 2,000
 - (c) Rs. 500
 - (d) None of the three
31. Income tax liability of the proprietor Rs. 1200 was paid out of petty cash. Journal entry will be _____
- (a) Dr. drawings and Cr. Cash A/c Rs. 1200
 - (b) Dr. drawings and Cr. Petty Cash Rs. 1200
 - (c) Dr Income tax and Cr Cash A/c Rs. 1200
 - (d) None of the above

32. An old, machine was purchased for Rs. 60,000. It was repaired for Rs. 5,000 and Rs. 5,000 paid on its installation. Machinery repairs a/c will be debited by -
- Rs. 10,000
 - Rs. 5,000
 - Rs. 15,000
 - None of the three
33. Ras started business on 01.01.06 with a capital of Rs. 20,000 and he borrowed Rs. 3,000 from a friend. He earned a profit of Rs. 10,000 during the year and withdrew cash Rs. 5,000 for private use. What is his capital at the end of the year?
- Rs. 25,000
 - Rs. 28,000
 - Rs. 30,000
 - Rs. 27,000
34. A partnership firm maintains the inventory records under perpetual system of inventory considering of the firm held for the month of March 2005.

Date	Particulars	Quantity	Cost per unit (Rs.)
March 1	Opening Inventory	15	400
March 4	Purchases	20	450
March 6	Purchases	10	460

If the firm sold 32 units on March 24, 2005 closing inventory under FIFO method is -

- Rs. 7500
 - Rs. 5681
 - Rs. 5800
 - Rs. 5950
35. Capital introduced by Mr. A on 01.01.2005 Rs. 100000. Further capital introduced during the year was Rs. 50,000. Mr. A withdrew Rs. 200 per month on the last date of each month. Interest on drawings was charged @ 5%. Profit earned during the year was Rs. 10,000. Capital on 31.12.05 will be _____
- Rs. 157545
 - Rs. 157000
 - Rs. 160000
 - Rs. 155000

36. Purchased goods from A Rs. 500 passed through sales book the rectifying journal entry will be _____

	Rs.	Rs.
(a) Purchases A/c Dr.	500	
To A		500
(b) A's Capital a/c Dr.	500	
To Sales		500
(c) Purchases of Dr.	500	
Sales A/c Dr.	500	
To A		1000
(d) None of the above		

37. Opening Stock 20,000
 Closing Stock 18,000
 Purchases 85,800
 Carriage inwards 2,300
 Carriage out 3,000
 Office Rent 5,000

Sales 1,40,700
 Gross profit will be _____

- (a) Rs. 50,000
- (b) Rs. 47,500
- (c) Rs. 42,600
- (d) Rs. 50,600

38. X of Kanpur sends out certain goods at cost + 25%. Invoice value of goods sends out Rs. 2,00,000. 4/5th of the goods were sold by consignee at Rs. 1,76,000. Commission 2% upto invoice value and 10% on any surplus above invoice value. Commission amount will be _____

- (a) Rs. 4,800
- (b) Rs. 5,200
- (c) Rs. 3,200
- (d) Rs. 1,600

39. Goods costing Rs. 1000 supplied to Ramesh at the invoice price of 10% above cost and a Trade Discount for 5%. The amount of Sales will be

- (a) Rs. 1045

- (b) Rs. 1050
(c) Rs. 1100
(d) Rs. 1060
40. A & B purchased a piece of land for Rs. 60,000 and sold it for Rs. 80,000. A had contributed Rs. 40,000 and Rs. 20,000. The profit on venture will be -
(a) Rs. 30,000
(b) Rs. 20,000
(c) Rs. 60,000
(d) NIL
41. A, B & C are partners sharing profits in the ratio of 3:2:1. B retires and goodwill of the firm is fixed at Rs. 1,80,000. No goodwill A/c appears in the books of the firm. A & C decide to share profits in the ratio of 3:1. B's share of goodwill will be adjusted in the Capital accounts of A and C in
(a) Profit sharing
(b) Gaining ratio
(c) Sacrificing ratio
(d) Old ratio
42. A Co. issued Rs. 1,00,000 12% Debentures at 5% discount redeemable at 5% premium after 10 years. Loss on issue of debentures will be
(a) Rs. 15,000
(b) Rs. 10,000
(c) Rs. 12,000
(d) Rs. 20,000
43. A partnership firm earned net profits during the last 3 years as follows –
- | | |
|------|--------|
| 2001 | 15,000 |
| 2002 | 20,000 |
| 2003 | 25,000 |
- The capital investment in the firm throughout the above mentioned period has been Rs. 1,00,000. Having regard to the risk involved 15% is considered to be a fair return on capital. Goodwill on the basis of 2 years purchase of average super earned during the above mentioned 3 years will be
(a) Rs. 8,000
(b) Rs. 10,000
(c) Rs. 12,000
(d) Rs. 15,000

44. A & B are partners in a business sharing profits and losses in the ratio of 7:3. They admit C as a partner. A sacrificed $\frac{1}{7}$ th share and B sacrificed $\frac{1}{3}$ rd of his share in favour of C. New Profit sharing ratio will be
- 3:1:1
 - 2:1:1
 - 2:2:1
 - None of the above
45. G Ltd. acquired assets worth Rs. 7,50,000 from H. Ltd. by issue of shares of Rs. 100 each at a premium of 25%. The number of shares to be issued by G. Ltd., to settle the purchase consideration will be
- 6000 shares
 - 7500 shares
 - 9375 shares
 - 5625 shares
46. A & B are equal partners with capitals of the Rs. 10,000 and Rs. 8,000 respectively. They admit C as a partner with $\frac{1}{4}$ th share in the profits of the firm. C brings Rs. 8,000 as his share of capital. Value of goodwill will be _____
- Rs. 6000
 - Rs. 5000
 - Rs. 8000
 - None of the above
47. A second hand car is purchased for Rs. 15000, the amount of Rs. 1000 is spent on its repairs, Rs. 500 is incurred to get the car registered in owners name and Rs. 1200 is paid as dealers commission. The amount debited to car account will be _____
- Rs. 17700
 - Rs. 16000
 - Rs. 16500
 - Rs. 17000
48. Ramesh & Suresh are partners sharing profits in the ratio of 2:1 (Ramesh Capital is Rs. 1,02,000 and Suresh Capital is Rs. 73,000) They admitted Mahesh & agreed to give him $\frac{1}{5}$ in share. He brings Rs. 14,000 as his share of goodwill. He agreed to contribute capital in profit sharing ratio. How much capital will be brought by incoming partner?
- Rs. 47,250
 - Rs. 45,000
 - Rs. 47,000
 - Rs. 48,000

49. Debit Balance as per cash book of Narayan Enterprises as on 28th February 2006 is Rs. 15,000. Cheques deposited but not cleared Rs. 660 and cheques issued but not presented for payment Rs. 2150. Balance as per pass book should be _____
- Rs. 15,500
 - Rs. 16,490
 - Rs. 16,000
 - Rs. 16,500
50. On 1st Sept. 2006 goods costing Rs. 33,000 were consigned by X to his agent Y at a proforma price which was cost plus one – sixth profit on invoice price. Invoice price of goods will be _____
- Rs. 39,000
 - Rs. 39,600
 - Rs. 40,000
 - Rs. 45,000
51. Suresh of Delhi consigned 600 fans to Naresh of Bareilly to be sold on his account and at his risk. The cost of each fan is Rs. 300. Suresh paid Rs. 6000 as freight and insurance. Naresh paid Rs. 1500 as Octroi & Cartage; Rs. 3500 for godown rent and Insurance. 500 fans were sold for Rs. 1,80,000. Naresh was entitled to a commission of 4% on sale @ Rs. 350 per fan and 20% of any surplus price realized. Profit on consignment will be _____
- Rs. 12,250
 - Rs. 12,000
 - Rs. 14,000
 - Rs. 15,000
52. X and Y enter into a joint venture. X supplied goods to Y from his own stock worth Rs. 70,000. X incurred expenses amounting to Rs. 6000 on joint venture. The venture resulted in a total profit of Rs. 15,000 of which their ratio of distribution is 2:1. The entire sale proceeds were received by Y. Amount received by X from Y in final settlement will be _____
- Rs. 85,000
 - Rs. 86,000
 - Rs. 80,000
 - Rs. 75,000
53. A and B are partners sharing profits in the ratio of 3:2 with capitals of Rs. 50,000 and Rs. 30,000 respectively. Interest on capital is agreed @ 6% p.a. B is to be allowed an annual salary of Rs. 2,500 during 2000, the profits of the year prior to calculation of interest on capital but after charging B's salary amounted to Rs. 12,500. Manager is to be allowed a Commission of 5% of profits remaining after deducting salary and interest on capital but

before charging such Commission, Profit transferred to partners Capital Accounts will be _____

- (a) A Rs. 4389 B Rs. 2926
 - (b) A Rs. 4000 B Rs. 3315
 - (c) A Rs. 3000 B Rs. 4315
 - (d) A Rs. 2500 B Rs. 4815
54. A and B are partners, sharing profits in the ratio of 5:3. They admit C with $\frac{1}{5}$ share in profits, which he acquires equally from both $\frac{1}{10}$ from A and $\frac{1}{10}$ from B. New profit sharing ratio will be
- (a) 21:11:8
 - (b) 20:10:4
 - (c) 15:10:5
 - (d) None of the three
55. A, B, and C are partners, sharing profits in the ratio of 4:3:2. D is admitted for $\frac{2}{9}$ share of profits and brings Rs. 30,000 as his capital and Rs. 10,000 for his share of Goodwill. The new profit sharing ratio between A:B:C:D will be 3:2:2:2. Goodwill amount will be shared by:
- (a) AB & C
 - (b) A & B
 - (c) A only
 - (d) B only
56. Shiva Ltd. Issued 20,000 shares of Rs. 10 each at a discount of 10% Payments were to be made as - application Rs. 3; on Allotment Rs. 4 and on First and Final Call Rs. 2. Applications were received for 18,000 shares and all were accepted. All money duly received. Balance Sheet total will be _____
- (a) Rs. 1,80,000
 - (b) Rs. 1,62,000
 - (c) Rs. 1,90,000
 - (d) None of the three
57. X Ltd. Forfeited 100 shares of Rs. 10 each issued at a discount of 10% to Ravi on which he had paid Rs. 2.50 per share on application and Rs. 2.50 per share on allotment but on which he had not paid Rs. 2 on First Call. In case of forfeiture, share capital account will be debited by _____
- (a) Rs. 800
 - (b) Rs. 700
 - (c) Rs. 900

(d) Rs. 1000

58. A Ltd. makes an issue of 10,000 Equity shares of Rs. 100 each payable as follows:

On application and allotment	Rs.	50
On First Call	Rs.	25
On Second & Final Call	Rs.	25

Members holding 400 shares did not pay the second call and the shares are duly forfeited, 300 of which are reissued on fully paid at Rs. 80 per share. Amount transferred to Capital reserve will be _____

(a) Rs. 16,500

(b) Rs. 16,000

(c) Rs. 15,000

(d) None of the above

59. 100 articles at the sale price of Rs. 200 each sent to a customer on approval basis were recorded as actual sales and that price. The sale price was made it cost plus 25%. The amount of stock on approval will be amounting

(a) Rs. 16,000

(b) Rs. 20,000

(c) Rs. 15,000

(d) None of the above

60. Share capital 5,00,000 shares of 10 each

Rs. 5 called up	Rs.	25,00,000
Calls in arrear	Rs.	10,000
Calls in advance	Rs.	15,000

Directors decide to provide 10% for dividend on share capital. Amount of proposed dividend will be _____

(a) Rs. 2,50,000

(b) Rs. 2,49,000

(c) Rs. 2,40,000

(d) None of the three

SECTION – B : MERCANTILE LAWS (40 MARKS)

PART –I

61. Which of the statement is incorrect?
- (a) All illegal agreements are void but all void agreements are not necessary illegal.
 - (b) A voidable contract is not voidable at the option of the aggrieved party.
 - (c) Contracts that are immoral or opposed to public policy are illegal in nature.
 - (d) All of the above.
62. As per Section 11 of The India Contract Act, 1872, every person is competent to contract provided he:
- (a) Is of the age majority according to the law to which he is subject.
 - (b) Is of sound mind.
 - (c) Is not disqualified from contracting by any law to which he is subject.
 - (d) All of the above
63. On the valid performance of the contractual obligations by the parties, the contract
- (a) Is discharged.
 - (b) becomes enforceable.
 - (c) becomes void.
 - (d) none of these.
64. Which of the following agreements is void?
- (a) Agreement made under the unilateral mistake of fact.
 - (b) Agreements made under the bilateral mistake of fact.
 - (c) Agreement made under the influence of fraud.
 - (d) Contingent agreement.
65. Which of the following agreements are void?
- (a) An agreement to share the salary of a public officer.
 - (b) An agreement to sell a religious office.
 - (c) An agreement with the objective of procuring a public post.
 - (d) All of the above.
66. Coercion involves:
- (a) Physical Force or Threat.
 - (b) Mental Pressure.
 - (c) Both (a) and (b)
 - (d) None of the Above.

67. An agreement is void if it is opposed to public policy. Which of the following is not covered by heads of public policy?
- (a) Trading with an enemy.
 - (b) Trafficking in public offices.
 - (c) Marriage brokerage contracts.
 - (d) Contracts to do impossible acts.
68. Consideration must move at the desire of
- (a) Promisor
 - (b) Promisee
 - (c) Any other person.
 - (d) Any of these.
69. The following persons can enter into contracts as per the provisions of the Indian contracts Act, 1872
- (a) Alien Enemy
 - (b) Foreign Sovereigns or accredited representative of a foreign state.
 - (c) Insolvents and convicts
 - (d) None of the above.
70. The doctrine of Caveat Emptor does not apply, when
- (a) the goods are bought by sample
 - (b) the goods are bought by sample as well as as description
 - (c) the goods are purchased under its brand name
 - (d) All of above.
71. The Sale of Goods Act, 1930 deals with
- (a) Sale
 - (b) mortgage
 - (c) pledge
 - (d) All of above.
72. In which of the following cases, the unpaid seller loses his right to lien?
- (a) Delivery of goods to buyer
 - (b) Delivery of goods to carrier
 - (c) Tender of price by buyer
 - (d) All of above.
73. A person to whom money has been paid, anything delivered under coercion
- (a) Becomes the owner of such money or those goods.

- (b) Is allowed to sell the goods and retain the money realized from such sale.
 - (c) Has no obligation to return the money, he may do so only a good gesture
Must repay the money or return those goods.
74. Necessary condition for existing goods is
- (a) They should be in existence at the time of the contract of sale
 - (b) They should be owned or possessed by the seller
 - (c) Both of the above
 - (d) None of the above.
75. In case of sale
- (a) Property in goods passes to the buyer.
 - (b) Risk in the goods passes to the buyer.
 - (c) Both the above.
 - (d) None of the above.
76. Partnership
- (a) Arises by operation of law.
 - (b) Comes into existence only after registration.
 - (c) Can arise by agreement or otherwise.
 - (d) Arise by way of an agreement only.
77. Which of the following is correct?
- (a) Liability of a partner in a partnership firm is unlimited.
 - (b) Liability of a member of a HUF is unlimited.
 - (c) Both the above.
 - (d) None of the above.
78. The test of good faith as provided under Section 33(1) of the Indian Partnership Act, 1932 requires the following:
- (a) That the expulsion must be in the interest of the partnership.
 - (b) That the partner to be expelled is served with a notice.
 - (c) That he is given an opportunity of being heard.
 - (d) All of the above.
79. The essential elements of a partnership at will are:
- (a) No period has been fixed by the partners for its duration.
 - (b) There is no provision in the partnership agreement for its determination
 - (c) Both of the above.
 - (d) None of the above.

PART –II

80. Implied contract, even if not in writing or express words, is perfectly _____ if other conditions are satisfied
- (a) Void.
 - (b) Valid
 - (c) Voidable.
 - (d) Illegal
81. According to Section 14 of The Indian Contract Act, 1872, Consent is said to be free when it is not caused by _____
- (a) Misrepresentation.
 - (b) Undue Influence
 - (c) Coercion
 - (d) All of the above
82. Actual Sale of future goods is
- (a) Impossible
 - (b) Possible through an agreement to sell
 - (c) Illegal
 - (d) A myth
83. A threatens to kill B if he does not agree to sell his scooter to him for Rs.5000 only. Here B's Consent is obtained by _____
- (a) undue influence
 - (b) fraud
 - (c) coercion
 - (d) none of these
84. Quasi - contracts arise
- (a) Where obligations are created without a contract
 - (b) Where obligations are created under a contract
 - (c) Out of natural causes
 - (d) Out of man-made causes
85. An agreement made with free consent to which the consideration is lawful but inadequate, is _____
- (a) Void
 - (b) Valid
 - (c) Voidable
 - (d) Unlawful

86. When after the formation of a valid contract, an event happens which makes the performance of contract impossible, and then the contract becomes _____
- (a) Void
 - (b) Voidable
 - (c) Valid
 - (d) Illegal
87. Consent is not said to be free when it is caused by _____
- (a) Coercion
 - (b) Undue Influence
 - (c) Fraud
 - (d) All of these
88. Goods which are in existence at the time of the Contract of Sale is known as _____
- (a) Present Goods
 - (b) existing Goods
 - (c) specified Goods
 - (d) none of the above
89. An auction Sale is complete on the _____
- (a) delivery of goods
 - (b) payment of price
 - (c) fall of hammer
 - (d) none of the above
90. The essence of a right of lien is to _____
- (a) delivery of goods
 - (b) retain the possession
 - (c) regain the possession
 - (d) none of the above.
91. In case of an agreement to sell, the aggrieved party _____
- (a) Can sue for price
 - (b) Can sue for damages
 - (c) Can sue the buyer for injunction
 - (d) None of the above.
92. 'Buyer' means a person who _____
- (a) Buys goods
 - (b) Agrees to buy goods

- (c) Has bought goods
 - (d) Buys or agrees to buy goods
93. A person who finds goods belonging to another and takes them into his custody_____
- (a) Becomes the owner of those goods thereafter.
 - (b) Is subject to the same responsibilities as a bailee
 - (c) Is allowed to sell them and retain the money realized from such sale
 - (d) Has no obligation to return those goods, he may do so only a goods gesture.
94. Conditions and warranties _____
- (a) Must be expressed
 - (b) Must be implied if not expressed
 - (c) May either be expressed or implied
 - (d) None of the above
95. Registration of a firm is _____
- (a) Compulsory
 - (b) Optional
 - (c) Occasional
 - (d) None of the above
96. The bidder at an auction sale can withdraw his bid _____
- (a) any time during auction
 - (b) before fall of hammer
 - (c) before payment of price
 - (d) cannot withdraw at all.
97. _____ does not exist.
- (a) Liability for special damages
 - (b) Liability for exemplary damages
 - (c) Liability for nominal damages
 - (d) Liability for disciplinary damages
98. Registration of a partnership firm is _____
- (a) Compulsory from the beginning
 - (b) Not compulsory till first five years of beginning of the partnership
 - (c) Not compulsory at all
 - (d) Compulsory only if the Registration of Firm, gives an order in the regard

PART –III

99. A believes blue colour to be black colour, for any reason whatsoever. He has a garment shop. He sells one blue colour shirt to B, representing it to be black colour. B knows nothing about colour. B believes A and accepts the blue colour to be black colour, Later on B's mother explains B that the colour of the shirt is actually blue and not black. It is a clear case of
- (a) Misrepresentation
 - (b) Fraud
 - (c) Unintentional fraud
 - (d) Cheating
100. A agrees with B to carry passengers by taxi from Kanpur to Lucknow on the following terms, namely, B is to pay A Rs. 100 per mile per annum, and A and B are to share the costs of repairing and replacement of the cars, and to divide equally between them the proceeds of fares received from passengers, Choose the alternative.
- (a) A and B are partners
 - (b) A and B are owners
 - (c) A and B are co-owners
 - (d) Can't be decided.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

101. Total utility is maximum when:
- (a) marginal utility is zero
 - (b) marginal utility is at its highest point
 - (c) marginal utility is equal to average utility
 - (d) average utility is maximum
102. The consumer is in equilibrium at a point where the budget line :
- (a) is above an indifference curve
 - (b) is below an indifference curve
 - (c) is tangent to an indifference curve
 - (d) cuts an indifference curve
103. An indifference curve slopes down towards right since more of one commodity and less of another result in :
- (a) same satisfaction
 - (b) greater satisfaction
 - (c) maximum satisfaction
 - (d) decreasing expenditure
104. The consumer is in equilibrium when the following condition is satisfied:
- (a) $\frac{MU_x}{MU_y} > \frac{P_x}{P_y}$
 - (b) $\frac{MU_x}{MU_y} < \frac{P_x}{P_y}$
 - (c) $\frac{MU_x}{MU_y} = \frac{P_x}{P_y}$
 - (d) None of the above
105. In the case of a Giffen good, the demand curve will be:
- (a) horizontal
 - (b) downward-sloping to the right
 - (c) backward falling to the left
 - (d) upward-sloping to the right
106. Which of the following is not an essential condition of pure competition ?
- (a) large number of buyers and sellers

- (b) homogeneous product
 - (c) freedom of entry
 - (d) absence of transport cost
107. Which is the first order condition for the profit of a firm to be maximum?
- (a) $AC = MR$
 - (b) $MC = MR$
 - (c) $MR = AR$
 - (d) $AC = AR$
108. In which form of the market structure is the degree of control over the price of its products by a firm very large?
- (a) monopoly
 - (b) Imperfect competition
 - (c) oligopoly
 - (d) perfect competition
109. Under which of the following forms of market structure does a firm have no control over the price of its product?
- (a) monopoly
 - (b) monopolistic competition
 - (c) oligopoly
 - (d) perfect competition
110. Price discrimination will be profitable only if the elasticity of demand in different markets in which the total market has been divided is:
- (a) uniform
 - (b) different
 - (c) less
 - (d) zero
111. The law of consumer surplus is based on :
- (a) indifferent curve analysis
 - (b) revealed preference theory
 - (c) law of substitution
 - (d) the law of diminishing marginal utility
112. Which of the following cost curves is never 'U' shaped ?
- (a) Average cost curve

- (b) Marginal cost curve
 - (c) Average variable cost curve
 - (d) Average fixed cost curve
113. In the short run, when the output of a firm increases, its average fixed cost:
- (a) increases
 - (b) decreases
 - (c) remains constant
 - (d) first declines and then rises
114. The cost of one thing in terms of the alternative given up is known as:
- (a) production cost
 - (b) physical cost
 - (c) real cost
 - (d) opportunity cost
115. Contraction of demand is the result of
- (a) decrease in the number of consumers
 - (b) increase in the price of the good concerned
 - (c) increase in the prices of other goods
 - (d) decrease in the income of purchasers
116. In the case of an inferior good the income elasticity of demand is:
- (a) positive
 - (b) zero
 - (c) negative
 - (d) infinite
117. The elasticity of substitution between two perfect substitutes is:
- (a) zero
 - (b) greater than zero
 - (c) less than infinity
 - (d) infinite
118. A vertical supply curve parallel to Y axis implies that the elasticity of supply is:
- (a) zero
 - (b) infinity
 - (c) equal to one
 - (d) greater than Zero but less than infinity

119. Elasticity of supply refers to the degree of responsiveness of supply of a good to changes in its:
- (a) demand
 - (b) price
 - (c) costs of production
 - (d) state of technology
120. An isoquant slopes :
- (a) downward to the left
 - (b) downward to the right
 - (c) upward to the left
 - (d) upward to the right
121. Which of the following is considered production in economics?
- (a) Tilling of soil
 - (b) Singing a song before friends.
 - (c) Preventing a child from falling into a manhole on the road
 - (d) Painting a picture for pleasure
122. Which of the following is not a characteristic of land?
- (a) its supply for the economy is limited
 - (b) it is immobile
 - (c) its usefulness depends on human efforts
 - (d) it is produced by our forefathers
123. Who is the official "lender of the last resort" in India?
- (a) SBI
 - (b) PNB
 - (c) RBI
 - (d) OBC
124. Which of the following statement regarding privatization is correct?
- (a) Privatization is panacea for all economic problems
 - (b) Privatization always leads to attaining social and economic efficiency
 - (c) Privatization may result in lopsided development of industries in the country
 - (d) None of the above
125. Which of the following statements is correct?
- (a) The disinvestments programme has been successfully carried out in India.

- (b) Privatisation upto 100 percent has been carried out in all the PSUs in India.
 - (c) Under strategic sale method of disinvestments, the government sells a major share to strategic buyer
 - (d) None of the above
126. At present 100 per cent FDI is allowed in -
- (a) defence
 - (b) drugs and Pharmaceuticals
 - (c) banks
 - (d) insurance
127. FRBM Act stands for
- (a) Fiscal Revenue and Budget Management
 - (b) Foreign Revenue and Business Management
 - (c) Fiscal Responsibility and Budget Management
 - (d) Foreign Responsibility and Budget Management
128. The share of concessional debt in total external debt of India has:
- (a) remained the same
 - (b) doubled
 - (c) reduced
 - (d) increased
129. Which of the following statements is incorrect?
- (a) The Indian road network is second largest in the world
 - (b) The rural road network connects around 65 per cent of all weather roads
 - (c) Most of the State Road Transport Corporations are running on profits
 - (d) The National highways carry more than 40 per cent of the total road traffic
130. In terms of generation of power _____'s contribution, is the maximum
- (a) hydel
 - (b) nuclear
 - (c) thermal
 - (d) others
131. NTPC stands for
- (a) National Thermal Power Corporation
 - (b) National Tidal Power Corporation
 - (c) National Theological Power Corporation

- (d) National Talent and Potential Corporation
132. Most of the unemployment in India is:
- (a) voluntary
 - (b) structural
 - (c) frictional
 - (d) technical
133. What is India's rank in world population?
- (a) First
 - (b) Second
 - (c) Third
 - (d) Fourth
134. In which state is the sex ratio most favourable to women?
- (a) Andhra Pradesh
 - (b) Uttar Pradesh
 - (c) Kerala
 - (d) Karnataka
135. India's present population is:
- (a) Between 50 – 60 crore
 - (b) Between 60 – 70 crore
 - (c) Between 70 – 80 crore
 - (d) Above 100 crore
136. India accommodates nearly _____ per cent of world's population
- (a) 10
 - (b) 50
 - (c) 17
 - (d) 45
137. Which of the following statements is correct?
- (a) Excise duty is levied on sales volume
 - (b) Custom duties have been drastically cut down since 1991
 - (c) VAT has been adopted by all the states in India
 - (d) Agriculture contributes the maximum to the direct tax revenues in India

138. Find the tax which is direct tax among the following:
- (a) Personal income tax
 - (b) Excise duty
 - (c) Sales tax
 - (d) Service tax
139. Per capita national income means:
- (a) $\text{NNP} \div \text{population}$
 - (b) $\text{Total capital} \div \text{population}$
 - (c) $\text{Population} \div \text{NNP}$
 - (d) None of the above
140. Which of the following is an economic activity?
- (a) Listening to music on the radio
 - (b) Teaching one's own son at home
 - (c) Medical facilities rendered by a charitable dispensary
 - (d) A housewife doing household duties
141. Demand for final consumption arises in:
- (a) household sector only
 - (b) government sector only
 - (c) both household and government sectors
 - (d) neither household nor government sector
142. The net value added method of measuring national income is also known as:
- (a) net output method
 - (b) production method
 - (c) industry of origin method
 - (d) all of the above.
143. Which of the following is incorrect ?
- (a) $\text{GDP at market price} = \text{GDP at factor cost} + \text{net indirect taxes}$
 - (b) $\text{NNP at factor cost} = \text{NNP at market price} - \text{indirect taxes}$
 - (c) $\text{GNP at market price} = \text{GDP at market price} + \text{net factor income from abroad}$
 - (d) None of the above
144. Nearly _____ percent of working population is engaged in the service sector
- (a) 23 per cent

- (b) 45 per cent
 - (c) 80 per cent
 - (d) 50 per cent
145. The industrial sector depends on the agricultural sector because
- (a) the agricultural sector provides food and other products for the consumption purposes of industrial sector
 - (b) the agricultural sector provides raw materials for the development of agro-based industries of the economy
 - (c) the agricultural sector provides market for the industrial products
 - (d) all of the above
146. The Indian industry faced the process of retrogression and deceleration because of:
- (a) unsatisfactory performance of agriculture
 - (b) slackening of real investment in public sector
 - (c) narrow market for industrial goods, especially in rural areas
 - (d) all of the above.
147. Which of the following statements is incorrect?
- (a) About 80 per cent of agricultural area has irrigation facilities
 - (b) About two third area is rain-fed in India
 - (c) Productivity per worker in agriculture is much lower than that in industry
 - (d) Cropping pattern is quite skewed in India.
148. We can say Indian agriculture has become modern since:
- (a) there has been an increase in the use of high yielding varieties of seeds, fertilizers pesticides etc.
 - (b) there has been noticeable positive change in the attitude of farmers towards new techniques of production
 - (c) farmers are increasingly resorting to intensive cultivation, multiple cropping, scientific water management
 - (d) all of the above.
149. Generally an economy is considered underdeveloped if:
- (a) the standard of living of people is low and productivity is also considerably low.
 - (b) agriculture is the main occupation of the people and productivity in agriculture is quite low
 - (c) the production techniques are backward
 - (d) all of the above

150. _____ is the apex bank for agriculture credit in India.

- (a) RBI
- (b) SIDBI
- (c) NABARD
- (d) ICICI

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

151. Laspeyre's and Pasche's method satisfy time reversal test
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
152. A frequency distribution
- (a) Arranges observations in an increasing order
 - (b) Arranges observations in terms of a number of groups
 - (c) Relates to measurable characteristic
 - (d) All these
153. Ogive is used to obtain
- (a) Mean
 - (b) Mode
 - (c) Quartiles
 - (d) All these
154. The value of middlemost item when they are arranged in order of magnitude is called
- (a) Standard deviation
 - (b) Mean
 - (c) Mode
 - (d) Median
155. The errors in case of regression equation are
- (a) Positive
 - (b) Negative
 - (c) Zero
 - (d) All these
156. The probability of an event can assume any value between
- (a) -1 and 1
 - (b) 0 and 1
 - (c) -1 and 0
 - (d) None of these
157. The most important probability distribution is known as
- (a) Binomial distribution
 - (b) Normal distribution

- (c) Chi-Square Distribution
 - (d) Sampling Distribution
158. A measure of precision obtained by sampling is given by
- (a) Standard error
 - (b) Sampling fluctuation
 - (c) Sampling distribution
 - (d) Expectation
159. A range of value is
- (a) A point estimate
 - (b) An interval estimate
 - (c) Both
 - (d) None of these
160. The index no. is a special type of G.M.
- (a) True
 - (b) False
 - (c) Both
 - (d) None of these
161. The no. of test of adequacy is _____
- (a) 2
 - (b) 5
 - (c) 3
 - (d) 4
162. If $b^2 - 4ac = 0$, the roots are _____
- (a) Equal and real
 - (b) Unequal and real
 - (c) Complex numbers
 - (d) Imaginary numbers
163. If $(7p+3q) : (3p-2q) = 43:2$ then p:q is _____
- (a) 5:4
 - (b) 4:5
 - (c) 7:2
 - (d) 2:7
164. No. of _____ arrangement can be made by using all the letters of word Monday.
- (a) 120

- (b) 720
 - (c) 41
 - (d) 51
165. Which term of series $7+11+15 \dots$ is equal to 403.
- (a) 50
 - (b) 100
 - (c) 101
 - (d) 51
166. $\log_{\sqrt{2}} 128$ is equal to _____
- (a) 6
 - (b) 12
 - (c) 24
 - (d) 14
167. The number of ways in which 6 boys sit in a round table so that two particular boys sit together
- (a) 48
 - (b) 720
 - (c) 120
 - (d) None of these
168. Rs. 4000 amount to Rs. 6000 in 3 years at the _____ p.a. if interest is reckoned half yearly.
- (a) 12%
 - (b) 14%
 - (c) 16%
 - (d) 8%
169. A graphical representation of _____ can be prepared in 2 different ways.
- (a) Median
 - (b) Mode
 - (c) Mean
 - (d) None
170. The value of deciles divides the total no. of observations into _____ equal parts
- (a) 100
 - (b) 10
 - (c) 2

(d) None of these

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

- (a) Does not exist
- (b) Exist and is equal to 4
- (c) Exist and is equal to $3 \log_e 3$
- (d) Exist and is equal to 3

172. Find $\frac{dy}{dx}$ of $\left(\frac{x^2}{a^2} + \frac{y^2}{b^2} = 1\right)$

- (a) $-b^2x / a^2y$
- (b) $-b^2y / a^2x$
- (c) $-b^2 / a^2$
- (d) 0

173. 6th term of series $ab, a^2b^3, a^3b^5, \dots$ is equal to

- (a) a^6b^{11}
- (b) a^5b^{10}
- (c) a^6b^6
- (d) a^5b^{11}

174. $\int_2^e \log x \, dx$ is equal to

- (a) $\log 2 - 1$
- (b) $-(2 \log 2 - 2)$
- (c) $2 \log 2 - 1$
- (d) 0

175. In how many ways can the letters of words "ACCOUNTANT" be arranged if vowels always occur together

- (a) 7560
- (b) 7650
- (c) 7660
- (d) 7550

176. Find the present value of Rs. 500 due 10 years hence when interest of 10% is compounded half yearly

- (a) Rs. 188.40
- (b) Rs. 193.94
- (c) Rs. 138.94

- (d) Rs. 50.00
177. If $f(x) = x^2 + 3x$ then $f(2) - f(4)$ is equal to
- (a) -15
 - (b) -18
 - (c) 18
 - (d) 12
178. For what value of 'K' the equation $9x^2 - 24x + K = 0$ has equal roots
- (a) -16
 - (b) -15
 - (c) 0
 - (d) 16
179. Two number are in the ratio of 5:6. If 5 is subtracted from each of them their ratio becomes 4:5. Find the numbers
- (a) 25 and 30
 - (b) 15 and 18
 - (c) 60 and 72
 - (d) None of these
180. The equation of right bisector of line joining the points A (3, -4) and B (5, -6) is equal to
- (a) $2x - 2y - 9 = 0$
 - (b) $x + y + 1 = 0$
 - (c) $3x - 2y + 7 = 0$
 - (d) $x - 5y + 4 = 0$
181. The regression equation are $8x - 10y + 66 = 0$ and $40x - 18y = 214$ find the coefficient of correlation
- (a) $4/5$
 - (b) $-4/5$
 - (c) $3/5$
 - (d) -1
182. The mean weight of 150 students in a class is 60 kg. The mean weight of the boys is 70 kg, while that of girls is 55 kg find the number of boys and that of the girls in the class.
- (a) 50 boys and 100 girls
 - (b) 100 boys and 50 girls
 - (c) 75 boys and 75 girls
 - (d) None of these

183. Two cards are drawn from a well shuffled pack of playing cards. Find the probability that both are access.
- (a) 1:221
 - (b) 2:221
 - (c) 10:21
 - (d) None of these
184. A random sample was taken to estimate the mean annual income of 100 families and the mean and standard deviation were found to be Rs. 6300 and Rs. 9.5 respectively find standard error for 95% confidence level.
- (a) 2.25
 - (b) 1.50
 - (c) 2.15
 - (d) 1.862
185. If 10 coins are tossed 100 times, how many times would you expect 7 coins to fall head upward.
- (a) 14
 - (b) 12
 - (c) 13
 - (d) 11
186. Coefficient of variation of two series are 60% and 80% respectively. Their standard deviation are 20 and 16 respectively what are their A.M.
- (a) 15 and 20
 - (b) 33.3 and 20
 - (c) 33.3 and 15
 - (d) 12 and 16
187. The height of 8 boys in a class (in cumulative) are 135, 138, 160, 141, 155, 146, 158, 149 Find 61st percentile.
- (a) 139.81
 - (b) 151.91
 - (c) 153.98
 - (d) None of these
188. The roots of equation $9^{x+2} - 6.3^{x+1} + 1 = 0$ are
- (a) -2
 - (b) -2 and +2

- (c) -2 and $+3$
(d) $-2, 0$
189. How many diagonals can be drawn in a plane figure of 16 sides.
(a) 100
(b) 50
(c) 104
(d) 54
190. The sum of squares of first n natural numbers is equal to
(a) $\frac{n(n+1)}{2}$
(b) $\frac{n}{6}(n+1)(2n+1)$
(c) $\left[\frac{n}{6}(n+1)\right]^2$
(d) None of these
191. Find the gradient of curve $y = 3x^2 - 5x + 4$ at the point $(1, 2)$
(a) 1
(b) 3
(c) 4
(d) 5
192. "Is greater than" over the set of all natural number is known as
(a) Transitive
(b) Symmetric
(c) Reflexive
(d) Equivalence
193. Find the least value of n for which the sum $1+3+3^2+3^3$ _____ to n terms of greater than 7000.
(a) 8
(b) 9
(c) 7
(d) 15
194. The number of subsets of the set $\{1,2,3,4\}$ is
(a) 13

- (b) 12
- (c) 16
- (d) 15

195. $\int \sqrt{x^2 + a^2} \, dx$ is equal to

- (a) $\frac{x}{2} \sqrt{x^2 + a^2} + \frac{a^2}{2} \log \left| x^2 + \sqrt{x^2 + a^2} \right|$
- (b) $\frac{x}{2} \sqrt{x^2 - a^2} + \frac{a^2}{2} \log \left| x^2 - \sqrt{x^2 - a^2} \right|$
- (c) $\frac{x}{2} \sqrt{x^2 - a^2} - \frac{a^2}{2} \log \left| x^2 + \sqrt{x^2 + a^2} \right|$
- (d) None of these

196. If $c(n, 8) = c(n, 6)$, find $c(n, 2)$

- (a) 14
- (b) 91
- (c) 19
- (d) 41

197. An experiment succeeds twice as often as it fails. What is the probability that in next five trials there will be three success.

- (a) 192/243
- (b) 19/243
- (c) 80/243
- (d) 50/243

198. If $a:b = 4:5$, find the value of $(5a-3b):(6a + 3b)$

- (a) 7:39
- (b) 15:39
- (c) 1:3
- (d) 5:39

199. What is the modal value for the numbers 4, 3, 8, 15, 4, 3, 6, 3, 15, 3, 4.

- (a) 3
- (b) 4
- (c) 15
- (d) None of these

200. If $p^q = q^p$ then value of $\left(\frac{p}{q}\right)^{\frac{p}{q}} - p^{\frac{p-1}{q}}$ reduces to

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