CA - CPT – December 2013 Question Paper

1st session **Marks:** 100 Marks **Time:** 2 hrs.

Part A – Fundamentals of Accounting

1. Which of the following should be valued compulsory at the time of admission of a partner_____
a) Goodwill b) Plant & machinery
c) Land & Buildings d) Furniture & fillings

2. Which Accounts are used to prepare Bank Reconciliation statement?
a) Cash column & Bank statement
b) Bank column & Bank Statement
c) Cash column & Bank Balance
d) None of the above

3. The opening stock is overstated by Rs.10,000 and closing stock is understated by Rs.15,000. The impact on the net profit of the current year is
a) Rs.5,000 overstated
b) Rs.25,000 overstated
c) Rs. 5,000 understated
d) Rs.25,000 understated

4. If nothing is given in the financial statements about the three accounting assumptions then it is to be treated as it
a) Is assumed that it is not followed
b) Is assumed to be followed
c) Is assumed to be followed to some extent
d) None of the above

5. A & B have started a Joint Venture for purchase & Sale of garments. Initial capital contribution was Rs.25,000 & Rs.50,000. There is no written agreement about share of P & L among them. They purchased garments worth Rs.50,000 & sold for Rs.75,000, the profit to be shared among them is
a) Rs.8,333 & Rs.16,667
b) Rs.10,000 & Rs.15,000
c) Rs.12,500 & Rs.12,500
d) Rs.20,000 & Rs.5,000

6. Preference shares can be redeemed, unless they are
a) Partly paid b) Fully paid
c) Transferred d) Re-Issued

7. On 1st April, Mr.A sold goods of Rs.10,000 to B and drew a bill for 3 months. Mr. A discounted the bill with bank at 15%. Amount of discount will be?
a) Rs. 125 b) Rs.250 c) Rs.375 d) None

8. Underwriting commission will not be paid on shares taken by
a) Promoters b) Employees
c) Directors d) All of these

9. Renewal fee of patents is a ____expenditure.
a) Capital b) Revenue
c) Differed revenue d) Development

10. A & B are equal partners. They admitted 'C' for $\frac{1}{7}$th share. The new Ratio of A & B is
a) $\frac{4}{7}:\frac{1}{7}$ b) $\frac{3}{7}:\frac{3}{7}$
c) $\frac{6}{7}:\frac{1}{7}$ d) $\frac{1}{7}:\frac{4}{7}$

11. The proprietor of the business is treated as creditor for the capital introduced by him due to_____ concept.
a) Money measurement b) Cost
c) Entity d) Dual aspect

12. Where a machine produces products of uniform size, the method of depreciation to be applied _____
a) Machine Hour method
b) Annuity method
c) Sinking fund method
d) Production units

13. Debentures are shown under the heading____
a) Secured Loans b) Reserves & surplus
c) Capital Reserve d) Current liabilities

14. Fixed assets are held by business for _____
a) Converting into cash
b) Generating revenue
c) Resale
d) None of the above

15. Net realizable value is _____
a) Estimated selling price
b) Estimated cost price plus marketing cost
c) Estimated selling price less cost incurred in order to make sale
d) Estimated selling price plus cost incurred in order to make sale

16. In Joint Venture the minimum number of co-ventureres is :
a) 2 b) 5 c) 7 d) 4

17. Retirement of a Bill means
a) Discounting a Bill
b) Dishonour of a bill
c) Renewal of a bill
d) Payment made before due date

18. What are the options available to the holder of a bill in the bills of exchange (Besides retaining the bill, till the due date)?
a) Discount with bank
b) Sent to bank for collection
c) Endorse it to his creditor
d) All of these

19. A Bill is Discounted Rs.10,000. Where is it shown at the time of preparation of balance sheet?
a) Liability side of balance sheet
b) Assets side of balance sheet
c) Foot note to Balance sheet
d) Debit side of profit & loss A/c

20. Expenditure spend for Increasing the cinema hall seats is called_____
a) Capital expenditure
b) Revenue expenditure
c) Deferred revenue expenditure
d) None of the above

21. Which of the following is the meaning for the entry recorded in the machinery A/c?

Dr Machinery A/c Cr

Date	Particulars	Rs.	Date	Particulars	Rs.
			31-3-13	By P & L A/c	5000

a) Portion of sale of machinery transferred to Profit & Loss A/c
b) Machinery of Rs.5,000 sold
c) Machinery of Rs.5,000 purchased
d) Loss on sale of machinery transferred to P & L A/c

22. Which accounting concept specifies the practice of crediting closing stock to the trading account?
a) Cost b) Realisation
c) Going concern d) Matching

23. A LTD before commencing business, can it issue the shares at discount?
a) Possible
b) Not possible
c) Possible with the permission of stock exchange
d) Possible With the approval of shareholders and with the permission of Government.

24. In Balance sheet _____is not shown
a) Authorised Capital
b) Un-issued capital
c) Subscribed capital
d) Paid-up capital

25. Provision for depreciation A/c is created by debiting to
a) Machinery A/c
b) Profit & Loss A/c
c) Profit & Loss Appropriation A/c
d) None of these

26. Amount spent to increasing the earning capacity is a _____ expenditure
a) Capital b) Revenue
c) Deferred revenue d) Capital Loss

27. Which of the following is true?
a) Co-venturers always share profits equally
b) Number of Co-venturers can never be more than two
c) Relation between co-Venturers is principal and Agent
d) Co-ventures may provide funds

28. Change in the capital A/c of proprietor may occur due to _____
a) Profit earned b) Loss incurred
c) Capital Introduced d) All of the above

29. If the goods sent on approval, two vehicles of Rs.55,000 each, are recorded as Rs.75,000 each, then the cost of goods lying with customers is
a) Rs.1,10,000 b) Rs.55,000
c) Rs.75,000 d) Rs.1,50,000

30. Which of the following is not correct for debentures Issue?
a) They can be issued for cash
b) They can be issued for consideration other than cash
c) A company can buy its own debentures
d) Can be issued in lieu of dividend

31. Goods purchased costing Rs.60,000 and cash paid Rs.45,000 after receipt of a cash discount Rs.9,000. What is the percentage of trade discount got___
a) 15 % b) 10% c) 7½% d) 25%

32. _____ is prepared to ascertain the arithmetical accuracy of posting & balancing of accounts.
a) Cash book
b) Journal
c) Trial Balance
d) Bank Reconciliation statement

33. If depreciation is charged at a fixed rate, then depreciation in SLM method, when compared to WDV is
a) Equal in the first year & Less in subsequent years
b) Less in the first year & More in subsequent years
c) Equal in the first year & More in subsequent years
d) More in the first year & Less in subsequent years

34. Consistency with reference to application of accounting procedures means
a) All companies in the same Industry should use identical accounting procedures
b) Income & assets have not been overstated
c) Accounting methods & procedures shall be followed uniform basis year after year
d) Any accounting method can be followed as per convenience

35. The manager earned a commission of Rs.25,000, which is based on 10% of Net Profit. If sales is Rs.3,50,000 is more than purchases. No opening & closing stock. Find Direct & Indirect expenses?
a) Rs.75,000 b) Rs.1,00,000
c) Rs.2,50,000 d) Not attainable

36. Which is not a feature of company
a) Separate legal entity
b) Perpetual existence
c) Incorporated Association
d) No separation between management & Ownership

37. Delcredere commission 10% is to be calculated on Rs.1,00,000 of cash sales and on Rs.50,000 of credit sales, then the commission will be
a) Rs.10,000 b) Rs.15,000
c) Rs.5,000 d) None of the above

38. For a depreciable asset, obsolescence is due to
a) Passage of time
b) Wear & Tear
c) Technological Changes
d) None of the above

39. Salaries paid Rs.4,500 is shown on credit side of Trail Balance. The Debit side of Trial Balance will be _____
a) Short by Rs.4,500
b) Excess by Rs.4,500
c) Short by Rs.9,000
d) Excess by Rs.9,000

40. The value of inventory as on Apr.04 is Rs.1,60,000. The following transactions takes place during Apl.01 to Apl.04. The value of stock sold is Rs.40,000. The mode of sale is as follows:-

i) The damaged goods are sold for Rs.15,000, Sold at 25% below cost.

ii) The remaining goods are sold at cost plus 25%.

The value of stock as on 31st March is (Damaged goods valued at NRV) _____
a) Rs.2,00,000 b) Rs.1,95,000
c) Rs.2,05,000 d) None of the above

41. An Asset purchased for Rs.60,000 and paid Rs.10,000 and remaining amount is payable in installments. This effect leads to _____
a) Both assets & Liabilities increased by Rs.50,000
b) Both assets & Liabilities Decreased by Rs.50,000
c) Assets Increased by Rs.10,000 & Liabilities Decreased by Rs.10,000
d) Assets Increased by Rs.50,000 & Liabilities Decreased by Rs.50,000

42. A company issued shares for 5,000 but applications are received for 7,500 shares. Mr. X applied for 600 shares. How many shares he will get & how much amount is transferred to allotment money, where application money is Rs.3 per share?
a) 400 shares & Rs.600 b) 600 shares & Rs.600
c) 500 shares & Rs.300 d) None of the above

43. On 31-03-13 balance of Cash book is Rs.7,074 (Credit), balance as per bank statement is Rs.3,159 (Debit). On scrutiny it was found that, it was due to cheques issued but not yet presented.
Bank balance on 31-03-13 to be shown in Balance sheet is _____
a) Bank O.D. Rs.3,159
b) Cash at Bank Rs.7,074
c) Bank O.D. Rs.7,074
d) Cash at Bank Rs.3,159

44. Karthik and Dhoni entered into Joint venture, sharing profits & Losses in the Ratio of 2:1. Karthik purchased goods Rs.2,00,000 and entitled to 1% commission on purchases. Dhoni sold goods for Rs.2,50,000 and entitled to get a commission 5% on sales. The profit on venture will be _____
a) Rs.35,500 b) Rs.34,000
c) Rs.36,000 d) Rs.38,000

45. _____method is used when repairs and Maintenance goes on increase.
a) SLM method
b) WDV method
c) Machine hours method
d) Production units method

46. Wages paid Rs.2,500 for Installation of new machinery wrongly debited to wages A/c instead of machinery A/c. It is an error of
a) Omission b) Commission
c) Principle d) Clerical errors

47. Which of the following are current assets?
1) Accounts receivable
2) Salaries paid-in-advance
3) Bank Loan for 3 years
4) Preliminary expenses
a) 1 & 2 b) 2 & 3
c) 3 & 4 d) All of the above

48. Overriding commission is a commission, that is____
a) Calculated on gross sales
b) Calculated on credit sales
c) Allowed for selling goods above invoice price
d) None of the above

49. On 31-3-13, prepaid expenses A/c (2012-13) shows a closing balance of Rs.5,000. It means
a) Expenses transferred from previous years for Accounting in current year
b) Expenses transferred to next year for Accounting in that year only
c) Expenses transferred to next year for accounting in that (or) future year
d) Expenses to be transferred to P & L A/c of current year.

50. Petty cash book is used to record ____
a) Expenses for postage and conveyance
b) Purchase of Raw material
c) Paid salaries
d) None of the above

51. Ram Ltd. has issued 15% Debentures of Rs.20,00,000 at a Discount of 10% on April, 2012. The company pays interest half yearly on June 30th & Dec 31st every year. On March 31st, 2013. The amount shown as interest accrued is _____
a) Rs.2,25,000 b) Rs.75,000
c) Rs.3,00,000 d) Rs.1,50,000

52. In Profit & Loss a/c, Selling & Distribution expenses does not include_____
a) Commission on sale
b) Packing expenses c) Legal expenses
d) Advertisement expenses

53. The credit balance as per pass book of 'X' was Rs.65,000. Cheques issued but not paid Rs.75,800.
Cheques deposited by one of the customers of bank but wrongly credited in 'X' A/c Rs.20,600. The balance as per cash book is _____
a) Rs.31.400 Debit b) Rs.31,400 Overdraft
c) Rs.1,20,000 Debit d) Rs. 10,400 Overdraft

54. Rectification of errors are first entered in:
a) Journal proper b) Subsidiary books
c) Trial balance d) Ledger

55. Which of the following are not miscellaneous expenses?
a) Preliminary expenses
b) Amount spent for research & development
c) Brokerage on Issue of shares & Debentures
d) Goodwill yet to be written off.

56. Uma, being a holder of 1000 shares of Rs.20 each issued at a discount of 10% per share. She did not pay the allotment money of Rs.4 per share and first call of Rs.8 per share. At the time of forfeiture, the discount on the shares must be_____
a) Credited Rs.2,000 b) Debited Rs.2,000
c) Credited Rs.1,000 d) None of these

57. C & D are the partners of a firm, who share profits & losses in the ratio of 5:3. D is entitled to get 5% commission. The net profit of the year is Rs.33,600 before charging such commission. Find the share of the profits of C & D.
a) C → 20,000 & D → 12,000
b) C → 19,950 & D → 11,970
c) C → 21,000 & D → 12,600
d) C → 21,600 & D → 12,000

58. Which of the following is false?
a) Assets can be arranged in the order of their liquidity.
b) Balance sheet can be prepared vertically
c) Intangible asset is not an asset
d) None of these

59. In which method, Joint life policy premium paid is treated as an expense and not as an asset?
a) Ordinary expense method
b) Surrender value method
c) Joint life policy reserve method
d) None of the above.

60.

PART B – MERCANTILE LAWS

61. In case of unenforceable contract with some technical defect, then the parties _____
a) Can sue
b) Cannot sue
c) Should be considered as illegal
d) None of the above

62. Contracts are also known as Contracts with executed consideration
a) Unilateral b) Completed
c) Bilateral c) Executory

63. An Advertisement for sale of an old Flat which is published in leading newspaper. This kind of offer is _____
a) Specific Offer b) Continuing Offer
c) Open Offer d) General Offer

64. There is no binding contract in case of _____ as one's offer cannot be construed as acceptance by the other.
a) Cross Offer b) Standing Offer
c) Counter Offer d) Special Offer

65. A offers B to supply Books at Rs.100 each Book. B accepts the same with condition of 10% discount. It is _____
a) Counter Offer b) Cross Offer
c) Specific Offer d) General Offer

66. In case of counter offer is made, the original offer stands _____
a) Rejected b) Accepted Automatically
c) Accepted with modifications and variations
d) None

67. Which of the following is not an exception to the rule "No Consideration, No Contract"?
a) Love & affection
b) Compensation for past Voluntary services
c) Contract of agency d) None of the above

68. G paid Rs.1,00,000 to H to influence the head of the Government Organisation in order to provide him some employment. On his failure to provide the job, G sued H for recovery of the amount. Which of the following is correct?
a) G can recover the amount of Rs.10,000.

b) G can recover the amount of Rs.10,000 with interest. c) G can file a suit.
d) G cannot recover the amount.

69. A stronger party is able to dominate the will of the weaker party, then it is known as _____
a) Undue influence b) Coercion
c) Mistake d) All of the above

70. Karthik is the coach of Sachin a minor, who joined for Hockey coaching. The Fees is 10,000. The Contract is _____
a) Void Agreement
b) Contingent Contract
c) Quasi Contract d) Wagering Agreement

71. _____is a game of chance.
a) Conditional Contract
b) Contingent Contract
c) Wagering Agreement d) Quasi Contract

72. A, B, C are partners. They promised to give 60,000 to D. If C dies, who will Perform the Contract?
a) A, B b) A, B and C's legal representatives
c) A, B do not perform
d) None of the above

73. A contract entered between promisor and promisee becomes impossible to perform due to destruction of subject matter. In this case
a) Promisee is entitled for compensation
b) Contract continues to be valid
c) Contract becomes void
d) None of the above

74. X & Y entered into an agreement to buy an imported car for Rs.30,000. Later on they cancelled the agreement. This is known as
a) Rescission b) Remission
c) Alteration d) Novation

75. A holds a house on lease. After that he buys the house and became owner. The contract is discharged by _____
a) Rescission b) Merger
c) Waiver d) Remission

76. Which of the following Damages are punishment in nature?
a) Vindictive Damages b) Nominal Damages
c) Special Damages d) Ordinary Damages

77. Under Indian partnership act 1932, the Partnership can be formed between _____
a) One Indian & Two Foreigners
b) One major person and one unsound mind person
c) Convicts undergoing Imprisonment
d) None of the above

78. The Mode of determining the existence of partnership is ___
a) Real relation between them
b) Sharing of profits
c) Business is to carried on by all (or) any of them acting for all. d) All of the above

79. Each partner in a firm is in the position of _____
a) Only agent b) Only principal
c) Agent as well as principal
d) Neither agent nor principal

80. Which of the following is a form in which all the partners are signed?
a) Pronote b) Partnership Deed
c) MOA d) None

81. The Un-registered firm does not have a _____
a) Right to file a suit on third party
b) Right to acquire property
c) Right to Transfer property
d) All of the above

82. Dormant partner is also known as _____
a) Sleeping Partner b) Active partner
c) Nominal Partner d) Sub – Partner

83. In which of the following, the partnership duration is not fixed?
a) Particular Partnership
b) Partnership at will
c) Fixed term partnership d) None of these

84. Robert is a sleeping partner in a firm. He detected a wrong in the accounts of the firm. So he wants to check the complete accounts of the firm. But the other partners objected it. Can the objection made by the other partners is correct or not?
a) Void, their objection is wrong.
b) Valid, they can object.
c) Valid, they have the right not to give the accounts to the sleeping partner.
d) None of the above

85. The status of a partner making advances to the firm in addition to his capital, then he is _____
a) A Partner of the firm
b) Employee of the Firm
c) Creditor of the firm d) All of the above

86. As per the agreement, profits should be shared equally but loss shall be borne by one partner. Then the partnership agreement is
a) Lawful b) Illegal c) Void d) Voidable

87. Which of the following is with in the scope of implied authority of a partner in a partnership firm?
a) Enter into partnership on behalf of the firm.
b) Admit any liability in a suit or proceeding against the firm;
c) Acquire immovable property on behalf of the firm d) Purchasing & selling goods, in which the firm deals.

88. The liability of newly admitted partner arise from ____
a) The Date of his admission
b) As per agreement
c) For the pre-existing debts of the firm
d) All of the above

89. For Dissolution of a firm, partners may apply to the court on the ground of _____
a) Insanity of partner
b) Misconduct of Partner
c) Perpetual Losses in Business
d) All of the above

90. The mode of dissolution of firm under Indian partnership Act 1932 is_____
a) Illustrative b) Inclusive
c) Exhaustive d) None of the above

91. Under the sale of goods act 1930, the seller in a contract of sale transfers the in goods to the buyer for a price.
a) Possession b) Control
c) Rights d) Property

92. If the goods completely perish before contract of sale, the contract becomes.
a) Valid b) Void
c) Voidable d) Unenforceable

93. A stipulation in a contract of sale with reference to the goods which may be ____
a) Fair price b) Lawful price
c) Condition (or) warranty d) Delivery

94. Conditions which are presumed by law to be present in a contract are _____
a) Express Conditions b) Implied Conditions
c) Qualified Conditions
d) Unqualified Conditions

95. When a person sells the goods by infringing the copyright or trademark of the others, there is breach of an implied _____
a) Condition as to title
b) Condition as to description
c) Condition as to merchantability
d) None of these

96. The Doctrine of Caveat Emptor applies to the sale where _____
a) The Buyer Expressly informed the seller the particular purpose for which the goods are being bought
b) Sale under a Patent or Trade Name
c) When the good is of merchantable quality and the buyer has examined the good.
d) None of the above

97. The Goods are damaged after Sale. The Risk is to be borne by _____
a) Buyer only b) Seller only
c) Both (a) & (b) d) None of the above

98. Q sells 100 tones of rice to P at Rs.50,000 per tone. P makes the full payment and says that he will take the goods on next week. Before P could take the goods, the goods are destroyed. The loss will be borne by _____
a) P b) Q c) Both P & Q equally d) None

99. Seller sends the goods to the buyer at larger (or) smaller quantity than ordered quantity. The option to the buyer is _____
a) Reject the whole quantity
b) Accepts the whole quantity
c) Accept (or) Reject the whole quantity
d) All of the above

100. Right of general lien cannot be exercised by ___
a) Factor b) Banker
c) Auctioneer d) All of these

Key - Part A **– FUNDAMENTALS OF ACCOUNTING**

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

Part B **– MERCANTILE LAWS**

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

THE END

2nd session **Marks:** 100 Marks **Time:** 2 hrs.

1. What does "Price mechanism" exists.
a) Capitalist economy
b) Socialist economy
c) Both type of economies
d) None of the above

2. Socialist economy is also known as economy
a) Mixed b) Planned
c) Capitalist d) None of the above

3. In a perfectly competitive markets , if MR is greater than MC then a firm should
a) Increase its production
b) Decrease its production
c) Increase in sales
d) Decrease in sales

4. When total utility is increases at a diminishing rate, then marginal utility is _____
a) Diminishing b) Zero
c) Maximum d) one

5. The cross elasticity of demand between two perfect substitutes will be
a) Zero b) Infinity
c) Very high d) Very low

6. The shape of IC for complementary goods is
a) Straight line b) L- Shaped
c) Convex to the origin d) Circular

7. Kinked demand curve is related to
a) Oligopoly b) Monopsony
c) Monopoly
d) Monopolistic competition

8. In long-run a monopolist always earn profits
a) Normal b) Abnormal
c) Zero profit d) Loss

9. The concept 'Returns to scale' is related with _
a) Very short period b) Short period
c) Long period d) None of the above

10. A Higher IC shows _____
a) A Higher level of satisfaction
b) A Higher level of Income
c) A Higher level of production
d) None of the above

11. Positive science only explains _____
a) What it is?
b) What ought to be?
c) What is right or wrong?
d) None of the above

12. In a Cobb – Douglas production function, two inputs are ____
a) Land and Labour
b) Capital and Labour
c) Capital and Entrepreneur
d) Entrepreneur and land

13. From which of the following the concept of consumer's surplus has been derived
a) Law of diminishing marginal utility
b) Law of demand
c) Law of supply
d) Indifference curve analysis

14. The Price line / Budget line of a consumer is
a) Parallel to x-axis
b) Parallel to Y- axis
c) Straight line joining two axis
d) None of the above

15. The Demand for factors of production is ___ Demand
a) Fundamental b) Derived
c) Market d) Joint

16. Production function is
a) Purely technical relationship between input & output
b) Purely economic relationship between input & out put
c) Both (a) & (b)
d) None of these

17. Which statement among below is correct in reference to AFC?
a) Never becomes zero
b) Curve never touch x-axis
c) Curve never touch y-axis
d) All of these

18. Innovation theory of entrepreneur is propounded by
a) Prof knight b) Schumpeter
c) Max weber d) Peter Ducker

19. If a seller obtains Rs.3,000 after selling 50 units and Rs.3,100 after selling 52 units then MR will be
a) 59.62 b) 50.00 c) 60.00 d) 59.80

20. The Price of a tiffin box is Rs. 100 per unit and the quantity demanded in a market is 1,25,000 units . Company increased the price to Rs.125 per unit due to this increase in price quantity demanded decreases to 1,00,000 units. what will be price elasticity of demand _____
a) 1.25 b) 0.80 c) 1.00 d) None

21. Economics which is concerned with welfare propositions is called.
a) Socialistic economics
b) Capitalistic economics
c) Positive economics
d) Normative economics

22. Under which of the following forms of market structure does a firm has very considerable control over the price of its product?
a) Monopoly
b) Perfect competition
c) Monopolistic competition
d) Oligopoly

23. The price of a commodity decreases from 10 to 8 and the quantity demanded of it increases from 25 to 30 units .Then the coefficient of price elasticity will be
a) 1 b) -1 c) 1.5 d) -1.5

24. In which among the following systems the "Right to property" exists
a) Mixed b) Capitalist
c) Socialist d) Traditional

25. Objectives of price discrimination in international market is
a) To capture foreign markets
b) To dispose of surplus stock
c) To earn maximum profit
d) All of the above

26. What is the elasticity between midpoint & upper extreme point of a straight line continuous demand curve?
a) Infinite b) Zero c) >1 d) <1

27. Who is responsible for collecting & presenting statistics in India
a) ISI b) CSO c) ICAER d) NCERT

28. Value added method is used to measure
a) National Income b) Domestic Income
c) Gross Income d) Personal Income

29. Bad and doubtful debts of scheduled commercial banks are known as___
a) Non-performing Assets
b) Withdrawals of assets
c) Non-recoverable Assets
d) None of the above

30. Direct taxes are___ in nature
a) Progressive b) Regressive
c) Proportionate d) Digressive

31. The portion of total deposits which a commercial bank has to keep with itself in liquid assets is known as__
a) CRR b) SLR
c) Repo Rate d) Reverse Repo Rate

32. Under strategic sale method disinvestment price is fixed on___
a) Prevailing price b) Estimated rate
c) Pre-determined rate d) Market based rate

33. Land development bank provide loans for a period of_____
a) One year b) Two to five years
c) Five to seven years
d) Fifteen to twenty years

34. Censes of population is done in India at an interval of ___
a) 5 years b) 10 years
c) 15 years d) None of the above

35. Which of the following is the largest contribution of GDP in India.
a) Agriculture b) Tourism
c) Industries d) Service

36. Which index is used to measure inequality of income and wealth?
a) Gini index b) Price index
c) Both (a) & (b) d) None of the above

37. Which of the following is not controlled by RBI
a) Cash deposit ratio b) Cash reserve ratio
c) SLR d) SCR

38. Which of the following is not a component of demand pull inflation
a) An increase in the government expenditure with no change in tax rate
b) A downward shift of saving function
c) A rise in money wage rate
d) An upward shift of investment function

39. National Income differs from Net National Product at market price by the amount of
a) Net indirect taxes
b) National debt interest
c) Subsidies
d) Current transfers from the rest of the world

40. The production method of calculating national income is also known as ____
a) Value added method
b) Income method
c) Expenditure method
d) None of the above

41. Which of the following type land tenure system were prevailed in India at the time independence?
a) Zamindari System b) Mahalwari System
c) Ryotwari System d) All of the above

42. Fiscal deficit can be reduced by__
a) Increasing subsidy
b) Restrict privatization
c) Reprioritize planning scheme
d) Reduction of tax revenue

43. The rate at which discounting of bills of first class is done by RBI is called
a) Repo rate b) Bank rate
c) Prime lending rate d) None of the above

44. Convertibility of rupee means ___
a) Determine its own exchange rate in international market
b) Conversion of rupee into various Foreign currencies
c) Transfer of funds in international market
d) None of the above

45. Globalization means_____
a) Creation of global trading blocks
b) Dismantling trade barriers
c) Introducing single currency in the world
d) None of the above

46. Which of the following is a qualitative method of credit control?
a) Bank rate b) Open market operations
c) Variation in the reserve requirement
d) Regulation of consumer credit

47. When price rise because of growing factor prices then that inflation is called as
a) Deflation b) Demand full inflation
c) Stagflation d) Cost push inflation

48. Fiscal policy means
a) Policy related to money matter
b) Policy related to income and expenditure of the government
c) Policy related to disbursement of funds to state government
d) Policy related to foreign trade matters

49. The term disinvestment is more popularly used
a) Where a holding company sells shares of a subsidiary company
b) Where a investment company off loads its holding
c) Where central / State government sells its holding of public sector companies
d) None of the above

50. One major proposal of new industrial policy (1991) was
a) Impose restriction on technical know-how for one year
b) All types of industries have been made licensed
c) NRI'S will not be allowed for capital investment in India
d) Facility of direct foreign investment up to 51% in high priority industries

PART B - QUANTITATIVE APTITUDE

51. Find value of $\left[\log_y x \log_z y . \log_x z\right]^3 =$

a) 0 b) -1 c) 1 d) 3

52. Find the value of $\text{Log}_4 9 . \text{Log}_3 2 =$

a) 3 b) 9 c) 2 d) 1

53. If $\sqrt[3]{a}+\sqrt[3]{b}+\sqrt[3]{c}=0$ then find the value of $\left[\frac{a+b+c}{3}\right]^3 =$

a) 9abc b) $\frac{1}{9abc}$ c) abc d) $\frac{1}{abc}$

54. Of the 200 candidates who were interviewed for a position at call center, 100 had a two wheeler, 70 had a credit card and 140 had a mobile phone. 40 of them had both a two wheeler and a credit card, 30 had both a credit card and mobile phone, 60 had both a two wheeler and a mobile phone and 10 had all the three. How many candidates had none of them?

a) 0 b) 20 c) 10 d) 18

55. If $f(x) = \frac{x^2 - 25}{x - 5}$ then f(5) =

a) 0 b) 1 c) 10 d) Un defined

56. $f(x) = (a x^n)^{\frac{1}{n}}$,a>0 and n is positive integer then f[f(x)] =

a) x b) a c) $x^{1/n}$ d) $a^{1/n}$

57. An AP has 13 terms whose sum is 143. The third term is 5, then first term is

a) 4 b) 7 c) 9 d) 2

58. The solution of the inequality $8x+6<12x+14$ is

61. If b^2 - 4ac is a perfect square but not equal to zero then the roots of the equation $ax^2 + bx + c = 0$ are

a) Real and equal
b) Real, irrational and equal
c) Real, rational and unequal
d) Imaginary

62. $\underset{x \to 2}{\text{Lt}} \frac{x^2 - ax + x - a}{x - 2} = \ell$ which of the following is true

a) a = 1, $\ell = 2$ b) a = 2, $\ell = 3$
c) a = -2, $\ell = -1$ d) a =-2, $\ell = 3$

63. $\underset{x \to 0}{\text{Lt}} \frac{1}{x} =$

a) 0 b) ∞
c) - ∞ d) does not exist

64. The points on the curve $y=x^3 - x^2 - x+1$. Where the tangent is parallel to x-axis are

a) (1,0) $\left(\frac{-1}{3}, \frac{32}{27}\right)$ b) (1,0) (1,1)

c) $\left(\frac{1}{3}, \frac{21}{37}\right)$ (0,0) d) (0,0) (1,0)

65. Divide 80 into two parts so that their products is maximum, then the numbers are

a) 15,65 b) 25,55 c) 35,45 d) 40,40

66. A seller makes an offer of selling certain articles that can be described by the equation x=25-2y where x is price per unit and y denotes the no. of units. The cost price of the article is Rs.10 per unit. The maximum quantity that can be offered in a single deal to avoid loss is

a) 6 b) 7 c) 8 d) 9

67. $\int a^{2x} dx =$

a) $a^{2x} \log a$ b) $\frac{2.a^{2x}}{}$

a) (-2,2) b) (-2,0) c) (2, 〈) d) (-2, 〈)

59. If kx-4 = (k-1)x which of the following is true

a) x = -5 b) x = -4 c) x = -3 d) x = 4

60. If the equations kx + 2y = 5 , 3x + y = 1 has no solution then the value of k is

a) 5 b) 2/3 c) 6 d) 3/2

2 loga

a^{2x}

c) d) None

2loga

68. How many different words can be formed with the letters of the word "LIBERTY"

a) 4050 b) 5040 c) 5400 d) 4500

69. In how many ways can a family consist of 3 children have different birthdays in a leap year

a) 366 x 365 x 364 b) 366_{C_3}

c) 365_{C_3} d) 366_{C_3} □ 3

70. If $15_{C_{3r}} = 15_{C_{r+3}}$ then r =

a) 2 b) 3 c) 4 d) 5

71. The ratio of numbers is 1:2:3 and sum of their squares is 504 then the numbers are

a) 6,12,18 b) 3,6,9
c) 4,8,12 d) 5,10,15

72. In what time will a sum of money double itself at 6.25% p.a simple interest

a) 5 Yrs b) 8 Yrs c) 12yrs d) 16Yrs

73. The difference between and C.I & S.I at 7% p.a for 2 years is Rs. 29.4. then principal is

a) Rs.5,000 b) Rs.5,500
c) Rs.6,000 d) Rs.6,500

74. What principle will amount to Rs.370 in 6 years at 8% p.a at simple interest

a) Rs.210 b) Rs.250 c) Rs.310 d) Rs.350

75. G.M of a, b, c, d is 3 then G.M of $\frac{1}{a}, \frac{1}{b}, \frac{1}{c}, \frac{1}{d}$ is:

a) $\frac{1}{3}$ b) 3 c) $\frac{1}{81}$ d) 81

76. The pair of averages whose value can be determined graphically?

a) Mean & Median b) Mode & Mean
c) Mode & Median d) None of the above

77. In normal distribution mean ,median and mode are

a) Equal b) Not equal
c) Zero d) None of the above

78. If Arithmetic Mean = $\frac{8+4}{2}$, then Variance is :

a) 2 b) 6 c) 1 d) 4

79. Coefficient of mean deviation about mean for the first 9 natural numbers is :

a) $\frac{200}{}$ b) 80 c) $\frac{}{9}$

80. Mean =5, S.D = 2.6, Median = 5, Q.D = 1.5 then Coefficient of Q.D is :

a) 35 b) 39 c) 30 d) 32

81. The difference between maximum and minimum value of the data is known as :

a) Range b) Size
c) Width d) Class

82. Price and Demand is example for :

a) No correlation
b) Positive correlation
c) Negative correlation
d) None of these

83. Determine the coefficient of correlation between x and y series

	X – Series	Y – Series
Number of items	15	15
Arithmetic mean	25	18
Sum of Square of deviation of mean	136	138

Sum of product deviation of x and y series from mean = 122

a) -0.89 b) 0.89 c) 0.69 d) -0.69

84. If r = + 1 or - 1 then the two regression line

a) Have 30^0 angle between them
b) Have 45^0 angle between them
c) Coincide
d) Perpendicular to each other

85. If mean of X and Y variables is 20 and 40 respectively and the regression coefficient Y on X is 1.608 then the regression line of Y on X is :

a) Y = 1.608 X + 7.84 b) Y = 1.56 X + 4.84
c) Y = 1.608 X + 4.84 d) Y = 1.56 X + 7.84

86. What is the formula for calculating the deflated index :

a) $\frac{\text{CurrentValue}}{\text{PriceIndexof currentyear}} \times 100$

b) $\frac{\text{Current Value}}{\text{PriceIndex of LastYear}} \times 100$

c) $\frac{\text{Current Value}}{\text{PriceIndex of currentyear}}$

d) $\frac{\text{Current Value}}{400}$ d) 50^9PriceIndex of Lastyear

87. The index number for the year 2012 taking 2011 as base using simple average of price relatives method from the data given below is:

Commodity	A	B	C	D	E
Price in 2011	115	108	95	80	90
Price in 2012	125	117	108	95	95

a) 112 b) 117 c) 120 d) 111

88. An index time series is a list of numbers for two or more periods of time.
a) Index b) absolute
c) Relative d) None

89. The difference between upper limit and lower limit of a class is called:
a) Class Interval b) Class boundaries
c) Mid - value d) Frequency

90. If the class intervals are
10 -14, 15 -19, 20 -24,...
Then the first class boundaries are :
a) 9.5 – 14.5 b) 10 – 15
c) 9 – 15 d) 10.5 – 15.5

91. If P (A) = 0.45, P (B) = 0.35, P (A and B) = 0.25 then $P(A/B) =$
a) 1.4 b) 1.8 c) 0.714 d) 0.556

92. Two coins are tossed simultaneously then the probability of getting exactly one head is
a) $\frac{3}{4}$ b) $\frac{2}{3}$ c) $\frac{1}{4}$ d) $\frac{1}{2}$

93. The probability that a cricket team winning a match at Kanpur is 2/5 and loosing a match at Delhi is 1/7. What is the probability of the team winning at least one match?
a) $\frac{3}{35}$ b) $\frac{32}{35}$ c) $\frac{18}{35}$ d) $\frac{17}{35}$

94. Find the expected value of the following probability distribution

X	-20	-10	30	75	80
P (x)	3/20	1/5	1/2	1/10	1/20

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

95. In a certain poisson frequency distribution, the probability corresponding to two successes is half of the probability corresponding to three successes. The mean of the distribution is
a) 6 b) 12 c) 3 d) 2.95

96. If the points of inflexion of a normal curve are 6 and 14 then standard deviation is
a) 4 b) 8 c) 16 d) 32

97. There are 75 students in a class and their average marks is 50 and S.D of marks is 5. Number of students who have secured more than 60 marks (Given that area under the normal curve for z = 2 is 0.4772) is _____
a) 1 b) 2 c) 3 d) 4

98. Which of the following is non-probability sampling?
a) Systematic sampling
b) Quota sampling
c) Cluster sampling
d) Stratified sampling

99. Sample in which the number of units is less than _____is called a small sample
a) 100 b) 75 c) 50 d) 30

100. Standard deviation of a sampling distribution is known as:
a) Standard Error b) Sampling Error c) Probable Error d) Mean Deviation

Key - Part A – GENERAL ECONOMICS

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

Part B – QUANTITATIVE APTITUDE

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

THE END