



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
COMMON PROFICIENCY TEST

Model Test Paper – BOS/CPT-9 / 2007

Time : 4 hours

Maximum Marks : 200

The test is divided into four sections.

SECTION – A : FUNDAMENTALS OF ACCOUNTING (60 MARKS)

PART-I

1. Rs. 1500 spent on repairs before using a second hand car purchased recently is a
 - (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Deferred revenue expenditure
 - (d) None of the three.
2. Commission received in advance is a
 - (a) Personal account
 - (b) Nominal account
 - (c) Real account
 - (d) None of the three.
3. All of the following have debit balance except
 - (a) 6% debentures
 - (b) Loan to contractor
 - (c) Interest on debentures
 - (d) Audit Fees

4. Double column cash book records
 - (a) Only cash transactions
 - (b) All transactions
 - (c) Cash and bank transactions
 - (d) Cash purchase and cash sale transactions
5. A bill has been drawn on August 10, 2006 payable after 3 months. The due date of the bill will be
 - (a) Nov. 13
 - (b) Nov. 10
 - (c) Oct. 31
 - (d) None of the above
6. Salary and wages is debited to
 - (a) Trading Account
 - (b) Profit and Loss Account
 - (c) P/L Appropriation account
 - (d) Balance Sheet
7. In a sole trade, income tax is recorded as
 - (a) Drawings
 - (b) Liabilities
 - (c) Expenses
 - (d) None of the three
8. Journal proper records
 - (a) Credit purchases
 - (b) Credit sales
 - (c) Purchase of an asset on credit
 - (d) Sales return
9. If the date of maturity of a bill is a public holiday, then bill will mature on
 - (a) Next working day
 - (b) Preceding working day
 - (c) Holiday itself
 - (d) Other agreed date
10. In case of consignment, abnormal loss is valued at
 - (a) Cost price

- (b) Invoice price
- (c) Market price
- (d) None of the three.

PART-II

11. Capital expenditures are recorded in the
 - (a) Profit and loss account
 - (b) Balance sheet
 - (c) Trading account
 - (d) Manufacturing account
12. Account payable normally has balance
 - (a) Debit
 - (b) Credit
 - (c) Unfavourable
 - (d) None of the three
13. Trial balance is a statement which shows the _____ or the _____ of all the accounts
 - (a) Balances; Total and balances.
 - (b) Opening Balances; Closing balances
 - (c) Posted balances; Total of balances
 - (d) Debt balance; Credit balance
14. Consignment account is
 - (a) Personal account
 - (b) Real account
 - (c) Nominal account
 - (d) None of the three
15. When money is withdrawn from the bank, the bank _____ the account of the customer.
 - (a) Credits
 - (b) Debits
 - (c) Either (a) or (b)
 - (d) None of the three
16. Abnormal loss on consignment is credited to _____
 - (a) Profit and loss account
 - (b) Consignees' account

- (c) Consignment account
 - (d) None of the three
17. Land and building is a
- (a) Current asset
 - (b) Fixed asset
 - (c) Fictitious asset
 - (d) None of the three.
18. Drawings are deducted from
- (a) Sales
 - (b) Purchases
 - (c) Expenses
 - (d) Capital
19. Closing stock of Rs. 19,000 in trial balance will be recorded in
- (a) Trading account
 - (b) Profit and Loss account
 - (c) Balance sheet
 - (d) None of the above.
20. The amount of calls in arrear is deducted from _____ to arrive at _____
- (a) Issued capital; called up capital
 - (b) Called up capital; issued capital
 - (c) Paid up capital; called up capital
 - (d) Called up capital; paid up capital

PART - III

21. Sometimes directors pay dividend even before the year is closed and the payment is out of current year's profit. It is usually given on the debit side of trial balance and because it is an appropriation of profits, it is recorded on the debit side of profit and loss appropriation account. It is called -
- (a) Interim dividend
 - (b) Final dividend
 - (c) Unclaimed dividend
 - (d) Proposed dividend.
22. X Ltd. purchased equipment from Y Ltd. for Rs. 50,000 on 1st April 2005 the freight and cartage of Rs. 2,000 is spent to bring the asset to the factory and Rs. 3,000 is incurred on installing the equipment to make it possible for the intended use. The market price of

machinery on 1st April, 2006 is Rs. 60,000 and the accountant of the company wants to disclose the machinery at Rs. 60,000 in financial statements. However, the auditor emphasizes that the machinery should be valued at Rs. 55,000

- (a) Money measurement principle
- (b) Historical cost concept
- (c) Full disclosure principle
- (d) Revenue recognition

PART-IV

23. A started business with Rs. 10,000 cash. Sales amounted to Rs. 50,000 including Rs. 5,000 cash sale. Rs. 10,000 sales were outstanding at the end of the year. Purchases amounted to Rs. 30,000 including Rs.10,000 cash purchase Rs. 15,000 has been paid to creditors. Salaries paid amounted to Rs. 3,000, Rent Rs. 2,400, Stationery Rs. 900. Drawings were 4,000. Miscellaneous expenses Rs. 1,000 and machines purchased Rs. 8,000. Cash balance will be

- (a) Rs.15,000
- (b) Rs15,500
- (c) Rs.15,700
- (d) None of the three

24. If sales revenue is Rs. 5,00,000, cost of goods sold is Rs.3,10,000. The gross profit is

- (a) Rs. 1,90,000
- (b) Rs. 2,00,000
- (c) Rs. 3,10,000
- (d) None of the three

25. Received a bill from Arun Rs. 5000 passed through bills payable book. The rectification entry will be

- | | | | | |
|-----|------------|-----|------|-------|
| (a) | B/R A/c | Dr. | 5000 | |
| | To Arun | | | 5000 |
| (b) | Arun | Dr. | 5000 | |
| | To B/R A/c | | | 5000 |
| (c) | B/R A/c | Dr. | 5000 | |
| | B/P A/c | Dr. | 5000 | |
| | To Arun | | | 10000 |

- (d) None of the three

26. A machinery of Rs. 4,000 was sold for Rs. 5200. Depreciation provision to date was Rs. 500 and Commission paid to the selling agent was 420 and wages paid to workers for removing the machine was Rs. 150. Profit on sale of machinery will be

- (a) Rs.1130
 - (b) Rs.1000
 - (c) Rs.1200
 - (d) None of the three.
27. Interest earned but not received, adjustment entry will be
- (a) Accrued Interest Dr.
 To Customer
 - (b) Accrued interest Dr.
 To Interest
 - (c) Cash a/c Dr.
 To Interest
 - (d) None of the three
28. Goods of Rs. 600 (sales price) sent on sale on approval basis were included in sales book. The profit included in the sales was at 20% on cost. Closing stock will increase by
- (a) Rs.500
 - (b) Rs.600
 - (c) Rs.480
 - (d) None of the three
29. A manager gets 5% commission on net profit after charging such commission. Gross profit Rs. 48000 and expenses of indirect nature other than manager's commission are Rs. 6000. Commission amount will be
- (a) Rs.2000
 - (b) Rs.1800
 - (c) Rs.2200
 - (d) None of the three
30. What shall be the commission of the manager in the above question if the rate of commission is 5% on net profit before charging such commission. Commission amount will be
- (a) Rs.2100
 - (b) Rs.1800
 - (c) Rs.1500
 - (d) None of the three
31. X sells goods at cost plus 60%. Total sales were of Rs. 16,000 cost price of goods will be
- (a) Rs.10000

- (b) Rs.9000
(c) Rs.15000
(d) None of the three
32. A trader sells goods at a profit of 25% on sale. In a particular month, he sold goods costing Rs. 34,200. Rate of profit on cost will be -
- (a) $33\frac{1}{3}\%$
(b) 30%
(c) 35%
(d) None of the three
33. A manager gets 5% commission on sales. Cost price of goods sold is 40,000 which he sells at a margin of 20% on sale. Commission will be
- (a) Rs.2500
(b) Rs.2400
(c) Rs.2000
(d) None of the three
34. Following balances have been taken from the books of VED & Co.
- | | | | |
|------------------|------|------------------|-------|
| General expenses | 800 | Discount allowed | 200 |
| Rent paid | 3710 | Opening stock | 16500 |
| Electric charges | 190 | Sales | 63500 |
| Carriage inward | 850 | Purchases | 46850 |
| Return outwards | 110 | Wages | 2500 |
| Salaries | 1110 | Sales Return | 450 |
| | | Closing Stock | 18210 |
- Net profit of the business will be ____
- (a) Rs.8660
(b) Rs.8600
(c) Rs.8500
(d) Rs.9000
35. Capital introduced in the beginning by Ram Rs. 20,000; Further capital introduced during the year Rs. 2000; Drawings Rs. 250 per month and closing capital is Rs. 12750. Amount of Profit or Loss for the year will be
- (a) Loss Rs. 6250
(b) Loss Rs. 6000
(c) Profit Rs. 2000

- (d) Information is in sufficient for any comment
36. Overdraft as per Cash Book Rs. 4500
- (1) Cheques sent for collection but not credited by Bank Rs.6,225
- (2) Cheque drawn but not presented for payment Rs.10,250
- Overdraft as per Pass Book will be
- (a) Rs.475
- (b) Rs.750
- (c) Rs.500
- (d) None of the three
37. G's trial balance contains the following information –
- Bad debts Rs. 4000; Provision for Bad debts Rs. 5000; Sundry debtors Rs. 25000
- It is desired to create a provision for Bad debts at 10% on Sundry debtors at the end of the year. Sundry debtors will appear in the balance sheet at
- (a) Rs.21000
- (b) Rs.22500
- (c) Rs.22000
- (d) None of the three
38. An inexperienced book-keeper has drawn up a trial balance for the year ended 30th June, 2006.

	<i>Dr. Rs.</i>	<i>Cr. Rs.</i>
Provision for Doubtful Debts	200	
Bank overdraft	1654	
Capital	-	4591
Creditors	-	1637
Debtors	2983	
Discount received	252	
Discount allowed	-	733
Drawings	1200	
Office furniture	2155	
General expenses	-	829
Purchases	10923	
Return inward	-	330
Rent and Rates	314	
Salaries	2520	
Sales	-	16882
Stock	2418	
Stationary	1175	

Provision for Depreciation on furniture	364	
Total	26,158	25002

Corrected trial balance will be

- (a) Rs.25580
 - (b) Rs.25000
 - (c) Rs.24000
 - (d) None of the three
39. Rs.
- | | |
|---|-----|
| Balance as per adjusted cash book | 274 |
| (i) Cheques not yet presented | 730 |
| (ii) Cheques deposited not yet recorded by bank | 477 |
- Balance as per Pass Book will be
- (a) Rs.527
 - (b) Rs.525
 - (c) Rs.500
 - (d) None of the three.
40. R owed Rs. 1000 to S. On 1st Oct., 2004, R accepted a bill drawn by S for the amount for 3 months. S got the bill discounted with his bank for Rs. 900 before the due date, R approached S for renewal of the bill. S agreed on the conditions that Rs. 500 to be paid immediately together with interest on the remaining amount at 12% p.a. for 3 months and for the balance R accepted a new bill for 3 months. Later on, R became insolvent and 40% of the amount could be recovered from his estate. Bad debt amount will be
- (a) Rs. 400
 - (b) Rs. 300
 - (c) Rs. 250
 - (d) None of the three
41. A of Allahabad sent on consignment to B of Bareilly 1000 transistors costing Rs. 80 each. A paid freight amounting to Rs. 1,000 and cartage Rs. 45. B received only 900 sets as 100 sets were destroyed in transit. B incurred an expenditure of Rs. 1000 on account of clearing charges and cartage. Amount of abnormal loss will be
- (a) Rs. 8104.50
 - (b) Rs. 8000
 - (c) Rs. 8100
 - (d) None of the three
42. Amit of Delhi sent 200 chairs @ Rs. 300 per chair to Sumit of Chandigarh. Amit paid

(a) Rs.15000
(b) Rs.15200
(c) Rs.16000
(d) None of the three.

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- (d) None of the three.
46. A, B and C are partners sharing profits/losses at 3:2:1. D was admitted in the firm as a new partner with $\frac{1}{6}$ th share. New profit/loss sharing ratio will be
- (a) 15:10:5:6
 (b) 10:15:6:5
 (c) 5:6:15:10
 (d) None of the three.
47. A and B are partners sharing profits in the ratio of 4:1. A surrenders $\frac{1}{4}$ of his share and B surrenders $\frac{1}{2}$ of his share in favour of C, a new partner. Sacrificing ratio of A and B will be _____
- (a) 2:1
 (b) 1:2
 (c) 1:1
 (d) None of the three
48. Goodwill of the firm is valued at three year's purchase of the average profits of the last five years. The profits are as under:

2002	40,000	Profit
2003	20,000	Loss
2004	10,000	Profit
2005	60,000	Profit
2006	80,000	Profit

Goodwill amount will be

- (a) Rs.1,02,000
 (b) Rs.1,00,000
 (c) Rs.1,05,000
 (d) None of the three
49. (i) Actual average profit Rs. 72,000
 (ii) Normal rate of return 10%
 (iii) Assets Rs. 9,70,000
 (iv) Current Liabilities Rs. 4,00,000

Goodwill according to capitalization method will be

- (a) Rs. 1,50,000
 (b) Rs. 1,40,000
 (c) Rs. 1,60,000
 (d) None of the three

50. A, B and C are partners, sharing profits in the ratio of 4:3:2. D is admitted for $\frac{2}{9}$ th share of profit and brings Rs. 30,000 for his capital and Rs. 10,000 for his share of goodwill. The new profit sharing ratio will be 2:2:2:2.
Goodwill amount will be shared by
- (a) A, B and C
 - (b) A and B
 - (c) A only
 - (d) None of the three
51. The capitals of A and B after all adjustments and revaluations are Rs. 24,000 and Rs. 16,000 respectively. They admitted C as a new partner with $\frac{1}{5}$ th share in the profits. Capital to be brought by C will be
- (a) Rs. 10,000
 - (b) Rs. 15,000
 - (c) Rs. 12,000
 - (d) None of the three
52. X and Y are partners in a firm sharing profits in the ratio of 3:2 with capitals of Rs. 1,20,000 and Rs. 54,000 respectively. They admitted Z as a partner with Rs. 75,000 for $\frac{1}{3}$ rd share in the profits of the firm. Adjust the capitals of the partners according to Z's capital and his share in the business. What cash will be paid off to X?
- (a) Rs. 30,000
 - (b) Rs. 25,000
 - (c) Rs. 28,000
 - (d) None of the three
53. A Ltd. forfeited 400 shares of Anil of Rs. 10 each fully called up for non payment of final call of Rs. 2 per share and reissued to Sunil as fully paid for Rs. 10 per share. Amount transferred to Capital Reserve will be
- (a) Rs. 3200
 - (b) Rs. 3000
 - (c) Rs. 2800
 - (d) None of the three
54. D Ltd. forfeited 800 shares of Rs. 10 each fully called up, on which the holder has paid only application money of Rs. 3 per share. Out of these 500 shares were reissued as Rs. 11 per share fully paid up. Capital Reserve will be credited by
- (a) Rs. 1500
 - (b) Rs. 1800
 - (c) Rs. 2000

- (d) None of the three
55. X Ltd. purchased the business of Y Ltd. for Rs. 90,000 payable in fully paid shares of Rs. 10 each at a discount of 10%. No. of shares given to vendors will be
- 9000 shares
 - 8000 shares
 - 7000 shares
 - None of the three.
56. A company purchased an established business for Rs.4,00,000 payable Rs. 1,30,000 in cash and the balance by 12% debentures of Rs. 100 each at discount of 10%. Discount on issue of debentures will be
- Rs.25000
 - Rs.30000
 - Rs.32000
 - None of the three.
57. Issued 2000, 12% Debentures of Rs. 100 each at a discount of 2% redeemable at a premium of 5%. Loss on issue of debentures will be
- Rs.14000
 - Rs.12000
 - Rs.10000
 - None of the three
58. (i) 1,00,000 Equity shares of 10 each fully called up.
- | | | |
|------------------------|-----|--------|
| (ii) Calls in arrears | Rs. | 10,000 |
| (iii) Calls in advance | Rs. | 5,000 |
| (iv) Proposed dividend | | 15% |
- Dividend payable will be
- Rs.1,48,500
 - Rs.1,50,000
 - Rs.1,45,000
 - None of the three
59. The paid up capital of the company consisted of 3000 6% preference shares of Rs. 100 each and 40,000 equity shares of Rs. 10 each. Interim dividend on equity shares was paid during the year at 75 paise per share last year at 75 paise per share. Last year's profit is Rs. 31,000; Current Year's profit Rs. 52,000; The following appropriations were passed at the annual general meeting of the company
- To pay the years dividend on preference shares.

(ii) To pay final dividend on equity shares at 50 paise per share

(iii) To transfer Rs. 5,000 to General reserve.

The balance of Profit and Loss appropriation A/c to be transferred to Balance Sheet will be

(a) Rs.40,000

(b) Rs.12,000

(c) Rs.15,000

(d) None of the three.

60. On 1st January 2004, Badri of Kanpur consigned 100 cases, cost price Rs. 7,500, at a proforma invoice price of 25% profit on sales to his agent Anil of Allahabad. Balance of Goods sent on consignment A/c transferred to General Trading A/c will be

(a) Rs.7500

(b) Rs.10000

(c) Rs.8000

(d) None of the three

SECTION – B : MERCANTILE LAWS (40 MARKS)

PART-I

61. Which of example is the case of Undue influence, where one party is in a position to influence the will of other party?
- (a) Agreement between one trader with other trader
 - (b) Doctor and patient
 - (c) Father with his son
 - (d) Employer and his employee
62. Which is the example of wagering agreement?
- (a) To purchase a lottery ticket
 - (b) Speculative trading in stock exchange
 - (c) Horse – race
 - (d) All of these
63. Which of the following statement is true?
- (a) If there is no consideration, there is no consideration.
 - (b) Past consideration is no consideration in India
 - (c) Consideration must result in a benefit to both the parties.
 - (d) Consideration must be adequate
64. Which of the following statement is false?
- (a) a stranger to a contract cannot sue
 - (b) a verbal promise to pay a time barred debt is valid
 - (c) Completed gifts need no consideration
 - (d) No consideration is necessary to create an agency
65. An agreement is not said to be a contract when it is entered into by
- (a) Minor
 - (b) a person of unsound mind
 - (c) foreign enemy
 - (d) all of these
66. Which of the following statement is true?
- (a) A threat to commit suicide does not amount to coercion
 - (b) Undue influence involves use of physical pressure
 - (c) Ignorance of law is no excuse
 - (d) Silence always amounts to fraud

67. Which of the example is the case of contracts need not be performed?
- (a) a party substitutes a new contract for the old
 - (b) when the parties to a contract agree to rescind it
 - (c) when the parties to a contract agree to alter it.
 - (d) All of these
68. On the valid performance of the contractual obligation by the parties the contract is:
- (a) is discharged
 - (b) becomes void
 - (c) become unenforceable
 - (d) None of these
69. Contract of sale means
- (a) A contract between one person to another for exchange of property in goods
 - (b) A contract between buyer and seller for exchange of property in goods
 - (c) a contract between buyer and seller intending to exchange property in goods for a price
 - (d) All of these
70. Which of the following sentence is true ?
- (a) There should be immediate delivery of goods
 - (b) There should be immediate payment of price
 - (c) There may be delivery of goods and payment of price on to be made at some future date.
 - (d) All of these
71. Where there is an agreement to sell specific goods and goods subsequently perish before risk passes to the buyer, the agreement becomes
- (a) Void
 - (b) Voidable
 - (c) Illegal
 - (d) None of these
72. Which is not the subject matter of contract of sale ?
- (a) Goods
 - (b) Price
 - (c) Immovable property
 - (d) Shares and stocks of companies

73. Where the goods are sold by sample as well as by description the implied condition is that the bulk of the goods supplied must correspond with
- (a) Sample only
 - (b) The description only
 - (c) Sample and description both
 - (d) Sample, description and fair price
74. In the case the goods correspond with the sample but do not tally with the description the buyer has right to
- (a) repudiate the contract
 - (b) sue for damages caused to him
 - (c) declare the contract as illegal
 - (d) declare the contract as void
75. A stipulation essential to the main purpose of the contract is:
- (a) Conditions
 - (b) Warranties
 - (c) Conditions and warranties both
 - (d) None of these
76. A Joint Hindu Family arises
- (a) From status decided by court
 - (b) As the result of an agreement
 - (c) By operation of law
 - (d) All of these
77. In partnership a new partner can be admitted
- (a) Only with the consent of all the partners
 - (b) No consent of all the partners
 - (c) With the consent of two third majority of partners
 - (d) With the consent of two partners
78. Goodwill is
- (a) The value of reputation which the firm establishes overtime
 - (b) The value of reputation which the firm earns due to integrity, efficient service to the customers
 - (c) The value of reputation earned by the firm due to quality of its products, industry etc.
 - (d) All of these

79. Which is appropriate that partner is liable for all acts of the firm done while he is a partner -
- (a) Jointly with all other partners
 - (b) Severally
 - (c) Not liable
 - (d) None of these

PART-II

80. A contract dependant on the happening of future uncertain event, is a _____
- (a) Uncertain contract
 - (b) Contingent contract
 - (c) Void contract
 - (d) Voidable contract
81. A contingent contract depending on the happening of future uncertain event can be enforced when the event.
- (a) happens
 - (b) Becomes impossible
 - (c) Does not happen
 - (d) Either of these
82. For the purpose of entering into a contract, a minor is a person who has not completed the age of _____
- (a) 20 years
 - (b) 21 years
 - (c) 18 years
 - (d) 25 years
83. A contract with the minor which is beneficial for him is _____
- (a) Void abinitio
 - (b) Voidable
 - (c) Valid
 - (d) Illegal
84. If a creditor does not file a suit against the buyer for recovery of the price within three years the debt becomes _____
- (a) Time-barred and hence irrecoverable
 - (b) Time barred but recoverable
 - (c) No time-barred
 - (d) None of these

85. Delivery means _____
- (a) Compulsory transfer of possession by one person to another person
 - (b) Voluntary transfer of possession by one person to another
 - (c) Mere transfer of possession by one person to another person
 - (d) All of these
86. The general principle of regarding the transfer of title is that _____
- (a) The seller can transfer to the buyer of goods a better title than he himself has
 - (b) The seller cannot transfer to the buyer of goods a better title than he himself has
 - (c) The seller can transfer to the buyer of goods no title than the himself has
 - (d) None of these
87. When the owner is estopped for the conduct from denying the sellers authority to sell, the transfer will get _____
- (a) A good title as against the true owner
 - (b) A better title as against the true owner
 - (c) No title as against the true owner
 - (d) None of these
88. When an unpaid seller who had exercised the right of lien resells the goods, the buyer acquires _____
- (a) A good title to the goods as against the original buyer
 - (b) Better title as against the true buyer
 - (c) No title as against the true owner
 - (d) None of these
89. When the time of sending the goods has not been fixed by the parties the seller must send them within _____
- (a) Reasonable time
 - (b) One month of the contract
 - (c) Two months of the contract
 - (d) Before making the contract
90. The expenses of putting the goods into a deliverable state must be bone by _____
- (a) The buyer
 - (b) The seller
 - (c) The buyer and seller both
 - (d) The third party
91. The seller of goods is deemed to be an unpaid seller when _____
- (a) The whole of price has not been paid

- (b) The same part of price has not been paid
 - (c) Half part of price has not been paid
 - (d) 25% of price has not been paid
92. The unpaid seller has against the goods
- (a) Rights of lien
 - (b) Right of stoppage in transit
 - (c) Right of resale
 - (d) All of these
93. The term goods under sale of goods Act, 1930 does not include _____
- (a) Goodwill and money
 - (b) Stocks and shares
 - (c) Harvested crops
 - (d) Any movable property
94. A contract for sale of future goods is _____
- (a) Sale
 - (b) Agreement to sell
 - (c) Hire purchase agreement
 - (d) Quasi Contract
95. A stipulation in a contract of sale of goods where violation by seller gives a right of rescission to buyer, is called _____
- (a) Guarantee
 - (b) Warranty
 - (c) Condition
 - (d) Term
96. The sale of goods Act, 1930 deals with the _____
- (a) Movable goods only
 - (b) Immovable goods only
 - (c) Both immovable and movable goods
 - (d) Tangible goods only
97. A stipulation which is collateral to the main purpose of contract gives the buyer only right to claim the damages, is known as _____
- (a) Condition
 - (b) Guarantee
 - (c) Warranty
 - (d) Agreement to sell

98. The number of partners in firm carrying an banking business should not exceed
- (a) 20 persons
 - (b) 15 persons
 - (c) 10 persons
 - (d) 30 persons

PART-III

99. A enters into a contract with B for the sale of goods to be delivered at a future date decide which type of case is this:
- (a) It is a case of wagering agreement
 - (b) it is a case of future consideration
 - (c) It is a case of contingent contract
 - (d) It is impossible agreement to be performed
100. A entered into a contract with B for the supply of certain things manufactured by 'C'. 'C' did not manufacture those goods what is your advise:–
- (a) A is discharged from his obligation
 - (b) A is not discharged from his obligation and is liable to 'B' for damages
 - (c) B can say to A to get manufactured the goods from other party
 - (d) Contract becomes void.

SECTION – C : GENERAL ECONOMICS (50 MARKS)

101. Which of the following curve cannot be u-shaped?
- (a) Average total cost
 - (b) Average variable cost
 - (c) Average fixed cost
 - (d) Marginal cost
102. The meaning of the word 'Economic' is most closely connected with the word :
- (a) Extravagant
 - (b) Scarce
 - (c) Unlimited
 - (d) Restricted
103. The average fixed cost :
- (a) remains the same whatever the level of output
 - (b) increase as output increases
 - (c) diminishes as output increases
 - (d) all of the above
104. Average variable cost curve :
- (a) slopes downwards at first and then upwards
 - (b) slopes upwards, the remains constant and the falls
 - (c) slopes downwards
 - (d) none of the above
105. If a firm produces zero output in the short period :
- (a) its total cost will be zero
 - (b) its variable cost will be positive
 - (c) its fixed cost will be positive
 - (d) its average cost will be zero
106. The average total cost of producing 50 units is Rs. 250 and total fixed cost is Rs.1000. What is the average fixed cost of producing 100 units?
- (a) Rs.10
 - (b) Rs.30
 - (c) Rs.20
 - (d) Rs.5
107. The MC curve cuts the AVC and ATC curves
- (a) at different points
 - (b) at the falling parts of the each curve

- (c) at their respective minimas
 - (d) all the rising parts of each curve
108. Demand curve in most cases slopes
- (a) downward towards right
 - (b) vertical and parallel to Y-axis
 - (c) upward towards left
 - (d) horizontal and parallel to X-axis
109. The concept of elasticity of demand was developed by :
- (a) Alfred Marshall
 - (b) Edwin Camon
 - (c) Paul Samuelson
 - (d) Fredric Bonham
110. Price elasticity of demand is defined as
- (a) $\frac{\text{Change in quantity demanded}}{\text{Change in price}}$
 - (b) $\frac{\text{Proportionate change in quantity demanded}}{\text{Change in price}}$
 - (c) $\frac{\text{Change in quantity demanded}}{\text{Proportionate change in price}}$
 - (d) $\frac{\text{Proportionate change in quantity demanded}}{\text{Proportionate change in price}}$
111. Under marginal utility analysis, utility is assumed to be a
- (a) cardinal concept
 - (b) ordinal concept
 - (c) indeterminate concept
 - (d) none of the above
112. The utility may be defined as
- (a) the power of commodity to satisfy wants
 - (b) the usefulness of a commodity
 - (c) the desire for a commodity
 - (d) none of the above
113. Marginal utility of a commodity depends on its quantity and is
- (a) inversely proportional to its quantity
 - (b) not proportional to its quantity

- (c) independent of its quantity
 - (d) none of the above
114. Consumer's surplus is the highest in the case of
- (a) necessities
 - (b) comforts
 - (c) luxuries
 - (d) capital goods
115. Consumer stops purchasing the additional units of the commodity when -
- (a) marginal utility starts declining
 - (b) marginal utility become zero
 - (c) marginal utility is equal to marginal utility of money
 - (d) total utility is increasing
116. Indifference curve approach assumes
- (a) consumer has full knowledge of all relevant information
 - (b) all commodities are homogenous and divisible
 - (c) prices of commodities remain the same throughout the analysis
 - (d) all of the above.
117. The 'substitution effect' takes place due to change in
- (a) income of the consumer
 - (b) prices of the commodity
 - (c) relative prices of the commodities
 - (d) all of the above
118. Under income effect, consumer
- (a) moves along the original indifference curve
 - (b) moves to higher or lower indifference curve
 - (c) always purchases higher quantities of both the commodities
 - (d) none of the above.
119. In a perfect competitive market :
- (a) firm is the price-giver and industry the price taker
 - (b) firm is the price taker and industry the price giver
 - (c) both are the price takers
 - (d) none of the above
120. One of the essential conditions of perfect competition is -
- (a) product differentiation

- (b) multiplicity of prices for identical product at any one time.
 - (c) many sellers and few buyers
 - (d) only one price for identical goods at any one time
121. Under the perfect competition a firm will be in Equilibrium when :
- (a) $MC = MR$
 - (b) MC cuts the MR from below
 - (c) MC is rising when it cuts the MR
 - (d) All of the above
122. Which of the following influence most the price level in the very short-run period?
- (a) demand
 - (b) supply
 - (c) cost
 - (d) production
123. Long-run normal prices is that which is likely to prevail
- (a) all the times
 - (b) in market period
 - (c) in short-run period
 - (d) in long-run period
124. A perfectly competitive firm producer has control over
- (a) price
 - (b) production as well as price
 - (c) control over production, price and consumers
 - (d) none of the above
125. By imperfect monopoly, we mean
- (a) It is possible to substitute the monopolized product with another monopolized product
 - (b) Entry of new firms is possible to produce the same product
 - (c) The amount of output produced is very small
 - (d) None of the above
126. The demand curve facing an industrial firm under monopoly is a/an -
- (a) horizontal straight line
 - (b) indeterminate
 - (c) downward sloping
 - (d) upward sloping
127. The degree of monopoly power is measured in terms of difference between

- (a) Marginal cost and the price
 - (b) Average cost and average revenue
 - (c) Marginal cost and average cost
 - (d) Marginal revenue and average cost
128. A monopoly producer usually earns _____ even in the long run
- (a) super normal profits
 - (b) only normal profits
 - (c) losses
 - (d) none of the above
129. Price discrimination is not possible :
- (a) under monopoly situation
 - (b) under any market form
 - (c) under monopolistic competition
 - (d) under perfect competition
130. Discriminating monopoly is possible if two markets have :
- (a) rising cost curves
 - (b) rising and declining cost curves
 - (c) different elasticities of demand
 - (d) equal elasticities of demand
131. Consumer's surplus left with the consumer under price discrimination is :
- (a) maximum
 - (b) minimum
 - (c) zero
 - (d) not predictable
132. A firm under monopolistic competition advertises :
- (a) to compete successfully with the rival firms
 - (b) to lower cost of production
 - (c) to increase sales and profit
 - (d) because it cannot raise price
133. In short run, a firm in monopolistic competition
- (a) always earns profits
 - (b) incurs losses
 - (c) earns normal profit only
 - (d) may earn normal profit, super normal profit or incur losses

134. In long-run, all firms in monopolistic competition
- (a) earn super normal profits
 - (b) earn normal profits
 - (c) incur losses
 - (d) may earn super normal profit, normal profit or in incur losses
135. Differentiated oligopoly is one where there are
- (a) many sellers producing homogeneous product
 - (b) few sellers producing homogenous product
 - (c) many sellers producing differentiated product
 - (d) few sellers producing differentiated product
136. Per capita income among the following is highest in :
- (a) Orrisa
 - (b) Assam
 - (c) Manipur
 - (d) Kerala
137. Which one of the following is not a cause of poverty in India?
- (a) abundant population
 - (b) abundant natural resources
 - (c) abundant inequalities to distribution of income
 - (d) abundant surplus manpower in agriculture
138. The most important remedy to the problem of poverty in India is :
- (a) changes in the ownership pattern
 - (b) higher productivity
 - (c) re-distribution of income through fiscal, pricing and other measures
 - (d) all of the above
139. Which is the central bank of India?
- (a) The State Bank of India
 - (b) The U.N.O.
 - (c) The World Bank
 - (d) The Reserve Bank of India
140. Growth rate of population can be measured by
- (a) division of death rate by birth rate
 - (b) multiplication of death rate by birth rate
 - (c) addition of death rate and birth rate

- (d) subtraction of death rate from birth rate
141. Infant mortality rate refers to :
- (a) the number of children dying before reaching the school going age
 - (b) the number of children dying before reaching 3 years of age
 - (c) the proportion of children dying within a year of their birth
 - (d) none of the above
142. Density of population indicates the
- (a) Capital -land ratio
 - (b) Land -output ratio
 - (c) Land -labour ratio
 - (d) the number of person per square kilometre
143. Occupational structure refers to the
- (a) number of people living in a country
 - (b) size of working force in a country
 - (c) distribution of working force among the different occupations
 - (d) occupations available in a country
144. The first All India population census was conducted in the year :
- (a) 1865
 - (b) 1870
 - (c) 1872
 - (d) 1882
145. According to the 2001 census, the population of India was :
- (a) 100 crore
 - (b) 101 crore
 - (c) 102 crore
 - (d) 103 crore
146. According to 2001 census, density of population per square kilometer in India was
- (a) 225
 - (b) 280
 - (c) 324
 - (d) 330
147. The real determinant of the size of market in a country is the
- (a) income of its population
 - (b) geographical area

- (c) size of its population
 - (d) income of the government
148. The occupational structure of India's labour force since 1951 has
- (a) changed significantly
 - (b) remained more or less static
 - (c) moved against services and in favour of agriculture
 - (d) shown trends which cannot be titled in any pattern.
149. The percentage of Indian population below the poverty line in 1999-2000 was
- (a) 55
 - (b) 26
 - (c) 32
 - (d) 40
150. As per 2001 census, Kerala has _____ females for 1000 males
- (a) 933
 - (b) 1006
 - (c) 1036
 - (d) 1058

SECTION – D : QUANTITATIVE APTITUDE (50 MARKS)

151. If $y = 5x^x$, then $\frac{dy}{dx}$ is equal to _____
- (a) $5x^x(1 - \log x)$
 - (b) $5x^{x-1}$
 - (c) $5x^x(1 + \log x)$
 - (d) None of these
152. If $y = e^{ax^3+bx^2+cx+d}$, then $\frac{dy}{dx}$ is _____
- (a) $(3ax^2 + 2bx + c)y$
 - (b) $3ax^2 + 2bx + c$
 - (c) $e^{ax^3+bx^2+cx+d}$
 - (d) None of these
153. $\int \left(x - \frac{1}{x}\right)^2 dx$ is equal to _____
- (a) $\frac{x^3}{3} + 2x - \frac{1}{x} + c_1$
 - (b) $\frac{x^3}{3} - 2x - \frac{1}{x} + c_1$
 - (c) $\frac{x^3}{3} + 2x + \frac{1}{x} + c_1$
 - (d) None of these
154. The best method to collect data, in case of a natural calamity is _____
- (a) Telephone interview
 - (b) Indirect interview
 - (c) Personal interview
 - (d) All these
155. If the A.M. and G.M. of two observations are 5 and 4 respectively, then the two observations are _____
- (a) 8, 2
 - (b) 7, 3
 - (c) 6, 4
 - (d) 5, 5

156. For the numbers 1, 2, 3, n standard deviation is _____

(a) $\sqrt{\frac{n^2 + 1}{12}}$

(b) $\sqrt{\frac{n^2 - 1}{12}}$

(c) $\frac{\sqrt{n^2 - 1}}{12}$

(d) None of these

157. For a group of 8 students, the sum of squares of differences in ranks for Economics and English marks was 50. The value of rank correlation coefficient is _____.

(a) 0.40

(b) 0.50

(c) 0.30

(d) None of these

158. A number is selected from the numbers 1, 2, 3, 4, 25. The probability for it to be divisible by 4 or 7 is _____.

(a) $\frac{3}{25}$

(b) $\frac{9}{25}$

(c) $\frac{1}{25}$

(d) None of these

159. If 15 days are selected at random, then the probability of getting two Fridays are _____

(a) 0.13

(b) 0.19

(c) 0.29

(d) 0.39

160. A company estimates the mean life of a drug under typical weather conditions. A simple random sample of 81 bottles yields the following information

Sample mean = 23 months

Population variance = 6.25 (months)²

The interval estimate with a confidence level of 90% is _____

(a) [22.543, 23.457]

- (b) [22.6421, 23.5481]
 - (c) [22.451, 22.523]
 - (d) None of these
161. The value of $5^{-1}(5^4)^{1/4}$ is _____
- (a) 1
 - (b) 5
 - (c) 0
 - (d) None of these
162. The value of $3(256)^{-1/8}$ is _____
- (a) $\frac{2}{3}$
 - (b) $\frac{3}{2}$
 - (c) 3
 - (d) None of these
163. The value of $(243)^{\frac{1}{5}} (128)^{\frac{1}{7}}$ is _____
- (a) 1
 - (b) 6
 - (c) 2
 - (d) 3
164. $\log (1^2 + 2^2 + 3^2)$ is equal to _____
- (a) $\log 1^2 + \log 2^2 + \log 3^2$
 - (b) $\log 2 + \log 7$
 - (c) $\log 2 - \log 7$
 - (d) None of these
165. $\log (3 \times 5 \times 7)^2$ is equal to _____
- (a) $2(\log 3 + \log 5 + \log 7)$
 - (b) $\log (2 \times 3 \times 5 \times 7)$
 - (c) $2(\log 3 - \log 5 - \log 7)$
 - (d) None of these
166. The solution of the equation $x^3 - 5x^2 + 6x = 0$ is _____
- (a) 2, 3
 - (b) 0, -2, -3

- (c) 0, 2, 3
(d) None of these
167. The equation $y^3 - 7y + 6 = 0$ is satisfied by _____
(a) 1, 2, -3
(b) 1, 2, 3
(c) -1, -2, 3
(d) 1, -2, 3
168. The equation $x^3 - x^2 - 12x = 0$ is satisfied by _____
(a) 1, 4, -3
(b) 0, 4, -3
(c) 0, -4, 3
(d) None of these
169. The solution of the equation $(x-3)(x-5)(x-7) = 0$ is _____
(a) 3, 5, 7
(b) -3, -5, -7
(c) 3, -5, -7
(d) -3, -5, 7
170. The roots of the equation $x^2 - 18x + 81 = 0$ are _____
(a) Imaginary and unequal
(b) Real and unequal
(c) Real and equal
(d) None of these
171. The roots of the equation $2^{3-y} + 2^{y-2} - 3 = 0$ are _____
(a) -2, -3
(b) 2, 3
(c) 4, 8
(d) None of these
172. If one root of the quadratic equation is $2 + \sqrt{3}$, the equation is _____
(a) $x^2 - 4x + 1 = 0$
(a) $x^2 + 4x + 1 = 0$
(c) $x^2 - 4x - 1 = 0$
(d) None of these

173. The inequalities $x < 0, y > 0$ represents _____
- (a) First quadrant
 - (b) Second quadrant
 - (c) Third quadrant
 - (d) Fourth quadrant
174. The inequalities $x > 0, y < 0$ represents _____
- (a) First quadrant
 - (b) Second quadrant
 - (c) Third quadrant
 - (d) Fourth quadrant
175. Simple interest on Rs. 50,000 for three years at interest rate of 5.5% p.a. is _____
- (a) Rs. 8250
 - (b) Rs. 825
 - (c) Rs. 8520
 - (d) None of these
176. Rs. 1000 is invested at annual rate of interest of 10% p.a. The amount after two years if compounding is done annually, is _____
- (a) Rs. 121
 - (b) Rs. 1210
 - (c) Rs. 2110
 - (d) None of these
177. Rs. 2,000 is invested at annual rate of interest of 10% p.a. The amount after two years if compounding is done half yearly, is _____
- (a) Rs.2431
 - (b) Rs.243.10
 - (c) Rs.2341
 - (d) None of these
178. Rs. 3,000 is invested at annual rate of interest of 10% p.a. The amount after two years if compounding is done quarterly, is _____
- (a) Rs. 3556.20
 - (b) Rs. 3565
 - (c) Rs. 3655.20
 - (d) None of these

179. Rs. 4,000 is invested at annual rate of interest of 10% p.a. The amount after two years if compounding is done monthly, is _____
- (a) Rs. 4881.16
 (b) Rs. 4818.16
 (b) Rs. 4888.16
 (d) None of these
180. $\frac{0}{7} \times \frac{7}{2}$ is equal to _____
- (a) 10080
 (b) 0
 (c) 5040
 (d) None of these
181. If $\frac{n+1}{n-1} = 20$, then value of n is
- (a) 6
 (b) 5
 (c) 4
 (d) None of these
182. The value of ${}^{11}P_9$ is equal to
- (a) $\frac{11}{9 \cdot 2}$
 (b) $\frac{11}{2}$
 (c) $\frac{11 \cdot 2}{9}$
 (d) None of these
183. In how many different ways can seven persons stand in a line for a group photograph?
- (a) 5040
 (b) 720
 (c) 120
 (d) 27
184. In how many ways can 11 persons sit at a round table?
- (a) $\frac{11}{2}$
 (b) $\frac{10}{2}$
 (c) 11
 (d) 10

185. There are 5 books on Physics, 3 on Chemistry and 2 on Mathematics. In how many ways can these be placed on a shelf if the books on the same subject are to be together?
- (a) 8640
 - (b) 1440
 - (c) 4320
 - (d) None of these
186. How many different numbers can be formed by using any four out of six digits 1, 2, 3, 4, 5, 6, no digit being repeated in any number?
- (a) 60
 - (b) 120
 - (c) 30
 - (d) 15
187. How many five digit numbers can be formed out of digits 1, 2, 4, 5, 6, 7, 8, if no digit is repeated in any number?
- (a) 2520
 - (b) 840
 - (c) 1680
 - (d) None of these
188. A Committee of 7 persons is to be formed out of 11. The number of ways of forming such as committee is _____
- (a) 660
 - (b) 330
 - (c) 300
 - (d) None of these
189. How many different arrangements are possible from the letters of the word CALCULATOR?
- (a) 453600
 - (b) 50400
 - (c) 45360
 - (d) None of these
190. A man has 7 friends. In how many ways can he invite one or more of his friends?
- (a) 127
 - (b) 256
 - (c) 255
 - (d) None of these

191. There are 7 boys and 3 girls. The number of ways, in which a committee of 6 can be formed from them, if the committee is to include at least 2 girls, is _____
- 140
 - 105
 - 35
 - None of these
192. ${}^5C_1 + {}^5C_2 + {}^5C_3 + {}^5C_4 + {}^5C_5$ is equal to _____
- 30
 - 31
 - 32
 - 25
193. The 20th term of the A.P. 1, 3, 5, 7, is
- 39
 - 37
 - 35
 - None of these
194. The sum $1+2+3+4+\dots+70$ is equal to _____
- 2484
 - 2485
 - 2486
 - None of these
195. The Arithmetic mean between 5 and 13 is _____
- 9
 - 10
 - 8
 - None of these
196. The sum $1+3+5+7+\dots+99$ is equal to _____
- 2499
 - 2501
 - 9801
 - None of these
197. The sum $1^2 + 2^2 + 3^2 + 4^2 + \dots + 10^2$ is equal to
- 385
 - 386
 - 384
 - None of these

198. The sum $1^3 + 2^3 + 3^3 + \dots + 20^3$ is equal to

- (a) 4410
- (b) 4410000
- (c) 44100
- (d) None of these

199. The eleventh term of the G.P. $\frac{1}{2}, 1, 2, 2^2, \dots$ is

- (a) 512
- (b) 256
- (c) 1024
- (d) None of these

200. The sum of the series $1+2+4+8+ \dots$ to 10 term is

- (a) 1024
- (b) 1023
- (c) 1025
- (d) None of these