

# M. Com - 2010

## M. Com. Programme

1. Expenses incurred but not paid are shown in :
  - (a) Liability side of balance sheet
  - (b) Debit side of P/L a/c and liability side of balance sheet
  - (c) Credit side of P/L a/c and liability side of balance sheet
  - (d) Credit side of P/L a/c and asset side of balance sheet
  
2. A business is said to having an indefinite life according to :
  - (a) Accounting period concept
  - (b) Cost concept
  - (c) Going concern concept
  - (d) Dual aspect concept
  
3. Which one of the following is an accounting equation :
  - (a) Capital = Assets + Liabilities
  - (b) Capital = Assets – Liabilities
  - (c) Assets = Liabilities – Capital
  - (d) Liabilities = Assets + Capital
  
4. Cash paid down at the time of hire purchase transaction is debited by the purchaser of the goods to :
  - (a) Asset A/c
  - (b) Purchases A/c
  - (c) Hire Vendor A/c
  - (d) None of the above
  
5. Immediately after purchasing a new truck, Rs. 1,000 is paid to have the name of the company and other advertising material painted on the truck. This Rs. 1,000 is a :
  - (a) Capital expenditure
  - (b) Revenue expenditure
  - (c) Deferred revenue expenditure
  - (d) None of these
  
6. Management audit is ordered by the :
  - (a) Workers of the company
  - (b) Board of Directors
  - (c) Securities Exchange Board of India
  - (d) None of the above
  
7. Duties of a Company auditor are defined by :
  - (a) Memorandum of Association
  - (b) Articles of Association
  - (c) Companies Act, 1956
  - (d) Agreement between company and the auditor

8. Consider the following activities :
- I. Valuation
  - II. Verification
  - III. Vouching
- The correct sequence of these activities is :
- (a) III, I, II
  - (b) III, II, I
  - (c) II, III, I
  - (d) I, II, III
9. The liability of an auditor can be :
- (a) Only civil
  - (b) Only criminal
  - (c) Either civil or criminal
  - (d) Civil and / or criminal
10. The first auditors of a company are appointed by the :
- (a) Board of Directors of the company
  - (b) Shareholders of the company
  - (c) Registrar of the company
  - (d) Institute of Internal Auditors of India
11. Co-efficient of correlation reveals the extent of relationship between :
- (a) Two variables
  - (b) Three or more variables
  - (c) Any four variables
  - (d) None of the above
12. In the measure of skewness, if the coefficient of skewness is 0, the distribution is considered as :
- (a) Asymmetrical
  - (b) Symmetrical
  - (c) Both symmetrical and asymmetrical
  - (d) Neither symmetrical nor asymmetrical
13. Central Limit Theorem is useful to sample population when its :
- (a) Distribution is known
  - (b) Distribution is normal
  - (c) Distribution is unknown
  - (d) None of the above
14. A statistical technique used to estimate the unknown values of Y variable with the given values of X variable is called as :
- (a) Association of Attributes
  - (b) Correlation
  - (c) Interpolation
  - (d) Regression

15. Association of attributes is computed when :
- The data relates to variables
  - The data relates to qualitative characteristics
  - Neither (a) nor (b)
  - Both (a) and (b)
16. Treasury bills are :
- Quasi-money instruments
  - Near money instruments
  - Both (a) and (b)
  - Same as Bills of Exchange
17. Among Cambridge economists, \_\_\_\_\_ pioneered cash-balance theory.
- Marshall
  - Keynes
  - Pigou
  - Fisher
18. Deflation is characterized by :
- Fall in prices and decrease in level of employment
  - Increase in prices but decrease in level of employment and output
  - Fall in prices and decrease in level of employment, income and output
  - None of the above
19. On July 19, 1969, only those commercial banks were nationalized in India that had deposits of over :
- Rs. 14 crores
  - Rs. 34 crores
  - Rs. 40 crores
  - Rs. 50 crores
20. Who amongst the following was the main advocate of managed currency standard after the breakdown of the Gold standards ?
- Marshall
  - Pigou
  - Robertson
  - Keynes
21. Given that the current ratio is 2 : 1, if the net working capital is Rs. 60,600, then the amount of current liabilities would be :
- Rs. 30,300
  - Rs. 60,600
  - Rs. 1,21,200
  - Rs. 90,900
22. Which one of the following is an example of sources of funds ?
- Decrease in share capital
  - Increase in long-term liabilities
  - Decrease in long-term liabilities
  - Increase in fixed assets

23. According to Companies Act, a "reserve capital" is created :
- (a) For a specific purpose at any time during its working life
  - (b) For issue to existing shareholders as rights issue of shares
  - (c) As the uncalled portion of share capital of a limited company to be called only in the event of winding up
  - (d) For conversion of FCDS into equity shares
24. Amount set apart to meet probable losses on account of bad debts is a :
- (a) Liability
  - (b) Reserve
  - (c) Provision
  - (d) Contingent liability
25. ROI takes into account :
- (a) Shareholders investment
  - (b) Interest on working capital
  - (c) Interest on fixed assets
  - (d) All of these
26. The statutory meeting of the company must be held within six months :
- (a) From filing of statements in lieu of prospectus
  - (b) Of obtaining the certificate of commencement of business
  - (c) Of obtaining the certificate of incorporation
  - (d) From the date when the first Board of Directors meeting was held
27. Doctrine of Indoor Management is reflected in :
- (a) Royal British Bank vs. Turquand's Case
  - (b) Solomon vs. Solomon
  - (c) Daimler Ltd. vs. Continental Tyre and Rubber Co. Ltd.
  - (d) Kindston Cotton Mills case
28. The liabilities of shareholders of a public company are limited to the extent of :
- (a) Paid-up value of the share
  - (b) The face value of the share
  - (c) Called up value of the share
  - (d) All of these
29. Under the Companies Act, 1956, a private company :
- (a) Must have at least 7 members
  - (b) Cannot have more than 20 members
  - (c) Must issue a prospectus or a statement in lieu of prospectus
  - (d) Must prohibit invitation to the public to subscribe for its shares

30. Share capital of a company means :
- (a) Equity share capital
  - (b) Preference share capital
  - (c) Equity and Preference share capital
  - (d) Equity and preference share capital and debentures
31. In case of breach of a warranty, the buyer can :
- (a) Repudiate the contract
  - (b) Claim damages only
  - (c) Return the goods
  - (d) None of the above
32. A contract of indemnity is a :
- (a) Contingent contract
  - (b) Wagering contract
  - (c) Quasi-contract
  - (d) Void contract
33. Consideration in a contract :
- (a) May be present or future only
  - (b) Must be present only
  - (c) Must be future only
  - (d) May be past, present or future
34. An offer is made to Mani in a crowd. It :
- (a) May be accepted by any person who hears it
  - (b) May be accepted by his brother
  - (c) Can be accepted by him alone
  - (d) None of the above
35. In a contract of sale, unless goods are ascertained, there is :
- (a) A sale
  - (b) An agreement to sell
  - (c) A void agreement
  - (d) An unenforceable agreement
36. Which one of the following is not among the basic principles of WTO ?
- (a) Non-discrimination
  - (b) Providing subsidies to the member nations
  - (c) Transparency
  - (d) Safety valves

37. Under mixed economy, central problems are solved through :
- (a) Price mechanism and Economic Planning
  - (b) Price mechanism
  - (c) Private sector
  - (d) Central Planning Authority
38. An increase in the national income at constant prices is called :
- (a) Nominal increase in national income
  - (b) Real increase in national income
  - (c) Real increase in per capita income
  - (d) Increase in per capita income in real terms
39. Among other things, a global company is characteristic of :
- (a) Viewing the world as one market
  - (b) Minimizing the importance of national boundaries
  - (c) Marketing its products wherever feasible
  - (d) All of the above
40. Government undertakings have justification to exist because of :
- (a) Private sector does not come forward to invest in certain areas
  - (b) Private players being exclusively/ mainly after profits
  - (c) Government wants to retain control over sensitive areas
  - (d) All of the above
41. Who among the following is not a speculator in Stock Exchange
- (a) Broker
  - (b) Bull
  - (c) Bear
  - (d) Stag
42. Trading on equity takes place :
- (a) Only when equity capital is employed
  - (b) Only when debenture funds are employed
  - (c) When capital other than that of equity shareholders is also employed
  - (d) When profits are ploughed back
43. It is compulsory for a share broker to register with the :
- (a) Concerned Stock Exchange
  - (b) Securities and Exchange Board of India
  - (c) Department of Company Affairs
  - (d) Concerned Stock Exchange in concurrence with the Securities and Exchange Board of India

44. Rights shares mean the shares which are :
- (a) Issued to the directors of the company
  - (b) First offered to debenture - holders
  - (c) First offered to the existing shareholders
  - (d) Issued by a newly formed company
45. "Carry Over" or Badla is :
- (a) The facility of postponing a transaction till the next settlement day
  - (b) The facility available in forward delivery contracts
  - (c) The facility affected by payment of an amount called 'Badla Charges'
  - (d) All of the above
46. When costing loss is Rs. 5,600, administrative overheads under - absorbed being Rs. 400, the loss as per financial accounts should be :
- (a) Rs. 5,600
  - (b) Rs. 5,200
  - (c) Rs. 6,000
  - (d) Rs. 6,400
47. The type of process loss that should not affect the cost of inventories is :
- (a) Abnormal loss
  - (b) Normal loss
  - (c) Seasonal loss
  - (d) Standard loss
48. Administration overheads are recovered as a percentage of :
- (a) Direct materials
  - (b) Direct wages
  - (c) Works costs
  - (d) Prime costs
49. In which of the following incentive plans of wage payment, wages on time basis are not guaranteed ?
- (a) Hasley plan
  - (b) Taylor's differential piece rate system
  - (c) Rowan plan
  - (d) None of the above
50. The most important purpose of cost accounting system is to :
- (a) Help in the valuation of inventory
  - (b) Earn extra profits
  - (c) Provide information to management for decision making
  - (d) Aid in the fixation of prices

51. According to the principles of 'span of control', there is :
- (a) A tendency to overload supervisors with too much of work
  - (b) A limit to the number of subordinates a supervisor can effectively supervise
  - (c) No limit to the number of subordinates a supervisor can supervise
  - (d) A limit to delegation of authority to the subordinates.
52. Leadership is a function of all the following factors except :
- (a) Work groups
  - (b) Situation
  - (c) Leader
  - (d) Product or service
53. 'Unity of Command' principle of effective direction means :
- (a) Subordinates should be responsible to one supervisor
  - (b) Boosting the morale of the subordinates
  - (c) Decreasing the productivity of the subordinates
  - (d) All of these
54. The function of "staff" in 'line and staff' organization is :
- (a) Take advice from the line
  - (b) Hold authority and responsibility
  - (c) Advise the line
  - (d) Fix responsibility for performance of tasks in a definite manner upon certain individuals
55. "Grapevine" is a term used in relation to :
- (a) Formal communication
  - (b) Informal communication
  - (c) Both formal and informal communication
  - (d) None of the above
56. Indirect taxes are :
- (a) Inconvenient
  - (b) Highly pinching
  - (c) Easily evadable
  - (d) None of the above
57. Which one of the following does not qualify for deduction u/s 80 C ?
- (a) Investment in the equity shares of any listed company
  - (b) Life insurance premium
  - (c) School fee paid for children's education
  - (d) Contribution to provident fund



58. Tax on total income of the assessee is levied on the basis of his :
- (a) Taxable income
  - (b) Gross total income
  - (c) Net income
  - (d) Residential status
59. The rates of Income Tax are prescribed by the :
- (a) Income Tax Act itself
  - (b) Finance Act passed annually
  - (c) Ministry of Finance annually
  - (d) Central Board of Direct Taxes
60. Casual incomes are taxable under the head :
- (a) Income from house property
  - (b) Income from other sources
  - (c) Income from capital gains
  - (d) None of the above