CA-CPT–June 2012 Question Paper with solutions

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

Part A – Fundamentals of Accounting

1. Which of the following is not a Nominal A/c?
   a) Outstanding salaries A/c
   b) Salaries A/c
   c) Interest paid A/c
   d) Commission received A/c

2. Amount recovered from Rahul, which was earlier written off as bad debt is debited to Cash A/c and credited to ___ A/c
   a) Bad Debts
   b) Bad debts recovered
   c) Rahul
   d) Sales

3. A furniture dealer sold furniture for Rs 25000/- to Sunil for cash. In the books of the dealer ___ A/c is debited and A/c is credited a) Cash, Fixed Asset
   b) Cash, Furniture
   c) Cash, Sales
   d) Cash, Sunil

4. Mr. X is a dealer in electronic goods (such as refrigerators, air conditioners, washing machines, televisions etc) He purchased 2 air conditioners and installed in his showroom. In the books of 'X' the cost of these 2 air conditioners will be debited to ___
   a) Drawing A/c
   b) Capital A/c
   c) Fixed Asset A/c
   d) Purchases A/c

5. Starting with over draft balance of cash book in B.R.S, a cheque of Rs. 5,500 deposited in bank and duly credited in pass book, but not recorded in cash book ___ in B.R.S
   a) Rs. 5500 will be added
   b) Rs. 5500 will be subtracted
   c) Rs. 11000 will be added
   d) Rs. 11000 will be subtracted

6. X sold goods to Y at cost + 10 % profit.
   Y sold goods to Z at 20 % profit on sales.
   If cost of the goods to X is Rs. 50,000. What is the cost of the goods to Z ?
   a) Rs. 66,000
   b) Rs. 68,750
   c) Rs. 65,000
   d) Rs. 69,450

7. Debit balance as per cash book is   Rs. 1500
   Cheque deposited, but not cleared Rs. 100
   Cheque issued, but not presented Rs. 150
   Dividend collected by bank   Rs. 50
   Interest allowed by bank   Rs. 50
   Balance as per pass book?
   a) Rs. 1550
   b) Rs. 1650
   c) Rs. 1600
   d) Rs. 1950

8. Calculate the closing stock on 31.03.2011

Particulars	31.03.2010	31.03.2011
Opening stock	Rs. 30,000	Rs. 35,000
Purchases	Rs. 3,25,000	Rs. 4,20,000
Sales	Rs. 4,00,000	Rs. 5,00,000

   The profit margin remains unchanged
   a) Rs. 35,000
   b) Rs. 50,000
   c) Rs. 55,000
   d) Rs. 60,000

9. Rent paid for the period from 1-10-2010 to 30-09-2011 was Rs. 12,000/-
   Rent paid for the period from 1-10-2011 to 30-09-2012 was Rs. 18,000/-
   Rent to be debited to the P/L A/C for the year ended 31-03-2012 =?
   a) Rs. 15,000
   b) Rs. 13,000
   c) Rs. 12,000
   d) Rs. 20,000

10. What is the effect on Gross profit, if closing stock is undervalued by Rs.10,000 and opening stock is overvalued by Rs.10,000?
    a) G.P. will increase by Rs.10,000
    b) G.P. will decrease by Rs.10,000
    c) G.P. will decrease by Rs.20,000
    d) No change in G.P.

11. Debtors as per trial balance = Rs. 80,000
    Further information –
    i) Bad debts Rs. 2,000
    ii) Provision for discount on debtors @ 5% will be ___
    a) Rs. 4,100
    b) Rs. 4,000
    c) Rs. 3,900
    d) Rs. 4,200

12. Calculate G.P. when –
    Opening stock   Rs. 24,000
    Closing stock   Rs. 15,000
    Sales   Rs 6,00,000
    Cost of goods sold   Rs. 4,55,000

    a) Rs. 1,30,000   b) Rs. 1,45,000
    c) Rs. 1,54,000   d) Rs. 1,06,000

13. Opening stock   Rs. 69,500
    Closing Stock   Rs. 83,500
    Sales   Rs. 1,60,000
    Purchases   Rs. 1,10,000
    G.P. on sales =?
    a) 35%   b) 40%   c) 45%   d) 30%

14. A diamond ring worth Rs.1,00,000 was stolen from the shop of M/s Shine Jewelers on 25-03-2012. Insurance claim of Rs. 60,000 was admitted, but not paid by the insurance company till 31-03-2012. In this regard, no entry was passed in the books of A/c. The correct journal entry to be passed while preparing the final accounts on 31-03-2012 is _

    a) P&L A/c   Dr. 1,00,000
          To Purchases A/c   1,00,000

    b) Insurance claim Receivable A/c
                        Dr. 40,000
          Loss by theft A/c   Dr. 60,000
          To Purchases A/c   1,00,000

    c) P & L A/c   Dr. 40,000
       Insurance claim Receivable A/c
                        Dr. 60,000
          To Purchases A/c   1,00,000

    d) None of the above

15. From the following information find out the credit sales
    Opening Debtors   Rs. 12,000
    Closing Debtors   Rs. 14,000
    B/R accepted by Debtors   Rs. 13,000
    Cash received from Debtors Rs. 38,400
    a) Rs. 39,400   b) Rs. 27,000
    c) Rs. 65,400   d) Rs. 53,400

16. Opening Capital   Rs. 1,00,000
    Interest on Capital   Rs. 10,000
    Drawings   Rs. 20,000
    Interest on Drawings   Rs. 2,000
    Closing Capital   Rs. 2,00,000

    Net Profit   ?
    a) 1, 00,000   b) 1, 20,000
    c) 1, 22,000   d) 1,12,000

17. A draws an accommodation bill on B for 3 months. Proceeds are to be shared equally. A got the bill discounted at 12 % per annum and remitted the proceeds of Rs. 48,500/- to B. The amount of the bill is ____
    a) Rs. 1,00,000   b) 97,000
    c) Rs. 1,10,000   d) Rs. 98,000

18. When an endorsed bill is dishonoured, the journal entry in the books of the drawer will be
    a) Drawee A/c   Dr.
         To B/R A/c
    b) Drawee A/c   Dr.
         To Creditor A/c
    c) B/R A/c   Dr.
         To Creditor A/c   d) None of these

19. A drew a bill on B. A endorsed the bill to C in full settlement of his debt of Rs. 35,000 at 2% discount and paid cash Rs. 5000. What will be the amount of the bill?
    a) Rs. 30,000   b) Rs. 29,700
    c) Rs. 29,300   d) Rs. 30,700

20. Tinku & Bunty entered into Joint Venture to share profits and losses in the ratio of 2 :1. Tinku supplied 200 refrigerators costing Rs.2,00,000 to Bunty, incurring freight charges of Rs.10,000. Bunty sold 190 refrigerators for Rs.2,40,000 and took over the remaining 10 refrigerators for himself. The result of Joint venture =?
    a) Loss Rs. 40,000   b) Profit Rs. 30,000
    c) Profit Rs. 40,000   d) Profit Rs. 40,500

21. If the goods worth Rs. 20,000 were taken by a co-venture for Rs. 15,000, the Joint Venture A/c will be credited by
    a) Rs. 20,000   b) Rs. 15,000
    c) Rs. 25,000   d) Rs. 5,000

22. The cost of the furniture lost by fire is Rs. 18,000
    Provision for depreciation on the date of fire is Rs. 2,700
    Insurance claim accepted Rs. 12,000
    Amount of loss to be debited to P & L A/c is _
    a) Rs. 6,000   b) Rs. 15,300
    c) Rs. 3,300   d) Rs. 18,000

23. A machine was purchased on 1-4-2010 for Rs. 14,400 and installation charges amounted to Rs.1,600. Expected lifetime is 8000 hours. During the year 2010-11, the machine worked for 2500 hours. The depreciation for the year will be ____
a) Rs. 4,500
b) Rs. 5,000
c) Rs. 3,200
d) Rs. 6,250

24. If the rate of depreciation under W.D.V. method is 15% p.a., the original cost of the machine is Rs. 10,00,000, Scrap value at the end of its useful life is Rs. 2,00,000, then the depreciation for the first year will be
a) Rs. 1,50,000
b) Rs. 1,20,000
c) Rs. 1,00,000
d) Rs. 80,000

25. A machine was purchased at the beginning of the year at Rs.5,30,000. The machine was wrongly depreciated by 10 % instead of 25 %. What will be the rectification entry?
a) P & L A/c   Dr. 79,500
      To Prov. for Depr. A/c   79,500
b) P & L A/c   Dr. 26,500
      To Prov. for Depr. A/c   26,500
c) Prov. for Depr. A/c   Dr. 26,500
      To P & L A/C   26,500
d) Prov. for Depr. A/c   Dr. 79,500
      To P & L A/C   79,500

26. If a purchase of goods for Rs. 500 was wrongly posted to the credit side of Purchases A/c, the difference in trial balance will be ____
a) Rs. 500
b) Rs. 250
c) Rs. 1000
d) Rs. 1500

27. Which of the following errors will not be revealed in Trial balance?
a) Purchases book was overcast by Rs. 100
b) Purchase of goods for Rs. 100 for cash was debited to Purchases A/c, but omitted to be entered in cash book.
c) Sales book was undercast by Rs.500
d) Purchase of material for Rs. 300 used for installation of machinery was debited to Purchases A/c

28. Ravi Shankar, a sole trader gifted a car to his son-in-law on the occasion of his daughter's marriage. The following entry was passed in this regard.

Car A/c   Dr. 5,00,000
   To Cash A/c   5,00,000
What is the rectification entry?
a) Drawings A/c   Dr. 5,00,000
      To Cash A/c   5,00,000
b) Drawings A/c   Dr.5,00,000
      To Car A/c   5,00,000
c) Car A/c   Dr. 5,00,000
      To Drawings A/c   5,00,000
d) Cash A/c   Dr. 5,00,000
      To Car A/c   5,00,000

29. A Trader has calculated a net profit of Rs. 56,750. Later he found that discounted received of Rs. 580/- and discount allowed of Rs. 665 have been recorded on the wrong sides of these accounts. What would be the correct profit?
a) Rs. 56,580
b) Rs. 56,665
c) Rs. 56,835
d) Rs. 56,920

30. Sacrificing ratio is calculated in the case of __
a) Admission of a partner
b) Retirement of a partner
c) Death of a partner
d) Insolvency of a partner

31. Average capital employed   Rs. 5,00,000
Normal rate of return   10%
Goodwill at 5 years purchase of super profit
                                        Rs. 98,000
Calculate the average profit
a) Rs. 69,600
b) Rs. 1,48,000
c) Rs. 4,40,000
d) Rs. 48,000

32. Rahul and Bajaj are partners in the ratio of 1 : 2. They admitted Birla as a new partner. The new profit sharing ratio is 1:2:3. Find out the sacrificing ratio?
a) 1:2   b) 2:1   c) 2:3   d) 3:2

33. Called up capital   Rs. 4,00,000
Calls in advance   Rs. 25,000
Calls in arrears   Rs. 40,000
Paid up capital   ?
a) Rs. 3,60,000
b) Rs. 3,85,000
c) Rs. 4,15,000
d) Rs. 4,25,000

34. When the debentures are issued at discount and are redeemable at premium, which of the following accounts is debited at the time of issue?
    a) Debentures A/c
    b) Premium on redemption of debentures A/c
    c) Loss on issue of debentures A/c
    d) Capital reserve A/c

35. When debentures are issued as collateral security ____
    a) No interest is paid on debentures
    b) Interest is paid on face value
    c) Interest is paid on issue price
    d) Interest paid on market price

36. When shares are issued to the promoters for their services ___A/c is debited
    a) Preliminary Expenses
    b) Promoters
    c) Goodwill   d) Share Capital

37. When shares are forfeited Share Capital A/c is debited by ____
    a) Nominal value of shares
    b) Paid up value of shares
    c) Called up value of shares
    d) Forfeited amount

38. Which of the following statements is false?
    a) Issued capital can never be more than authorized capital
    b) In case of under subscription, issued capital will be less than the subscribed capital
    c) Uncalled capital may be converted into reserve capital
    d) Paid up capital is equal to called up capital less calls in arrears

39. The power of forfeiture of shares is exercised by:
    a) Promoters
    b) Directors as per the provisions of Articles of Association
    c) The Government   d) Shareholders

40. Which of the following statements is true?
    a) Fully paid preference shares can only be redeemed
    b) A company can issue irredeemable preference shares
    c) A company cannot redeem preference shares at premium
    d) Preference shares can be redeemed after 20 years from the date of their issue

41. Z Ltd. purchased an asset from D Ltd. for Rs.4,00,000 by issuing the debentures of Rs. 100 each at discount of 20%. What is the amount to be credited to Debentures A/c?
    a) Rs. 4,00,000   b) Rs.4,50,000
    c) Rs. 5,00,000   d) Rs. 5,75,000

42. If debentures of Rs.4,70,000 are issued in consideration of net assets of Rs. 5,00,000, the balance of Rs. 30,000 will be credited to ____
    a) P & L A/c   b) Goodwill A/c
    c) General reserve A/c   d) Capital Reserve A/c

43. A company issued 10,000 equity shares of Rs. 10 each at a premium of 20% for the redemption of 15,000 preference shares of Rs. 10 each. If the company has sufficient profits, the amount to be transferred to Capital Redemption Reserve A/c will be
    a) Rs. 50,000   b) Rs. 1,00,000
    c) Rs. 1,50,000   d) Rs. 30,000

44. X Ltd. issued shares of Rs. 20 each at discount of 10%. Mr. Ram, a holder of 100 shares could not pay the final call of Rs. 5 per share and his shares were forfeited. If these shares are reissued, what is the maximum amount of discount to be allowed on re-issue?
    a) Rs. 8   b) Rs. 2   c) Rs. 15   d) Rs. 13

45. If debentures are issued at a discount of 20%, the discount on issue of debentures is shown as:
    a) Current asset   b) Interest asset
    c) Current liabilities
    d) Miscellaneous expenses

46. Mr. A sends goods to B for Rs. 1,50,000 on sale or return basis for which no confirmation was yet received. What is the amount to be added to the closing stock, if the goods were sent at profit of $33\frac{1}{3}$ % on cost Rs.?
    a) 1,12,500 b) 1,37,500 c) 1,50,000 d) 1,28,000

47. A trader calculated his profit at Rs. 38,750 on 31-03-2012. It is ____
    a) A transaction   b) An event
    c) Transaction as well as event
    d) Neither transaction nor event

48. For every debit there will be an equal credit according to ____concept
    a) Matching   b) Cost
    c) Money Measurement   d) Dual aspect

49. Historical cost concept requires the valuation of an asset at _____
    a) Original cost
    b) Replacement value
    c) Net realisable value
    d) Market value

50. The comparison of financial statements of one year with that of another year is possible only when ___ concept is followed
    a) Going concern
    b) Accrual
    c) Consistency
    d) Materiality

51. Profit / Loss is calculated at the stage of
    a) Recording
    b) Classifying
    c) Interpretation
    d) Summarising

52. Which of the following is not the main objective of accounting?
    a) Systematic recording of transactions
    b) Ascertainment of profit or loss
    c) Ascertainment of a financial position
    d) Solving tax disputes with tax authorities

53. An asset was purchased for Rs. 10,00,000, with a down payment of Rs.2,00,000 and acceptance of a bill payable for Rs.8,00,000. What would be the effect on total assets and total liabilities in the balance sheet?
    a) Assets increased by Rs.8,00,000 and liabilities decrease by Rs. 8,00,000
    b) Assets decreased by Rs.8,00,000 and liabilities increased by Rs. 8,00,000
    c) Assets increased by Rs. 10,00,000 and liabilities increased by Rs. 8,00,000
    d) Assets increased by Rs. 8,00,000 and liabilities increased by Rs. 8,00,000

PartB–MercantileLaws

54. X threats to kill y's son if y does not sell his house to him. Y enters into an agreement to sell the house. Such an agreement will be treated as an agreement entered into under.
    a) fraud
    b) undue influence
    c) coercion
    d) misrepresentation

55. _____ Agreements are created by situation. a) law   b) written   c) void   d) implied

56. legal obligations means a duty enforceable by:
    a) law   b) society   c) custom   d) court

57. Every partner is an agent of firm as well as _____ of the firm

58. a) debtor
    b) principal
    c) creditor
    d) employee

58. If A paid price to car, but he said to deliver the car in future. It is a _____ contract
    a) executory
    b) executed
    c) future
    d) completed

59. If a person promises to marry but refuses to do so, then _____ damages has to be paid
    a) Special
    b) exemplary
    c) nominal
    d) none of these

60. A key of warehouse, where the goods are placed, is given to Buyer is _ type of delivery.
    a) constructive
    b) symbolic
    c) actual
    d) conditional

61. Auction sale will be completed by _____
    a) delivery of goods
    b) price paid to goods
    c) fall of hammer
    d) None of these

62. Match fixing between a player and broker is
    a) Valid
    b) Void
    c) Illegal
    d) Unenforceable

63. ABC are partners. A takes a house on rental basis for the firm purpose and failed to pay the rent. House owner can recover rent from
    a) A only
    b) B&C Only
    c) A & C Only
    d) All partners

64. Which of the following is not true in case of minor?
    a) Rule of estoppel
    b) Ratification of terms on attaining majority
    c) Contract with minor is valid
    d) All of the above

65. Holiday packages advertised by touring operators is _____
    a) Cross offer
    b) Counter offer
    c) Invitation to offer
    d) All of the above

66. In case of partnership, unless otherwise agreed, in the event of losses the loss of the firm has to be born by all the partners in ratio.
    a) equal
    b) profit sharing
    c) capital
    d) by draw of lots

67. In order to sustain a action for deceit, there must be a proof of
    a) misrepresentation
    b) coercion
    c) Undue influence
    d) Fraud

68. Change in the constitution of the firm takes place in the following cases except in
a) change in profit sharing ratio
b) Admission of a partner
c) Retirement of a partner
d) Insolvency of a partner

69. In case of a breach of contract, remedies available to aggrieved party are
a) Suit for damages   b) suit for recession
c) suit for specific performance
d) All of the above.

70. Passing of property constitutes most important element in deciding legal rights and liabilities lies with _____
a) seller   b) buyer   c) both   d) None

71. 'R' supplies gold to 'S', a Jeweler shop owner, to make an ornament. 'S' charged Rs. 500. The contract is _____
a) Agreement to sell   b) Hire Purchase
c) Contract of labour   d) Future Sale

72. A student agreed, under pressure, to gift his entire property to his educational guru. Such agreement can be set aside on the ground of:
a) Undue influence   b) Fraud
c) Mistake   d) Misrepresentation

73. Non fulfillment of obligation by offeree preceeding to acceptance. The offer is
a) Revoked   b) Lapsed
c) Communicated   d) Completed

74. For admitting the partner in partnership, consent should be given by
a) one or more partners
b) majority of partners
c) All the partners   d) None of these

75. Doctrine of caveat emptor does not apply when _____
a) goods are purchased by sample.
b) goods are purchased by description.
c) goods are purchased by sample as well as description.
d) All of the above.

76. When a book seller sells a book on cash, it is known as ____ contract
a) Executed   b) Executory
c) Unilateral   d) Bilateral

77. A sold a gold chain to 'B' on sale or return basis and 'B' sold the same to 'C' on sale or return basis 'C' lost the chain. Who should born the loss?
a) A   b) B   c) C   d) None of these

78. 'X', a coolie taken the luggage of 'Y'. X took the luggage upto the taxi, Y didn't stop X to take the luggage. In this case Y is _____ to pay the amount.
a) bound   b) not bound
c) Free   d) None of these

79. Only those agreement which ___ are contracts
a) Contain a promise
b) Are not legally enforceable
c) Are legally enforceable
d) Are not valid

80. Reserve price is considered / awarded in
a) Sale by sample   b) Sale by description
c) Sale by auction   d) All of the above

81. A minor can become the partner, with the consent of _____
a) guardian   b) Parents
c) All Partners   d) Majority of partners

82. When the property on goods is transferred from seller to buyer at once. This contract is called.
a) Sale   b) future Sale
c) Agreement to Sell   d) All of the above

83. X paid to Y 1Lakh for purchase of a flat. Y promises to give possession of flat after one year. Y's promise to give possession of flat is _____ consideration
a) Executed   b) Executory
c) Past   d) Future

84. A partner may be expelled from the firm on fulfillment of the condition that power of expulsion is exercised
a) As given by express contract
b) In good faith
c) Majority of partners   d) All of the above

85. According to Sale of Goods Act, the term deliverable state means a state in which buyer _____ to take delivery of goods
a) is bound   b) is not bound
c) may bound or may not bound
d) All of the above

86. The amount earned for the contract as much as performed
    a) Recession
    b) Injuction
    c) Quantum meruit
    d) None of these

87. The main aim of Sale of goods Act, 1930 is to transfer _____
    a) Possession of goods
    b) Property
    c) ownership
    d) None of these

88. M/S Law book company made an offer to sell a new book only for the members of Bar council. This is a ___ offer.
    a) General
    b) Specific
    c) implied
    d) invitation to offer

89. Ram agrees to sell to Mohan, all the mangoes which will be produced next year in his garden. This is an agreement of _____ goods.
    a) Ascertained
    b) unascertained
    c) Contingent
    d) Future

90. A partner who does not contribute capital in the firm and does not participate actively in the business but allows the firm to use his name along with goodwill is called as _ partner
    a) Active partner
    b) Sleeping partner
    c) Nominal partner
    d) Limited partner

91. Which of the following is not a disability of unregistered firm
    a) it cannot file a suit against the third party.
    b) Its partners cannot file a fait against the firm
    c) It cannot claim a set off exceeding Rs. 100
    d) It cannot be sued by third party.

92. If both parties are mistaken as to essential matter, then the contract is
    a) Void   b) Valid   c) Illegal   d) Voidable

93. 'Y' sold some goods to 'X' which 'X' believes to be of the best quality. But the goods are of inferior quality it is a case of:
    a) Misrepresentation   b) Coercion
    c) Mistake   d) Fraud.

Key - Part A – FUNDAMENTALS OF ACCOUNTING

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

Part B – MERCANTILE LAWS

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

THE END

CA - CPT – June 2012 Question Paper (Based on Memory)

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

Part A – General Economics

1. A fall in the price of normal good leads to
   a) Shift in demand curve
   b) Fall in demand
   c) Rise in consumer's real income
   d) A fall in consumer's real income

2. Expansion and contraction in demand are caused by
   a) Changes in the income of the buyer
   b) Changes in the taste and preferences of the buyer
   c) Changes in the price of the commodity
   d) Changes in the prices of related goods

3. Which of the following elasticity of demand measures the movement along the demand curve rather than shift in demand curve
   a) Income elasticity of demand
   b) Price elasticity of demand
   c) Cross elasticity of demand
   d) None of the above

4. If 20% fall in price of commodity brings 40% increase in its demand, then the demand for commodity will be treated as
   a) inelastic   b) elastic
   c) highly elastic   d) Perfectly elastic

5. When the price elasticity of demand is zero, the slope of the demand curve will be ___
   a) Horizontal   b) Vertical
   c) Sloping downwards   d) None

6. As price falls by 20% the quantity supplied also falls by 10%. Measure price elasticity of supply?
   a) 0.2   b) 0.5   c) 2   d) 0.4

7. Total utility starts decreasing when
   a) Marginal utility is positive
   b) Marginal utility is negative
   c) Marginal utility is zero
   d) None of the above

8. Marginal utility from the consumption of a commodity would be zero where
   a) Total utility is zero
   b) Total utility is rising
   c) Total utility is highest
   d) Total utility is falling

9. If the total utility of a commodity is 5 and marginal utility is 1, a person consumes 3 units. What is the consumer's surplus?
   a) 2   b) 4   c) 6.5   d) 3.5

10. The function of an entrepreneur is ___
    a) Initiating an enterprise and resource co-ordination   b) Risk bearing
    c) Introducing innovations
    d) All of the above

11. The concept of returns to scale is related with
    a) Very short period   b) Short period
    c) Long period   d) None

12. Law of diminishing returns is applicable in
    a) Agriculture
    b) Manufacturing industry
    c) Neither (a) nor (b)
    d) All economic activities at a point of time

13. Find TFC at 3 units of output

Output	0	1	2	3	4	5
Total cost	620	650	720	850	920	990

    a) 150   b) 230   c) 620   d) 520

14. Cost in terms of pain, discomforts, disabilities involved in supply of factors of production by their owner are termed as ___
    a) Real cost   b) Explicit cost
    c) Social cost   d) Implicit cost

15. Which curve is also called Envelop curve?
    a) Long Run MC curve   b) MC curve
    c) Long Run Average cost curve

16. In market, the price output equilibrium is determined by
    a) Total cost curve and total revenue curve
    b) Total cost curve and marginal revenue curve
    c) Marginal cost curve and marginal revenue curve
    d) Only MC curve

17. Average revenue curve is also known as
    a) Profit curve
    b) Demand Curve
    c) Supply curve
    d) Average cost curve

18. For a discriminating monopolist the condition for equilibrium is _____
    a) MR > mc
    b) $MR_1 = MR_2$
    c) $MR_a = MR_b = MC$
    d) All of the above

19. Selling costs have to be incurred in case of ___
    a) Perfect competition
    b) Monopolistic Competition
    c) Monopoly
    d) None of these

20. In the short run the firm leaves the market when AR is less than
    a) MC   b) Total cost   c) AVC   d) LMC

21. In capitalist economy allocation of resources is performed by _____
    a) Government
    b) Producers
    c) Planners
    d) Price mechanism

22. Normative economics is based on
    a) Ethical considerations
    b) Facts and generalization
    c) What is
    d) All of the above

23. Dual system of pricing exists in _____
    a) Free market economy
    b) Socialistic Economy
    c) Mixed economy
    d) None of these

24. Under inductive method, the logic proceeds from
    a) General to particular
    b) Particular to general
    c) Both (a) and (b)
    d) None of these

25. The density of population in India according to 2001 census is _____
    a) 324 persons per square km
    b) 320 persons per square km
    c) 350 persons per square km
    d) 360 persons per square km

26. Increase in population can occur by_____
    a) High birth rate
    b) Low death rate
    c) immigration
    d) All of these

27. IRDP and allied programs and Million Wells Scheme were integrated into one in 1999 and since then it is known as _____
    a) Swarnajayanthi Gram Swarozgar Yozana
    b) Sampoorna Gram Swarozgar Yozana
    c) National Food for Work Programe
    d) None of these

28. Identify the correct statement
    a) The problem of unemployment and poverty are not inter - related
    b) The birth rate in India is high because of low incidence of poverty
    c) The problem of poverty has been solved in India
    d) None of the above

29. TRAI is the regulatory authority for _____ in India
    a) Railways
    b) Transport
    c) Taxes
    d) Telecommunications

30. Indian Railways network is the _____ in the world
    a) largest
    b) smallest
    c) second largest
    d) second smallest

31. Which is the Apex body in industrial finance in India
    a) Industrial Development Bank of India
    b) Reserve Bank of India
    c) State Bank of India
    d) Ministry of Industries

32. Central Bank of a country does not deal with
    a) State Government
    b) public
    c) Central Government
    d) Commercial Banks

33. Which of the following is a tool of monetary policy that a nations Central Bank could use to stabilize the economy during an inflationary period?
    a) Lowering Bank Reserve requirements
    b) Lowering discount rate
    c) Selling Government securities
    d) None of the above

34. Purchasing power of money falls when
    a) Price level increases
    b) Income level decreases
    c) Price level decreases
    d) Money supply falls

35. In India, inflation is measured by
    a) Consumer price index
    b) Agriculture index
    c) Industrial price index
    d) Wholesale price index

36. The combined phenomenon of stagnation and inflation is called
    a) Demand – Pull inflation
    b) Cost – push inflation
    c) Money inflation   d) Stagflation

37. Which of the following constitutes M_3
    a) $M_1 +$ post office saving deposits
    b) Demand deposits + coins + currency notes
    c) $M_1 +$ Time deposits of the public with Banks
    d) None of the above

38. Invisible items are part of
    a) Balance of Trade Account
    b) Balance of Payments Account
    c) Official Reserve Account
    d) Reserve Bank of India Account

39. In Balance of payments, which of the following does not constitute the Balance of Current Account
    a) Balance of Trade
    b) Balance of Services
    c) Balance of Unilateral Transfers
    d) Balance of Private Direct Investment

40. International body which deals with rules of trade between nations is _____
    a) UNO   b) WTO   c) OPEC   d) IBRD

41. Which institution is known as the soft lending arm of the World Bank?
    a) IFC   b) IMF   c) WTO   d) IDA

42. Privatisation refers to
    a) Encouraging private Industries
    b) Transfer of Assets from public to Private ownership
    c) Both (a) & (b)   d) None of the above

43. A change in the exchange rate from $1 = Rs. 46 to $1 = Rs. 39, implies _____
    a) Devaluation of Rupee
    b) Appreciation of Rupee
    c) Depreciation of Rupee   d) None of these

44. The reason behind implementation of economic reforms in 1991 in India was
    a) Direction from world Bank
    b) Failure of Economic Policies of existing government
    c) Low foreign exchange reserves
    d) None of the above

45. The FERA has been replaced by _____
    a) MRTP Act   b) FEMA
    c) IDRA   d) None

46. Fiscal policy means
    a) Policy Relating to Money & Banking in country
    b) Policy Relating to Public Revenue and Public Expenditure
    c) Policy Relating to Non – Banking Financial Institutions   d) None of these

47. Net Domestic Production = Gross Domestic Product minus _____
    a) NFIA   b) Indirect Taxes
    c) Depreciation   d) Transfer payments

48. As per the value added method of measuring national income identify which of the following item will be excluded
    a) Production for Self – Consumption
    b) Imputed Rent of owner occupied houses
    c) Brokerage earned by selling second hand goods
    d) Sale proceeds of second hand goods

49. If $\log_x y = 100$ and $\log_2 x = 10$ then the value of y
    a) 2^{10} b) 2^{100} c) 2^{1000} d) 2^{10000}

50. The value of $\dfrac{3^{n+1} + 3^n}{3^{n+3} - 3^{n+1}} =$
    a) 1/3   b) 1/6   c) 1/4   d) 1/9

51. The number of proper sub sets of the set {3, 4, 5, 6, 7} is
a) 32   b) 31   c) 30   d) 25

52. On the set of lines in a plane the Relation " is perpendicular to" is _____
a) Reflexive   b) Symmetric
c) Transitive   d) None of these

53. The range of the function $f : N \rightarrow N$ defined by $f(x) = (-1)^{x-1}$ is
a) {0 , -1}   b) { 1 , -1}
c) {1 , 0}   d) {1, 0, -1}

54. In an A.P if the 4th term is 3 times the first term and 7th term exceeds the 3rd term by 1 then the values of a and d are
a) 3,2   b) 4,3   c) 5,4   d) 6,5

55. If the 8th term of an A.P is 15 then the sum of first 15 terms is
a) 15   b) 0   c) 225   d) 225/2

56. Find the point which divides the line segment joining the points (2 , -2) and (-4, 1) in the ratio 5:2 externally is
a) (-5,8)   b) (-8,3)   c) (-5,4)   d) (-8,5)

57. Find the sum of the series $2, \dfrac{4}{y}, \dfrac{8}{y^2}, \dfrac{16}{y^3}, \ldots \ldots \infty$ given that y > 2 is
a) $\dfrac{2y}{y-2}$ b) $\dfrac{4y}{3y-2}$
c) $\dfrac{3y}{y-2}$ d) None of these

58. The equation of the straight line passing through the point of intersection of the lines 4x – 3y – 1 = 0 and 2x – 5y + 3 = 0 and parallel to 4x + 5y = 6 is_____
a) 4x + 5y – 12 = 0   b) 4x + 5y – 16 = 0
c) 4x + 5y – 9 = 0   d) 4x + 5y – 11 = 0

59. The range of real values of 'x' satisfying the inequality 3x–2 > 7 and 4x-13 > 15 is
a) x > 3   b) x >7   c) x<7   d) x<3

60. If $2 + \sqrt{3}$ is one root of $x^2 + px + q = 0$ Then p and q are
a) -4,-1   b) 4,-1   c) -4,1   d) 4,1

61. If the A.M between the roots of a Quadratic equation is '8' and G.M is '5' then the equation is _____
a) $x^2 + 16x - 25 = 0$ b) $x^2 - 16x + 25 = 0$
c) $x^2 - 16x + 5 = 0$ d) None of these

62. The minimum value of the function f(x) = $x^2 - 6x + 10$ is
a) 1   b) 2   c) 3   d) 10

63. Evaluate $\lim\limits_{n \to \infty} \dfrac{2 + 8 + 18 + \ldots + 2.n^2}{n^3}$ =
a) 1/3   b) 2/3   c) 4/3   d) 1

64. If g(x) = $- \sqrt{25 - x^2}$ then $\lim\limits_{x \to 1} \dfrac{g(x) - g(1)}{x - 1}$ =
a) 0   b) $\dfrac{1}{\sqrt{24}}$ c) $\sqrt{24}$ d) None

65. If x = ct ; y = c/t then $\dfrac{dy}{dx}$ =
a) 1/t   b) $t.e^t$ c) $\dfrac{-1}{t^2}$ d) None

66. If Y = $e^{a.\log x} + e^{x.\log a}$ then $\dfrac{dy}{dx}$ =
a) $x^a + a^x$ b) $a.x^{a-1} + a^x.\log a$
c) $a.x^{a-1} + x.a^{x-1}$ d) $x^x + a^a$

67. $\int\limits_0^1 \dfrac{dx}{[ax + b(1-x)]^2}$ =
a) a/b   b) b/a   c) ab   d) 1/ab

68. If n_{p_4} = 20 . n_{p_2} then n =
a) -2   b) 7
c) both (a) & (b)   d) None of these

69. In a company there are 7 CA's ; 6 M.B.A's and 3 engineers. How many ways can they form a committee, If there two members from each field is
a) 900   b) 1000   c) 787   d) 945

70. The letters of the word "VIOLENT" are arranged so that vowels occupy even places only. The number of permutations is
a) 144   b) 120   c) 24   d) 72

71. Which of the following are not in proportion
    a) 6,8,5,7   b) 7,3,14,6
    c) 18,27,12,18   d) 8,6,12,9

72. The S.I on Rs. 2000 for 5 months at the rate of 16% per annum is _____
    a) 133.33   b) 133.26   c) 134.00   d) 132.09

73. The S.I on a sum of money is 4/9 of the principal and the no. of years is equal to the rate of interest per annum. Find the rate of interest per annum
    a) 5%   b) 6%   c) 20/3%   d) 22/7%

74. The mean of first 3 terms is 14 and the mean of next 2 terms is 18. The mean of 5 numbers is _____
    a) 14.5   b) 15   c) 14   d) 15.6

75. G.M of three observations 40, 50, and x is 10 the value of x is
    a) 2   b) 4   c) 1/2   d) None

76. Which of the following statement is true?
    a) Q.D < M.D < S.D   b) Q.D > M.D > S.D
    c) Q.D < S.D < M.D   d) Q.D > S.D > M.D

77. S.D of 1st 'n' natural numbers is 2 then n =
    a) 12   b) 7   c) 9   d) 5

78. The S.D is independent of change of _____
    a) Origin   b) Scale   c) Both   d) None

79. Covariance of two variables x & y is 25 V(x) = 36 & V(y) = 25 then r =
    a) 0.409   b) 0.419   c) 0.833   d) 0.027

80. If $\bar{x}$ & $\bar{y}$ are the A.M's, σ_x & σ_y are the S.D's, b_{yx}, b_{xy} are regression coefficients of variables x & y respectively. The point of Intersection of regression lines x on y & y on x is
    a) $(\bar{x}, \bar{y})$ b) σ_x, σ_y c) (b_{yx}, b_{xy}) d) (σ^2_x, σ^2_y)

81. The coefficient of correlation between two variables x and y is the simple _____ of the regression coefficients.
    a) A.M   b) G.M   c) M.M   d) None

82. If regression lines are 8x – 10y + 66 = 0 and 40x – 18y = 214 then correlation coefficient between x & y is
    a) -1   b) 0.6   c) -0.6   d) 1

83. If 2 variables are uncorrelated then regression lines are _____
    a) Parallel   b) Perpendicular
    c) Coincident   d) Inclined at 45^0

84. Calculate the Fisher index number from the following data
    $\Sigma p_0 q_0 = 116$; $\Sigma p_0 q_1 = 140$; $\Sigma p_1 q_0 = 97$; $\Sigma p_1 q_1 = 117$
    a) 83.59   b) 184.09
    c) 120.02   d) None of these

85. Calculate the cost of living index number for the year 1975 is

Commodity	1970		1975	
	price	Qty	price	Qty
A	1	6	3	5
B	3	5	8	5
C	4	8	10	6

    a) 260.37   b) 265.48   c) 274.32   d) 282

86. Cost of sugar in a month under the heads Raw Materials, labour, direct production and others were 12, 20, 35 and 23 units respectively. What is the difference between the central angles for the largest and the smallest components of the cost of sugar?
    a) 72°   b) 48°   c) 56°   d) 92°

87. Which of the following graph is used to calculate the partition values
    a) Lorenz Curve   b) Ogive Curve
    c) Histogram   d) None

88. Data given below refers to marks gained by a group of students

Class	Below 10	Below 20	Below 30	Below 40	Below 50
C.F	15	38	65	84	100

    Find the no of students getting more than 30 marks.
    a) 50   b) 53   c) 35   d) 52

89. Arun & Tarun appear for an interview for 2 vacancies. The Probability of Arun's selection is 1/3 and that of Tarun's selection is 1/5. Find the probability that only one of them will be selected.
    a) 2/5   b) 4/5   c) 6/5   d) 8/15

90. Let A and B are two events in a sample space such that $p(A) = \dfrac{1}{2}$ $p(\bar{B}) = \dfrac{5}{8}$ $p(A \cup B) = \dfrac{3}{4}$

Find $P(A \cap \bar{B})$.

a) 3/4   b) 1/4   c) 3/16   d) None

91. A card is drawn out of standard pack of 52 cards. What is the probability that it is a king or red colour?

a) 1/4   b) 4/13   c) 7/13   d) 1/2

92. If a coin is tossed twice we get, Rs 5 if two heads appear, Rs 2 if one head appear, Rs 1 if no head appear. Then the expected income is

a) 3.5   b) 2.5   c) 4.5   d) 5.5

93. For Binomial Distribution

a) Variance < Mean   b) Variance > Mean
c) Variance = Mean   d) None of these

94. If x is a Poission variate and E (x) = 1 then P(x>1) is

a) $1 - \dfrac{e^{-1}}{2}$ b) $1 - e^{-1}$ c) $1 - 2e^{-1}$ d) $1 - \dfrac{5}{2}e^{-1}$

95. The mean and variance of a random variable x having the following P.D.F

$P(X=x) = \dfrac{\exp[-(x-4)\ ]}{\sqrt{\pi}}, -\infty < x < \infty$

a) 4, 1_2 b) 4, $\dfrac{1}{\sqrt{2}}$ c) 2, 2   d) 2, $\dfrac{1}{2}$

96. A Statistic 'T' is said to be a consistent estimator of the population Parameter ' θ ' is

a) E(T) = θ b) V(T) $\to 0$ as n $\to \infty$
c) both of these   d) None of these

97. In order to test the quality of chalks the following method should be adopted.

a) Complete Enumeration
b) Simple Random Sampling
c) Stratified Random Sampling
d) Systematic Random Sampling

98. In Systematic Sampling every 6th sampling unit is picked from a sampling frame of workers is 1 to 48. Then the size of sample is _____

a) 6   b) 8   c) 10   d) None

Key - Part A – GENERAL ECONOMICS

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

Part B - QUANTITATIVE APTITUDE

49.	C	50.	B	51.	B	52.	B	53.	B
54.	A	55.	C	56.	B	57.	A	58.	C
59.	B	60.	C	61.	B	62.	A	63.	B
64.	B	65.	C	66.	B	67.	D	68.	B
69.	D	70.	A	71.	A	72.	A	73.	C
74.	D	75.	C	76.	A	77.	B	78.	A
79.	C	80.	A	81.	B	82.	B	83.	B
84.	A	85.	A	86.	D	87.	B	88.	C
89.	A	90.	B	91.	C	92.	B	93.	A
94.	C	95.	A	96.	C	97.	B	98.	B

THE END