

CA - CPT – June 2013 Question Paper (Based on Memory)**1st session****Marks: 100 Marks****Time: 2 hrs.****Part A – Fundamentals of Accounting**

1. Bill is drawn by Mr.Mohan on Mr. Mahesh on 30th January 2012 for one Month, then due date of the bill is _____
 a) 28th February, 2012 b) 2nd March, 2012
 c) 3rd March, 2012 d) 4th March, 2012
2. The expenditure Rs.2,000 incurred on a trial run of newly purchased machine is _____
 a) Preliminary expenses
 b) Capital expenditure
 c) Revenue expenditure
 d) Deferred revenue expenditure
3. Unclaimed dividend is shown under _____
 a) Other current liabilities
 b) Reserves & Surplus
 c) Secured loans
 d) Miscellaneous expenditure
4. Proprietor used a rented building both for business purpose and as well as residence equally. The rent paid during the year for the building was Rs.1,32,000 debited to rent expenses A/c in the books of business. One month rent is still outstanding. Liability of the business for rent outstanding ____
 a) Rs.11,000 b) Rs.12,000
 c) Rs.5,500 d) Rs.6,000
5. Which of the following will not affect trial balance?
 a) Purchase book was under casted by Rs.5,000
 b) White wash charges Rs.10,000 were debited to building A/c
 c) Cash paid to Briz Binan Rs.500 was debited to Briz Binan A/c as Rs.5,000
 d) Credit sales of Rs.2,000 to P correctly recorded in sales book but not posted to P's account.
6. Which of the following is an event ?
 a) Purchase of goods worth Rs.4,000
 b) Sale of goods worth Rs.2,000
 c) Closing stock worth Rs.2,000
 d) Rent paid Rs.2,000
7. The normal rate of return is 20%. The total capital employed is Rs.6,00,000. The average profit is Rs.1,50,000. Calculate goodwill as the basis of 3 years purchase of super profits.
 a) Rs.90,000 b) Rs.1,20,000
 c) Rs.1,00,000 d) Rs.60,000
8. Which of the following is not a contingent liability?
 a) Claim against enterprises not acknowledged as debt
 b) Guarantee given in respect of third parties
 c) Liability in respect of bills discounted
 d) Penalty imposed by excise officer for violation of provisions of Central Excise Act
9. Opening stock 400 units @ Rs.20 each. Purchases during the year 200 units @ Rs.25each. Issues – 250 units
 In LIFO Method, closing stock will be?
 a) 8750 b) 7000 c) 7750 d) 8000
10. Which of the following concept shows difference between amount of receipt and right to receive an amount?
 a) Matching Concept
 b) Going concern Concept
 c) Accrual Concept
 d) Realisation Concept
11. Balance in JLP A/c of partners is _____
 a) Total premium paid by the firm
 b) Annual premium paid each year
 c) Surrender Value
 d) JLP amount - Surrender Value
12. Goods sent on sale or return basis at a cost of Rs.1 lakh. In that, 50% of goods were accepted and 30% of the goods were returned. The remaining stock was held with customer and the period not yet expired. Then closing stock will be _____
 a) 1,00,000 b) 50,000 c) 20,000 d) 30,000

13. Goods costing Rs.5,000 will be distributed as wages for Rs.5,000. Market price is Rs.6,000. Journal entry is _____
- a) Wages A/c Dr. 6000
 To salary A/c 6000
- b) Wages A/c Dr. 6000
 To salaries A/c 6000
- c) Wages A/c Dr. 5000
 To purchases A/c 5000
- d) Wages A/c Dr. 6000
 To purchases 6000
14. 'A' has discounted 3 months bill @ 10% p.a. from bank and given credit of 11,700. On due date, the bill was dishonoured and noting charges of Rs.50 was paid by bank. The amount by which A's A/c will be debited by bank is _____
- a) 13050 b) 12050 c) 11000 d) None
15. Which of the following is true?
- a) Co-venturers always share profits equally
b) They cannot be more than two co-venturers
c) The relationship between co-venturers is Principal & Agent
d) Co-venturers may provide funds for venture
16. Proprietor's personal expenditure not recorded in the books of accounts due to _____
- a) Materiality b) Conservatism
c) Going concern d) Business entity concept
17. The debenture amount Rs.2,000 issued as collateral security required the following Journal entry
- a) Debit debenture A/c and credit debenture suspense A/c
b) Debit debenture suspense A/c and credit debenture A/c
c) Debit collateral security and credit debenture A/c
d) Debit collateral security and credit debenture suspense A/c
18. Which of the following is false with respect to debentures?
- a) Companies can issue irredeemable debentures
b) Companies can issue debentures with voting rights
c) Companies can issue debentures for consideration other than cash
d) Companies can issue convertible debentures
19. Which of the following are not taken into consideration while calculating closing stock
- a) Insurance of warehouse
b) Carriage
c) Octroi
d) Loading expenses
20. Cost of machinery Rs.60,000. They charged depreciation @ 20% on SLM method. In 2nd year they decided to change method and adopt WDV method @ 20%. If machine was sold for Rs.30,000 at the end of 3rd year. Calculate the amount of loss.
- a) Loss 4720 b) Loss 4560
c) Loss 720 d) Loss 560
21. A company issued 10,000 shares out of 14,000 applied. Mr.A got 300 shares on pro-rata basis. How many shares he would have applied?
- a) 420 shares b) 300 shares
c) 380 shares d) 500 shares
22. Tree limited forfeited 500 shares of Rs.20 each issued at 5% discount, for non payment of allotment and final call of Rs.9 and Rs.5 respectively. Amount credited to share forfeiture A/c will be
- a) 3,500 b) 2,500 c) 3,000 d) 4,000
23. ABC partners, each partner has an individual life policy of Rs.50000 on 31st August, partner 'B' died and the surrender value of each policy at death is Rs.2,000. Share of 'B' partner is (equal sharing)
- a) 17000 b) 18000
c) 50000 d) 54000
24. Rohan & Sohan are partners in a firm sharing profits & losses in the ratio of 3 : 1. A partner Mohan is admitted and he brought Rs.40,000 as goodwill. New profit sharing ratio of all the partners is equal. The amount of goodwill to be shared by old partners is
- a) Equally Rs.20,000 each
b) Rohan Rs.30,000 & Sohan Rs.10,000
c) Rohan Rs.40,000
d) Rohan received Rs.50,000 & Sohan paid Rs.10,000

25. The directors of E limited made the final call of Rs.50 per share on 1st August 2012 indicating the last date of payment of call money to be 31st August. Mr.White holding 5000 shares paid the call money on October 15th 2012. If the company adopts table 'A', the amount of interest on calls-in-arrears to be paid by Mr.White would be _____
 a) 3125 b) 1562.50 c) 1875 d) 1500
26. The accounting equation asset = capital + liabilities, which of the following is true. Ram has started business with 5,50,000 and has purchased goods worth 1,50,000 on credit
 a) $7,00,000 = 5,50,000 + 1,50,000$
 b) $7,00,000 = 6,50,000 + 50,000$
 c) $5,50,000 = 7,00,000 - 1,50,000$
 d) $5,50,000 = 5,00,000 + 50,000$
27. A & B are sharing profits in the ratio 2 : 1 . C is admitted as a partner for 1/4th of the share of profits, 3/4th part of his share from A and 1/4th of his share from the B. The new profit sharing ratio is _____
 a) 2 : 1 : 1 b) 23 : 13 : 12
 c) 1 : 1 : 1 d) 3 : 1 : 5
28. Delcredre commission will be given for _____
 a) Speedy collection of cash
 b) Prompt payment of cash
 c) To cover risk of bad debts
 d) Sale of goods above invoice price
29. What is the principle of nominal A/c?
 a) Debit what comes in, credit what goes out.
 b) Debit all expenses & losses & credit all incomes & gains.
 c) Debit the receiver, credit the giver.
 d) Debit all assets, credit all liabilities.
30. X purchased goods on 90 days credit from Y of worth Rs.20,000. Y has given a trade discount of Rs.1,000 on the same. He also allowed a cash discount of Rs.500, if payment is made within 30 days. X availed cash discount and also paid the dues of Y. At the end, goods purchased from Y remained unsold and included in the stock. What is the amount of stock.
 a) Rs.20,000 b) Rs.19,500
 c) Rs.19,000 d) Rs.18,500
31. Opening and closing balances of debtors are 30,000 & 40,000 respectively. Cash collected from debtors 2,40,000. Discount allowed is 15,000 for prompt payment. Bad debts Rs.10,000. The total goods sold on credit are _____
 a) 2,55,000 b) 2,45,000
 c) 2,95,000 d) 2,75,000
32. Goods sent on consignment at a cost of Rs.50,000. 1/4th lost in transit and claim received Rs.10,000. The amount of abnormal loss to be transferred to general P & L A/c is _____
 a) 12,500 b) 2,500 c) 10,000 d) None
33. All the enterprises should follow the same method of accounting policies for comparability of accounts is due to _____
 a) Conservatism b) Consistency
 c) Matching d) Going concern
34. The Piston & Rings are arranged for increasing fuel efficiency. This is a _____
 a) Revenue expenditure
 b) Deferred revenue expenditure
 c) Capital expenditure d) None of these
35. Over Draft balance as per Cash Book of 'X' Rs.20,500. Direct remittance of his customer is Rs.50,000 and 'X' was not aware that Rs.25,000 cheque was deposited, returned unpaid and he was yet to be informed. Balance as per Pass Book is _____
 a) 4,500 Cr. b) 4,500 O.D.
 c) 45,500 Cr. d) None
36. Which of the following are accounting policies
 a) Treatment of goodwill
 b) Valuation of inventories
 c) Treatment of retirement benefits
 d) All the above
37. Goods costing Rs.4,000 having normal sales value of Rs.6,000 were destroyed by fire. The scrap value of Rs.400 was taken over by insurance company. Insurance company accepted a final claim of Rs.2,700. What amount of loss by fire will be transferred to P & L A/c?
 a) 3,300 b) 1,300 c) 1,700 d) 900

49. The dealer of construction materials due to unknown reason took physical stock of inventories on 11th April. The cost of stock was Rs.4,20,000 (including goods returned on consignment basis). The dealer received goods cost Rs.1,00,000 in March 2011 for sale on consignment basis. 20% goods have been sold in March, 60% of stock in between 1st – 10th April. Find cost of stock on 31-3-11.
- a) 3,20,000 b) 4,00,000
c) 3,40,000 d) 3,60,000
50. Sold old furniture valued Rs.2,000 to Sona was recorded as sales, the book value of furniture was Rs.2,500. What will be the rectifying entry?
- a) Sales A/c Dr. 2000
 Suspense A/c Dr. 500
 To furniture A/c 2500
- b) Sales A/c Dr. 2000
 P & L A/c Dr. 500
 To Furniture A/c 2500
- c) Sales A/c Dr. 2000
 Suspense A/c Dr. 500
 To sona A/c 2500
- d) Furniture A/c Dr. 2000
 To sona A/c 2000
51. Opening stock - 1,50,000
Cash sales - 1,20,000
Credit sales - 2,30,000
Closing stock - Nil
Selling price - 125% of cost, then purchases =?
- a) 1,50,000 b) 1,40,000
c) 1,30,000 d) 1,20,000
52. Find closing stock value _____
- | Units | Cost | Market value |
|-------|------|--------------|
| 70 | 5000 | 2000 |
| 20 | 3000 | 6000 |
| 30 | 7000 | 9000 |
- a) 4,00,000 b) 4,10,000
c) 7,30,000 d) 7,40,000
53. Goods worth Rs.10,000 was destroyed by fire and insurance company admitted the claim of 60%. The journal entry
- a) Loss by Fire a/c Dr. Rs.10,000
 To Purchase a/c Rs.4,000
 To insurance a/c Rs.6,000
- b) Loss by Fire a/c Dr. Rs.4,000
 Insurance Co. a/c Dr. Rs.6,000
 To Purchase a/c Rs.10,000
- c) Loss by Fire a/c Dr. Rs.10,000
 To Purchase a/c Rs.6,000
 To insurance Co. a/c Rs.4,000
- d) Loss by Fire a/c Dr. Rs.6,000
 Insurance Co. a/c Dr. Rs.4,000
 To Purchase a/c Rs.10,000
54. 600 shares allotted to Mr. X, on which Rs.100 each called up, and Rs.50 paid up were forfeited and reissued for Rs.70 each as fully paid up. Amount transferred to capital reserve A/c is
- a) Rs.12,000 b) Rs.15,000
c) Rs.30,000 d) Rs.18,000
55. While preparing B.R.S with balance as per cash book which of the following will not be added
- a) Cheque deposited but not cleared
b) Cheque issued but not presented
c) Cheque directly deposited in bank by a customer
d) All of the above
56. If preference shares are redeemed out of the fresh issue of Equity shares; which account will be credited?
- a) Capital reserve account
b) Capital redemption reserve account
c) Preference share capital account
d) Equity share capital account
57. ABC Ltd has issued a cheque for Rs.3,50,000. The accountant by error has recorded the payment at Rs.35,000. This error can be identified on preparing _____
- a) P & L A/c b) Bank Book
c) BRS d) Trial balance
58. Z Ltd. Issued 1,50,000 shares of Rs.100 each at a discount of 10%. Mr. Gopi to whom 300 shares were allotted, failed to pay the final call of Rs.30 per share and hence all the shares are forfeited. What amount is transferred to shares Forfeiture A/c ?
- a) Rs.9,000 b) Rs.21,000
c) Rs.18,000 d) Rs.27,000

59. For the financial year 2011-12, the gross profit was Rs.1,75,000. During the year Carriage inward Rs.15,000, Personal expenses of proprietor Rs.75,000 and Carriage outward Rs.17,500. Bad debts for the year were Rs.12,000. The net profit earned for the year 2011-12 would be:
 a) Rs.85,000 b) Rs.1,45,000
 c) Rs.64,500 d) none of the above
60. C of Chennai sent goods costing Rs.6,00,000 to Delhi. These goods were to be sold at cost plus 33 1/3%. The consignee sent advance to consigner as a % of sales value and A sent accordingly Rs.4,80,000. What is the percentage of such advance on sales value?
 a) 75% b) 50% c) 60% d) 25%

Part B – Mercantile Laws

61. _____ arises obligations where no contract is originally entered.
 a) Wagering Contract b) Contingent Contract
 c) Quasi Contract d) None of these
62. _____ is good in substance, but suffers from technical defect like Non – Registration.
 a) Voidable Contract
 b) Unenforceable Contract
 c) Valid Contract d) Illegal Contract
63. What are the essential elements of valid contract
 a) Lawful Object b) Lawful Consideration
 c) Free Consent d) All of the above
64. An offer is made with an intention to have negotiation from other party. This type of offer is ____
 a) Invitation to offer b) Valid offer
 c) Voidable offer d) None of these
65. M/S Law book Company offered books only to ICAI council members. This offer generally known as:
 a) General offer b) Specific offer
 c) Both of the above d) None of the above
66. Which of the following is false?
 a) Consideration must move at the desire of the promisor
 b) Consideration may move from promisee (or) any other person
 c) Consideration may be past present or future
 d) Consideration must be adequate
67. Which of the following are valid considerations?
 a) Past b) Present
 c) Future d) Past, Present & Future
68. A minor get injured his left leg in football match. He engaged a doctor for treatment of leg. The doctor's claim for his services is under Indian Contract Act 1872 ____
 a) Valid b) Invalid
 c) Void d) Illegal
69. An Intentional misrepresentation will amount to ____
 a) Fraud b) Coercion
 c) Undue influence d) None of these
70. Obtaining the consent on the basis of a relation subsisting between two persons where one party is able to dominate the will of another is called ____
 a) Coercion b) Undue influence
 c) Fraud d) Misrepresentation
71. Which of the following will stand under fiduciary relationship as per Indian contract Act, 1872?
 a) Father and Son b) Doctor and Patient
 c) Advocate and Client d) All of the above
72. _____ contracts are enforceable by future events.
 a) Contingent Contract
 b) Quasi Contract
 c) Conditional Contract
 d) Wagering Contract
73. Execution of a bond requiring employees leaving the organisation before the expiry of the term of service to pay compensation to the employee is considered as:
 a) Un enforceable agreement
 b) Voidable agreement
 c) Valid agreement d) Void agreement

74. As per the provisions of Indian Contract Act, 1872 the original contract need not be performed in case of _____
 a) Novation b) Alteration
 c) Rescission d) All of these
75. Change in some or all terms of the contract is _____
 a) Novation b) Alteration
 c) Merger d) Rescission
76. A, B, C were partners in a partnership firm. 'A' paid the liability of the firm without having authority. What the other partners will do?
 a) Can ratify the transaction
 b) Can't ratify the transaction
 c) Ignore the transaction
 d) None of these
77. Retiring Partner will be liable till _____
 a) After Retirement b) Before Retirement
 c) Both (a) & (b) d) None of these
78. Sharing of profits is _____ evidence of partnership.
 a) Conclusive b) Non – conclusive
 c) Confirmative d) Collaborative
79. Partners should attend _____ to his duties.
 a) Diligently b) Sincerely
 c) Systematically d) Efficiently
80. A retiring partner is entitled to profits of the firm?
 a) Up to 31st March
 b) When last accounts is made up
 c) up to retirement date
 d) Not entitled to any profit.
81. A was an employee in a partnership firm with a salary of Rs.50,000 per month and he will get a share of 30% in profits if the profits of the firm exceed Rs.5 lakhs. Now 'A' is called _____
 a) Partner of the firm
 b) Not a partner of the firm
 c) He cannot take share in profits
 d) is not entitled to any salary
82. The person who represents himself as a partner in a firm is called _____
 a) Sleeping Partner
 b) Partner by holding out
 c) Sub – Partner
 d) Co-owner
83. On which of the following grounds all or any one of the partner can apply to the court for dissolution,
 a) Perpetual losses
 b) Unsound mind of a partner
 c) Misconduct d) All of these
84. When a partner of a firm is adjudicated as an insolvent, he ceases to be a partner as _____
 a) On the date of order of adjudication
 b) On the date of dissolution
 c) On the date of information of insolvency
 d) Decided by Indian partnership firm.
85. Partnership at will means
 a) No duration period is fixed
 b) Dissolved at the will of the creditors
 c) Dissolved at the will of the debtors
 d) None of the above
86. The loss arising out of partners insolvency shall be borne by _____ according to Garner Vs. Murray case
 a) All the partners equally
 b) Solvent partners in capital ratio
 c) All the partners in profit & loss sharing ratio
 d) None of the Above
87. Partnership deed is also called as
 a) Partnership document
 b) Articles of partnership
 c) Both of these
 d) None of the above
88. A partnership firm cannot exceed the maximum number other than banking company:-
 a) 10 members b) 20 members
 c) 15 members d) 25 members
89. What are the essential elements of contract of sale?
 a) Atleast two parties
 b) Subject matter must be goods
 c) Both (a) & (b) d) None of these
90. By transferring the property, the rights and liabilities will transfer to _____
 a) Buyer b) Seller
 c) Both (a) & (b) d) None of these

91. Auction Sale completes by _____
 a) Fall of Hammer b) Acceptance
 c) Offer d) None of these
92. A document issued by railway company acknowledging receipt of goods is known as
 a) Bill of lading b) Railway Receipt
 c) Dock Warrant d) None of these
93. Giving document of title to goods is which type of delivery?
 a) Symbolic b) Constructive
 c) Actual d) None of these
94. Merchantable Quality of goods means _____
 a) Goods are free from latent defects
 b) Marketable at their full value
 c) Goods can be used for the purpose for which they are purchased
 d) All of the above
95. The keys of warehouse where goods are stored is handed over to the buyer. It is called _____ delivery.
 a) Actual b) Symbolic
 c) Constructive d) Conditional
96. M sold goods to B. The payment was to be done after one month. B did not made payment. The right of lien can be exercised by M When goods are _____
 a) Handed over to transporters.
 b) Not handed over to anyone
 c) Handed over to B
 d) Handed over to any one.
97. The property of goods will be transferred to the buyer at the time where total payment is made.
 a) Sale b) Agreement to sell
 c) Hire Purchase d) Sale / Approval Basis
98. An agreement made between two parties to pay consideration in future and in execution of sale deed is known as _____
 a) Sale b) Agreement to sell
 c) Hire purchase d) None
99. Unpaid seller sells goods to the new buyer who was in possession of the goods. The new buyer _____
 a) Gets good title to the goods
 b) Does not get good title to the goods
 c) Gets good title to the goods subject to consent of original buyer d) None of these
100. The implied warranties as per sale of goods act includes _____
 a) Enjoyment of undisturbed possession
 b) Disclosure of dangerous nature of goods
 c) Quality or fitness by usage of trade
 d) All of the above

Key - Part A – FUNDAMENTALS OF ACCOUNTING

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

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

THE END

MASTER MINDS
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CA - CPT - June 2013 Question Paper (Based on Memory)2nd session

Marks: 100 Marks

Time: 2 hrs.

Part A – General Economics

1. The upper part of kinked demand curve is _____
 a) Elastic b) Inelastic
 c) Perfectly Elastic d) Unitary Elastic
2. Goods are Perfect complementary then IC curve is _____
 a) L-Shape b) U-Shape
 c) Straight Line d) None
3. EXIM bank was started on _____
 a) 1972 b) 1988 c) 1982 d) 1998
4. Which one of the following is not an objective of RBI.
 a) Economic Stability
 b) Issue of currency
 c) Advancing loans to public
 d) Maintenance of foreign exchange reserves
5. FDI upto _____ is being allowed in defense production.
 a) 26% b) 49% c) 74% d) 51%
6. Marshallian utility analysis is known as _____ analysis.
 a) Cardinal b) Ordinal
 c) Classical d) Historical
7. Given AR=5, Elasticity of demand =2 find MR
 a) 2.5 b) -2.5 c) 1.5 d) 2.0
8. Direct costs are _____
 a) Traceable costs b) Indirect costs
 c) Implicit costs d) Explicit costs
9. Under monopoly which of the following are correct.
 a) AR & MR both are downward sloping
 b) MR lies half way between AR & Y axis
 c) MR can be zero or negative
 d) All of the above
10. NABARD was established under the recommendation of _____
- a) Public accounts committee
 b) Shivaraman Committee
 c) Narasimham Committee
 d) None of the above
11. Price is fallen by 20% brings above 10% fall in quantity supplied then elasticity of supply is _____
 a) 2.0 b) 0.5 c) 1.0 d) 1.5
12. Short run price is also known as:
 a) Market price
 b) Showroom price
 c) Maximum retail price
 d) None of these
13. The difference between the value of a nation's visible exports and visible imports is called _____
 a) Balance of trade
 b) Balance of payments
 c) Balance of current account
 d) Balance of capital account
14. To reduce the value of domestic currency in terms of foreign currency is known as _____
 a) Appreciation b) Devaluation
 c) Depreciation d) None of above
15. In disguised unemployment marginal productivity of labour becomes.
 a) Zero b) One c) Infinite d) Doubles
16. Price under perfect competition is determined by _____
 a) Firm b) Industry
 c) Government d) Society
17. Non-price competition in popular sense called
 a) Monopoly market
 b) Oligopoly market
 c) Monopolistic competition
 d) Perfect competition

18. Pradhana Mantri Bharat Jodo Pariyojana is related to _____
 a) Communication
 b) Social integration
 c) Linking of rivers
 d) Highways developing
19. External economies can be achieved through
 a) Foreign trade only
 b) Extension of transport & transport credit facility
 c) Superior managerial skills
 d) External assistance
20. What will be the price elasticity if original price is Rs=5, original quantity is 8 units and changed price is Rs=6 changed quantity is 4 units?
 a) 2.5 b) 2.0 c) 1.5 d) 1.0
21. The objectives of Monetary Policy?
 a) Price Stability
 b) Exchange rate Stability
 c) Employment Generation
 d) All of these
22. Which of the following suffer due to inflation.
 a) Debtors b) Creditors
 c) Businessman d) Owners of real assets
23. Suppose the total cost of production of a commodity X is Rs.1,25,000 out of which implicit cost 35,000 and normal profit is 25,000. What would be the explicit cost of commodity?
 a) 90,000 b) 65,000
 c) 1,00,000 d) 60,000
24. Inductive and deductive methods are complementary. This statement is _____
 a) Absolutely correct b) Partially correct
 c) Absolutely wrong d) Partially wrong
25. You are the factory owner and have given employment to 400 workers. If 10 workers are retrenched by you without loss of production then this situation be described as _____
 a) Open unemployment
 b) Disguised unemployment
 c) Frictional unemployment
 d) Seasonal unemployment
26. The original price of commodity is Rs.500 and quantity demanded is 20 kgs. If price rises to Rs.750 and quantity demanded reduces to 15 kgs, price elasticity of demand is _____
 a) 0.25 b) 0.50 c) 1.00 d) 1.50
27. If marginal rate of substitution is increasing then shape of indifference curve is _____
 a) Concave b) Convex
 c) L – shape d) None of these
28. Which of the following measure is not related to tendency reforms?
 a) Regulation of rent b) Security of tenants
 c) Conferment of ownership rights on tenants
 d) Consolidation of holdings
29. Which of the following is the reason of the working of law of increasing returns?
 a) Fuller utilization of fixed factor
 b) Indivisibility of factor
 c) Greater specialization of factor
 d) All of the above
30. Which curve is downward sloping and does not touch the X-axis?
 a) AVC b) MC c) ATC d) AFC
31. Banking Ombudsman means
 a) Person appointed to recover dues from defaulting borrowers
 b) A person to whom customers can approach for redressal of their grievances
 c) A reason appointed to settle disputes between employees and management
 d) A person appointed by RBI to oversee the functioning of foreign banks
32. Control of credit by central bank
 a) Issue of directives b) Direct action
 c) Moral suasion d) All of the above
33. The reasons for downward sloping curve
 a) Diminishing MRS b) Increasing MRS
 c) Constant MRS d) None
34. Free market economy driving force is _____
 a) Profit motive
 b) Welfare of the people
 c) Rising incomes and level of living
 d) None of the above

35. A system of economy in which all means of production are owned and controlled by private individuals for the purpose of profit is called _____
- Socialistic economy
 - Capitalistic economy
 - Mixed economy
 - All of the above
36. Economics is neutral between ends said by
- Robbins
 - Mrs. Joan Robinson
 - Alfred Marshall
 - AC Pigou
37. Which of the following is not a qualitative measure of credit control
- Rationing of credit
 - Change in cash reserve ratio
 - Publicity and notification
 - Regulation of consumer credit
38. In which of the following cases opportunity cost will apply.
- Resources have alternative uses
 - Resources have limited uses
 - Resources have no uses
 - None of these
39. Purchasing power of money fall when
- Price level increases
 - Price level decreases
 - Income level increases
 - Money supply falls
40. The difference between the GDP_{MP} and GNP_{MP} is _____
- Net factor income from abroad
 - Depreciation
 - Net income
 - None of these
41. $GDP_{FC} = GDP_{MP} - \text{_____} + \text{Subsidies}$
- Indirect taxes
 - Depreciation
 - NFIA
 - None
42. A situation when prices persistently rise because of growing factor costs is known as _____
- Demand pull inflation
 - Cost push inflation
 - Stagflation
 - Inflation
43. Which is not the static function of money
- As a medium of exchange
 - As a unit of account
 - As encouragement to division of labour
 - As standard of deferred payment
44. Equilibrium price is where _____
- Market supply and market demand are equal
 - Firm supply and market demand are equal
 - Firm demand and market supply are equal
 - None of these
45. Which of the following is not a current account transaction?
- Export receivable
 - Insurance
 - Dividend
 - External commercial borrowings
46. Bank rate means _____
- The rate at which central bank discounts the bills of commercial banks
 - Portion of total deposit that a commercial bank has to keep with central bank
 - Rate of savings deposits
 - None of the above
47. Objective of RRB's is _____
- providing credit to farmers and villagers.
 - To monitor the activities of all banks in agriculture.
 - Link between rural banks.
 - To sponsor the rural development programmes of government.
48. Indifference curve is convex slope, the reason is _____
- Increasing Marginal rate of substitution
 - Constant Marginal rate of substitution
 - Diminishing Marginal rate of substitution
 - None of the above
49. Measure of value of all goods and services refers _____ from following function of money.
- Medium of exchange
 - Unit of account
 - Standard of different payments
 - Store of value

50. External Diseconomies may lead to _____
 a) Decrease in cost of technology
 b) External Assistance
 c) Increase in the price of factors of production
 d) None of the above

61. The union forbids the employer to employ less than 2 experienced persons (x) to each fresh person (y). This situation can be expressed as
 a) $x \leq y/2$
 b) $y \leq x/2$
 c) $y \geq x/2$
 d) none

Part B - Quantitative Aptitude

51. If $(\log_{\sqrt{x}} 2)^2 = \log_x 2$ then x =
 a) 16 b) 32 c) 8 d) 4
52. If $f(x) = x+2$, $g(x) = 7^x$ then $\text{gof}(x) =$
 a) $7^x \cdot x + 2 \cdot 7^x$
 b) 7^{x+2}
 c) $(7^x) + 2$
 d) none
53. If $f(x) = \log\left(\frac{1+x}{1-x}\right)$ then $f\left(\frac{2x}{1+x^2}\right) =$
 a) $f(x)$ b) $2f(x)$ c) $3f(x)$ d) $-f(x)$

62. If α, β are roots of $x^2 + 7x + 11 = 0$ then the equation whose roots as $(\alpha + \beta)^2$ & $(\alpha - \beta)^2$ is _
 a) $x^2 - 54x + 245 = 0$ b) $x^2 - 14x + 49 = 0$
 c) $x^2 - 24x + 144 = 0$ d) $x^2 - 50x + 49 = 0$

54. If $A = \{1, 2, 3\}$ then the relation $R = \{(1, 1), (2, 3), (2, 2), (3, 3), (1, 2)\}$ on A is:
 a) Reflexive b) Symmetric
 c) Transitive d) Equi-valence
55. In an A.P. if $S_n = 3n^2 - n$ and its common difference is '6' then first term is _____
 a) 2 b) 3 c) 4 d) 6

63. Evaluate $\lim_{n \rightarrow \infty} \frac{(n+2)! + (n+1)!}{(n+2)! - (n+1)!} =$
 a) 1 b) 2 c) ∞ d) 0
64. $\lim_{x \rightarrow 0^+} \frac{2e^{\frac{1}{x}} - 3x}{\frac{1}{e^x + x}} =$
 a) -3 b) 0 c) 2 d) 4

56. In an A.P. if the sum of 4th & 12th terms is '8' then sum of first 15 terms is _____
 a) 60 b) 120 c) 110 d) 150
57. There are 'n' AMs between 7 & 71 and 5th AM is 27 then 'n' = _____
 a) 15 b) 16 c) 17 d) 18
58. In a G.P. the 6th term is 729 and the common ratio is 3 then 1st term is _____
 a) 2 b) 3 c) 4 d) 7

65. If $y = \log_y x$ then $\frac{dy}{dx} =$
 a) $\frac{1}{x + \log y}$ b) $\frac{1}{x + x \log y}$
 c) $\frac{1}{1 + x \log y}$ d) $\frac{1}{y + \log x}$
66. $y = e^t$ & $x = \log t$ then $\frac{dy}{dx} =$
 a) $\frac{1}{t}$ b) $t \cdot e^t$ c) $-\frac{1}{t^2}$ d) none

59. In the co-ordinate plane the points in order (1, 1), (4, 4), (4, 8), (1, 5) forms _____
 a) Rhombus b) Square
 c) Rectangle d) Parallelogram
60. In the co-ordinate plane, if the points (1, 3), (-2, 1) & (k, -1) are collinear then the value of 'k' is _____
 a) 0 b) -5 c) 4 d) 7

67. $\int_1^2 \frac{[\log_e (ex)]^n}{x} dx =$ (Where $n \neq -1$)
 a) $\frac{[\log 2e]^{n+1}}{n+1}$ b) $\frac{[\log 2e]^{n+1}}{n+1} - \frac{\log e}{n+1}$
 c) $\frac{[\log 2e - \log 2]^{n+1}}{n+1}$ d) None
68. $\int 2^{3x} \cdot 5^x \cdot 3^{2x} dx =$
 a) $\frac{2^{3x} \cdot 3^{2x} \cdot 5^x}{\log 720} + c$ b) $\frac{2^{3x} \cdot 3^{2x} \cdot 5^x}{\log 360} + c$
 c) $\frac{2^{3x} \cdot 3^{2x} \cdot 5^x}{\log 90} + c$ d) $\frac{2^{3x} \cdot 3^{2x} \cdot 5^x}{\log 180} + c$

69. The total number of shake hands in a group of 10 persons to each other are _____
a) 45 b) 54 c) 90 d) 10
70. A regular polygon has 44 diagonals then the no. of sides are _____
a) 8 b) 9 c) 10 d) 11
71. In how many ways the word "ARTICLE" can be arranged in a row so that vowels occupy even places?
a) 132 b) 144 c) 72 d) 160
72. Triplicate ratio of 4 : 5 is
a) 125 : 64 b) 16 : 25
c) 64 : 125 d) 120 : 46
73. The mean proportion between 24 and 54 is ____
a) 33 b) 34 c) 35 d) 36
74. The difference between CI and SI on a certain sum of money for 2 years at 4% per annum is Rs.1. The sum is
a) 625 b) 630 c) 640 d) 635
75. If the sum of money when compounded annually become 1140 in 2 years and 1710 in 3 years at rate of interest
a) 30% b) 40% c) 50% d) 60%
76. The odds that a book will be reviewed favorably by 3 independent critics are 5 to 2, 3 to 4, 4 to 3 respectively, then the probability that out of 3 critics the majority will be favorable is _____
a) $\frac{209}{343}$ b) $\frac{209}{434}$ c) $\frac{209}{443}$ d) $\frac{209}{350}$
77. Find the probability of drawing spade on each of 2 consecutive draws from a well shuffled pack of cards when the draws are with out replacement.
a) $\frac{2}{51}$ b) $\frac{3}{51}$ c) $\frac{4}{51}$ d) $\frac{5}{51}$
78. A bag contains 2 red, 3 green and 2 blue balls. If 2 balls are drawn at random from the bag find the probability that none of them will be blue.
a) $\frac{11}{21}$ b) $\frac{5}{7}$ c) $\frac{10}{21}$ d) $\frac{2}{7}$
79. A player tosses 3 coins. He wins Rs. 5 if 3 heads appear, Rs. 3 if two heads appear, Rs. 1 if one head appear and a loss of Rs. 15 if no head appear. Find his expected gain in Rs. _____
a) 0.5 b) 0.25 c) 0.2 d) None
80. Which of the following is false in case of normal distribution.
a) It is multi model
b) mean = median = mode
c) It is symmetric
d) Total area is 1
81. If $x \sim B(5, p)$ and $p(x = 2) = 0.4362$ and $p(x = 3) = 0.2181$ then $p =$
a) $\frac{3}{4}$ b) $\frac{1}{3}$ c) $\frac{2}{3}$ d) $\frac{1}{4}$
82. In a Poisson distribution
a) Mean & SD are equal
b) Mean, variance are equal
c) SD & variance are equal
d) both (a) and (b)
83. In Binomial Distribution, $\mu = 4$ and $\sigma^2 = 3$ then mode =
a) 4 b) 4.25 c) 4.5 d) 4.1
84. Which of the following measures of central tendency cannot be shown by graphical method?
a) Mean b) Median c) Mode d) Quartiles
85. GM of 8, 4, 2 is _____
a) 4 b) 2 c) 8 d) None
86. In a normal distribution the relation between QD and SD is _____
a) $3 \cdot QD = 2 \cdot SD$ b) $3 \cdot SD = 2 \cdot QD$
c) $4 \cdot QD = 3 \cdot SD$ d) None of these
87. Two variables X and Y are related as $4x + 3y = 7$ then correlation between x and y is _____
a) Perfect positive b) Perfect negative
c) Zero d) None of these
88. Time Reversal Test is satisfied by _____
a) Fisher's Ideal Index
b) Drobish Bowley's Index
c) Laspeyer's Index
d) None of these

89. 99% confidence limits of population mean are _____
 a) $\bar{x} \pm 1.96 SE$ b) $\bar{x} \pm 2.58 SE$
 c) $\bar{x} \pm 3 SE$ d) None
90. Bowley's Index Number = 150, Laspeyer's Index = 180 then Paasche's index number is _____
 a) 120 b) 30 c) 105 d) None
91. A sampling technique providing separate estimates for population means for different segments and also an overall estimate is _____
 a) Stratified sampling b) Random sampling
 c) Systematic sampling d) None of these
92. $\sum x^2 = 3390$, $n = 30$, $\sigma = 7$ then $\bar{x} =$ _____
 a) 113 b) 210 c) 8 d) None
93. If r is the Karl Pearson's coefficient of correlation in a bivariate distribution, the two regression lines are at right angles when _____
 a) $r = \pm 1$ b) $r = 0$ c) $r = \pm \infty$ d) None
94. The probability of selecting a sample of size n from a population of size N by simple random sampling with replacement is _____
 a) $\frac{1}{N}$ b) $\frac{1}{N^n}$ c) $\frac{1}{N_{c_n}}$ d) $\frac{1}{N_{c_n} \cdot n!}$
95. A pie diagram used to represent the following data _____
- | Source | Customers | Excise | Income Tax | Wealth Tax |
|---------------------|-----------|--------|------------|------------|
| Revenue in Millions | 120 | 180 | 240 | 180 |
- The central angles corresponding to income tax and wealth tax
 a) $(90^\circ, 120^\circ)$ b) $(120^\circ, 90^\circ)$
 c) $(60^\circ, 120^\circ)$ d) $(90^\circ, 60^\circ)$
96. If the mean of frequency distribution is 100 and coefficient of variation is 45% then standard deviation is _____
 a) 45 b) 0.45 c) 0.045 d) None
97. The average age of 15 students is 15 years. Out of these the average age of 5 students is 14 years and that of other 9 students is 16 years, then the age of 15th student is _____
98. If $r = 0.28$, $\text{Cov}(x, y) = 7.6$, $V(x) = 9$ then $\sigma_y =$ _____
 a) 8.75 b) 9.04 c) 6.25 d) None
99. In 2005 price index is 286% with base 1995 then how much price increased in 2005 with base 1995?
 a) 286% b) 386% c) 86% d) 186%
100. $8x - 3y + 7 = 0$, $14x - 7y + 6 = 0$ are two regression equations then the correlation coefficient, $r =$ _____
 a) 0.86 b) -0.86 c) 0.45 d) -0.45

Key - Part A – GENERAL ECONOMICS

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

Part B – QUANTITATIVE APTITUDE

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

THE END

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