

DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE ASKED TO DO SO

T. B. C. : CS – 11/08

Test Booklet Series

Serial No.

- 220175

TEST BOOKLET

C

O. C. S. Preliminary Examination
(COMMERCE & ACCOUNTANCY)

Time Allowed : 2 Hours

Maximum Marks : 300

: INSTRUCTIONS TO CANDIDATES :

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET OF SAME SERIES ISSUED TO YOU.
 2. ENCODE YOUR OPTIONAL SUBJECT CODE AS MENTIONED ON THE BODY OF YOUR ADMISSION CERTIFICATE AND ADVERTISEMENT AT APPROPRIATE PLACES ON THE ANSWER SHEET.
 3. ENCODE CLEARLY THE TEST BOOKLET SERIES A, B, C OR D, AS THE CASE MAY BE, IN THE APPROPRIATE PLACE IN THE ANSWER SHEET USING BALL POINT PEN (BLUE OR BLACK).
 4. You have to enter your Roll No. on the Test Booklet in the Box provided alongside. DO NOT write anything else on the Test Booklet.
-
5. This Test Booklet contains 120 items (questions). Each item (question) comprises four responses (answers). You will select the correct response (answer) which you want to mark (darken) on the Answer Sheet. In case, you feel that there is more than one correct response (answer), mark (darken) the response (answer) which you consider the best. In any case, choose **ONLY ONE** response (answer) for each item (question).
 6. You have to mark (darken) all your responses (answers) **ONLY** on the **separate Answer Sheet** provided, by using **BALL POINT PEN (BLUE OR BLACK)**. See instructions in the Answer Sheet.
 7. All items (questions) carry equal marks. All items (questions) are compulsory. Your total marks will depend only on the number of correct responses (answers) marked by you in the Answer Sheet. There will be negative markings for wrong answers. **25 percent of marks allotted to a particular item (question) will be deducted as negative marking for every wrong response (answer)**.
 8. Before you proceed to mark (darken) in the Answer Sheet the responses to various items (questions) in the Test Booklet, you have to fill in some particulars in the Answer Sheet as per the instructions in your **Admission Certificate**.
 9. After you have completed filling in all your responses on the Answer Sheet and after conclusion of the examination, you should hand over to the Invigilator the *Answer Sheet* and the *Test Booklet* issued to you. You are allowed to take with you the candidate's copy/second page of the Answer Sheet, after completion of the examination, for your reference.

SEAL

DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE ASKED TO DO SO

1. Match the List – I with List – II :

LIST – I		LIST – II	
(A) Chambers of Commerce		(1) Federations	
(B) Pools		(2) Holding Company	
(C) Cartels		(3) Associations	
(D) Partial Consolidations		(4) Private Company	
		(5) Syndicates	

	A	B	C	D
(a)	3	1	5	2
(b)	1	2	3	4
(c)	2	3	4	5
(d)	1	3	2	5

2. Which "Cartel" (Business Combinations) are in the form of agreements between cartels of one country to cartels of another country ?

- (a) Super Cartels
- (b) Zonal Cartels
- (c) Price Fixing Cartels
- (d) Customer-assigning Cartels

3. Which "Cartels" (Business Combinations) regulate the sales terms, delivery conditions, packaging etc ?

- (a) Customer-assigning cartels
- (b) Zonal cartels

- (c) Term fixing cartels
- (d) Quota fixing cartels

4. Which Pools (Business Combinations) seek to control price through pooling of demand and its allocation among members ?

- (a) Traffic Pools
- (b) Market Pools
- (c) Output Pools
- (d) Patents Pools

5. Match the List – I with List – II :

LIST – I	LIST – II
(A) Combination of firms carrying on the same trade or pursuing the same productive activity	(1) Diagonal Combination
(B) Combination of firms in successive stages of the same industry	(2) Vertical Combination
(C) Different types of products manufactured by the combining units becomes the raw materials of a single firm	(3) Divergent Lateral Combination

LIST - I
 (D) The product of one major firm becomes the raw materials of many combining firms

LIST - II
 (4) Horizontal Combination
 (5) Convergent Lateral Combination

	A	B	C	D
(a)	2	3	4	5
(b)	1	2	3	4
(c)	2	4	3	5
(d)	4	2	5	3

6. Which company is prohibited from inviting public to subscribe to its shares and debentures ?
- (a) Public Limited Company
 - (b) Private Limited Company
 - (c) Co-operative Organisation
 - (d) All of the above

7. Match the List - I with List - II :

LIST - I	LIST - II
(A) Minimum 7 Directors	(1) Private Ltd. Company
(B) Indian Companies Act	(2) Service Motive

LIST - I
 (C) Co-operatives
 (D) Transferability of shares is restricted

(3) Public Ltd. Company
 (4) 1932
 (5) 1956

	A	B	C	D
(a)	1	2	3	4
(b)	2	3	4	5
(c)	3	5	2	1
(d)	4	3	1	2

8. In Co-operative Organisation the minimum number of members are ten but what is the limit for maximum number of members ?
- (a) 110
 - (b) 115
 - (c) 100
 - (d) None of the above
9. In which form of company the minimum number of members are two and maximum are fifty ?
- (a) Private Limited Company
 - (b) Public Limited Company
 - (c) Co-operative Organisation
 - (d) None of the above

10. **Statement 1** : Indian Companies are governed by Indian Companies Act, 1956.
- Statement 2** : The Co-operative organisation in India are governed by the Co-operative Societies Act, 1948 or the State Co-operative Societies Act.
- (a) Statement 1 is correct and 2 is wrong
- (b) Statement 1 is wrong and 2 is correct
- (c) Both Statement 1 and 2 are correct
- (d) Both Statement 1 and 2 are wrong
11. In reference with Joint Hindu Family Firm what is the most appropriate word for the property inherited by Hindu from his father, father's father and father's grandfather ?
- (a) Ancestral
- (b) Hereditary
- (c) Both (a) and (b)
- (d) None of the above
12. The Indian Partnership Act belongs to which year ?
- (a) 1923
- (b) 1965
- (c) 1956
- (d) 1932
13. In which forms of organisation the liability of Head (Karta) is unlimited and the liability of other members in their joint business is limited to the value of their individual interest in their joint business ?
- (a) Partnership
- (b) Sole Proprietorship
- (c) Joint Hindu Family
- (d) All Non-Corporate forms
14. Match the following List – I with List – II :
- | LIST – I | LIST – II |
|---|----------------------------|
| (A) One man ownership | (1) Partnership at Will |
| (B) Membership due to birth in family | (2) Particular Partnership |
| (C) Partnership established for a stipulated period for completion of a specified venture | (3) Joint Venture |

LIST - I

LIST - II

(D) Partnership formed without specifying ventures period of time

(4) Sole Proprietorship
(5) Joint Hindu Family Firm

	A	B	C	D
(a)	4	5	2	1
(b)	5	4	1	2
(c)	1	2	3	4
(d)	2	3	4	1

15. Any one of the four options is not considered as Non-Corporate form of ownership of organisation :

- (a) Co-operative Enterprise
- (b) Sole Proprietorship
- (c) Joint Hindu Family Firm
- (d) Partnership Firm

16. Money Market and Capital Market are parts of :

- (a) Stock Market
- (b) Currency Market
- (c) Financial Market
- (d) Derivative Market

17. Bombay Stock Exchange was granted permanent recognition under :

- (a) The Securities Contract Regulation Act, 1956
- (b) The Companies Act, 1956
- (c) Notification of the Ministry of Company Affairs, New Delhi
- (d) Banking Regulation Act, 1949

18. Select the incorrect statement for Open-end Mutual Fund :

- (a) Open-end Mutual Fund is available for subscription all through the year.
- (b) Open-end Mutual Fund has a fixed maturity.
- (c) Investors can conveniently buy and sale units at NAV related prices.
- (d) The key features of Open-end Mutual Fund is its liquidity.

19. Read the following statements and choose the correct code for the correct answer :

- (i) Capital market is a market for long-term debt and equity shares.
- (ii) Secondary market comprises of share markets and the debt markets.

(iii) In the primary market, securities are offered to public for subscription for the purpose of raising capital or fund.

(iv) Stock exchange is the part of an auction market and Over-the-Counter (OTC) is a part of the dealer market.

Code :

- | | (i) | (ii) | (iii) | (iv) |
|-----|-------|-------|-------|-------|
| (a) | TRUE | TRUE | FALSE | TRUE |
| (b) | FALSE | TRUE | TRUE | FALSE |
| (c) | TRUE | FALSE | TRUE | TRUE |
| (d) | TRUE | TRUE | TRUE | TRUE |

20. The objective/s of SEBI is/are :

- (i) To protect the interests of the investors in securities
- (ii) To promote the development of the securities market
- (iii) To regulate the securities market and for matters connected therewith and incidental thereto

Select the correct one from the following code :

- (a) (i) and (ii) are correct
- (b) (ii) and (iii) are correct

(c) (i) and (iii) are correct

(d) All are incorrect

21. Private placement of shares means :

- (a) Sweat equity
- (b) Employees' stock option
- (c) Issue and allotment of shares to a select group
- (d) All of the above

22. Read the following statements and choose the correct code for the correct answer :

- (i) Debentures are part of a company's 'borrowed capital'.
- (ii) Debenture does not include debenture stock and bonds of a company.
- (iii) A debenture is a written acknowledgement of debt by a company under its common seal.
- (iv) A company cannot redeem its debentures wholly out of Capital.

Code :

- | | (i) | (ii) | (iii) | (iv) |
|-----|-------|-------|-------|-------|
| (a) | TRUE | TRUE | FALSE | TRUE |
| (b) | FALSE | TRUE | TRUE | FALSE |
| (c) | TRUE | FALSE | TRUE | TRUE |
| (d) | TRUE | FALSE | TRUE | FALSE |

23. Select the correct statement from the following statements :
- (a) The right to subscribe right shares is optional.
 - (b) A private limited company cannot issue right shares.
 - (c) Right shares are offered only to the existing equity shareholders.
 - (d) A shareholder to whom right shares are offered cannot sale the right to other.
24. Read the following statements and choose the correct code for the correct answer :
- (i) Only fully paid up Bonus shares can be issued out of the balance of Securities Premium Account.
 - (ii) Only fully paid up Bonus shares can be issued out of the balance of Capital Redemption Reserve Account.
- Code :**
- (a) Only (i) is correct
 - (b) Only (ii) is correct
 - (c) Both (i) and (ii) are correct
 - (d) Both (i) and (ii) are incorrect
25. Initial Public offer of shares means issue of shares through the issue of :
- (a) Prospectus
 - (b) Equity shares
 - (c) Preference shares
 - (d) Both Equity Shares and Preference Shares
26. Which of the following is a component of Fund Flow Statement ?
- (a) Statement of changes in Working Capital
 - (b) Cash Flow Statement
 - (c) Revenue Statement
 - (d) Financial Statement
27. Which of the following statement is not correct ?
- (a) There is a flow of fund when a short term loan is converted to long term loan.
 - (b) Purchase of building on credit is an application of fund.
 - (c) Payment of donation is shown in the Cash Flow Statement as operating activity.
 - (d) As of now Fund Flow Statement is mandatory for registered companies in India.

28. Depreciation charged on Fixed Asset is :
- (a) A source of fund
 - (b) An application of fund
 - (c) An application of fund if it is on WDV basis
 - (d) Neither a source nor an application of fund
29. Interest paid by Axis Bank on the Fixed Deposit of Mr. Thomas is shown in the Cash Flow Statement of the Bank as :
- (a) Operating Activity
 - (b) Financing Activity
 - (c) Investing Activity
 - (d) Extra-ordinary Activity
30. When shares are issued for cash at a premium, it would cause :
- (a) An application of fund
 - (b) A source of fund
 - (c) No flow of fund
 - (d) A source of fund only for the premium portion
31. When one variable of a ratio is taken from the Revenue Statement and the other variable is taken from the Balance Sheet then the ratio is called :
- (a) Composite Ratio
 - (b) Total Ratio
 - (c) Structural ratio
 - (d) Balanced Ratio
32. Collection of Sundry Debtors in full would cause :
- (a) Increase in Current ratio
 - (b) Increase in Debtors turnover ratio
 - (c) Decrease in Current ratio
 - (d) Would have no effect on the above ratios
33. Which ratio is computed to examine Trading on Equity ?
- (a) Return on Equity Capital
 - (b) Ratio of Gross Profit to Equity Shareholders' Fund
 - (c) Capital Gearing ratio
 - (d) Solvency Ratio
34. Price Earning Ratio is a relationship between :
- (a) Cost of one share and Dividend per share
 - (b) Market price per share and Dividend per share
 - (c) Dividend per share and Return on Investment
 - (d) Market price per share and Earning per share

35. Current Ratio = 3.5 ; Liquid ratio = 2.5 ;
Working Capital is Rs. 1,00,000.
Hence, Current Assets are :
- (a) Rs. 40,000
 - (b) Rs. 1,00,000
 - (c) Rs. 1,60,000
 - (d) Rs. 2,000
36. Sales commission are classified as :
- (a) Prime costs
 - (b) Period costs
 - (c) Product costs
 - (d) Indirect labour
37. Which of the following is not a manufacturing cost category ?
- (a) Cost of goods sold
 - (b) Direct materials
 - (c) Direct labour
 - (d) Manufacturing overhead
38. A manufacturing process requires small amounts of glue. The glue used in the process is classified as :
- (a) A prime cost
 - (b) An indirect material
 - (c) A direct material
 - (d) Miscellaneous expense
39. Which one of the following would not be classified as manufacturing overhead ?
- (a) Indirect labour
 - (b) Direct materials
 - (c) Insurance of factory building
 - (d) Indirect materials
40. Both direct materials and indirect materials are classified as :
- (a) Raw materials
 - (b) Manufacturing overhead
 - (c) Merchandise inventory
 - (d) Non-current assets
41. Which of the following statements is true ?
- (a) Loan capital is not normally repaid to the lender
 - (b) Loan capital is money borrowed from outsiders
 - (c) The providers of loan capital are paid a dividend
 - (d) Loan capital is money subscribed by shareholder's of the company
42. If a company has the word limited at the end of its name, this means that :
- (a) The shareholder's liability for the debts of the business is restricted
 - (b) There is a limit to the amounts the company can borrow

- (c) There is a limit to the number of shares that can be issued
- (d) The number of shareholders has a fixed upper limit
43. Which of the following statement is not true ?
- (a) A partnership firm can be appointed as a statutory auditor of limited company
- (b) Appointment can be made in the name of the firm
- (c) Majority of the partners should be practicing in India
- (d) All partners should be Chartered Accountants
44. Which of the following Sections deal with the qualifications of the auditor ?
- (a) Section 226(1) and Section 226
- (b) Section 224(1) and Section 224(2)
- (c) Section 226(c) and Section 226(4)
- (d) Section 224(3) and Section 224
45. Who is responsible for the appointment of statutory auditor of a limited company ?
- (a) Directors of the company
- (b) Members of the company
- (c) The Central Government
- (d) All of the above
46. An auditor should study and evaluate internal controls to :
- (a) Determine whether assets are safeguarded
- (b) Suggest improvements in internal control
- (c) Plan audit procedures
- (d) Express and opinion
47. Balance Sheet's audit includes verification of :
- (a) Assets
- (b) Liabilities
- (c) Income and expense accounts where appropriate
- (d) All of the above
48. Audit in depth is synonymous for :
- (a) Complete audit
- (b) Completed audit
- (c) Final audit
- (d) Detailed audit
49. In India, Balance Sheet Audit is synonymous to :
- (a) Annual audit
- (b) Continuous audit

- (c) Detailed audit
(d) Statutory audit
50. The main object of an audit is :
- (a) Expression of opinion
(b) Detection and prevention of fraud and error
(c) Both (a) and (b)
(d) Depends on the type of audit
51. Own debenture account (at the time of purchase) will always be debited with :
- (a) Face value
(b) Cost price
(c) Market price
(d) Issue price
52. If debentures are issued at par and redeemable at premium, the premium payable will be debited to :
- (a) Premium on Redemption of Debentures A/c
(b) Loss on Issue of Debentures A/c
(c) Debenture Premium A/c
(d) Debenture A/c
53. A company forfeited 500 equity shares of Rs. 10 each on which full amount had been called up and Rs. 4 per share were paid up. The company re-issued 400 shares out of them @ 9 per share fully paid up. The amount to be transferred from Share Forfeited Account to capital reserve will be :
- (a) Rs. 2,000
(b) Rs. 1,600
(c) Rs. 1,200
(d) Rs. 400
54. Share Capital Account is debited in the forfeited entry :
- (a) With the calls in arrear
(b) With the uncalled amount on shares
(c) With the called up amount on shares
(d) With the paid up amount on shares
55. Company who adopts Table A, charges interest on calls in arrear at the rate of :
- (a) 5%
(b) 6%
(c) 7%
(d) 12%
56. At the time of dissolution of firm profit or loss on realisation is divided into partners :
- (a) In the ratio of capital
(b) In profit sharing ratio

- (c) In equal ratio
(d) As per Garner v/s Murray rule
57. The capitals of X, Y and Z are Rs. 1,00,000, Rs. 75,000 and Rs. 50,000. Profits are shared in the ratio of 3 : 2 : 1. Y retires on the basis of firm purchased by other partners then the new ratio between Ram and Mohan is 3 : 1. Find the capital of X and Z :
(a) Rs. 1,50,000 and Rs. 1,00,000
(b) Rs. 1,46,250 and Rs. 42,000
(c) Rs. 1,56,250 and Rs. 68,750
(d) Rs. 86,250 and Rs. 46,250
58. Ram, Shyam and Mohan are partners with profit sharing ratio of 4 : 3 : 2. Shyam retires and goodwill Rs. 15,000 was shown in the books of account. Ram and Mohan share profits of Shyam in 5 : 3 then find new profit sharing ratio :
(a) 13 : 11
(b) 17 : 11
(c) 31 : 11
(d) 14 : 21
59. A and B are partners in the ratio of 4 : 3. They admit C in the firm and decide to share future profits equally. The sacrifice ratio of old partners will be :
(a) 1 : 1
(b) 5 : 2
- (c) 2 : 5
(d) 4 : 3
60. A and B share profits in the ratio of 4 : 3 in a firm. They admit C for $\frac{2}{7}$ th share in the firm. C acquires his share from A and B equally. The new profit sharing ratio of the partners will be :
(a) 20 : 15 : 14
(b) 5 : 5 : 4
(c) 4 : 3 : 2
(d) 3 : 2 : 2
61. Partnership Deed provide for a salary of Rs. 10,000 per month to partner X. If X withdraws only Rs. 5,000 in a month, the remaining Rs. 5,000 is :
(a) Credited to Profit and Loss (Adjustment) Account
(b) Credited to Current Account of Partner X
(c) Credited to Salary Payable Account
(d) Debited to Capital Account of Partner X
62. Expenditure incurred by a publisher for acquiring copyright is :
(a) Revenue expenditure
(b) A deferred Revenue expenditure
(c) A capital expenditure
(d) Capital loss

63. Accounting Standard-6 (AS-6) is related to :
- (a) Accounting for disclosure of accounting policies
 - (b) Depreciation accounting
 - (c) Cash flow statement
 - (d) Revenue recognition
64. The purpose of Accounting Standards in India (AS) is to :
- (a) Present true and fair view of the business
 - (b) Control the cost of manufacturing
 - (c) Harmonise and bring transparency in accounting practices
 - (d) Maximise the profits of the business
65. Huge advertising expenses are incurred to introduce a new product in the market, it is :
- (a) Revenue expenditure
 - (b) A deferred revenue expenditure
 - (c) A capital expenditure
 - (d) Capital loss
66. At the end of an accounting year, trade debtors total is Rs. 50,000. Provision for bad debts and for discount for debtors are made @ 5% and @ 2% respectively. Provision for discount on debtors will be made for :
- (a) Rs. 950
 - (b) Rs. 975
 - (c) Rs. 1,000
 - (d) Rs. 2,500
67. In the books of an institution run not for profit, subscriptions received in advance is shown as :
- (a) An income
 - (b) An expenditure
 - (c) An asset
 - (d) A liability
68. The surplus or deficit revealed by Income and Expenditure Account is transferred to :
- (a) Receipts and Payments Account
 - (b) Profit and Loss Account
 - (c) Capital Account
 - (d) Capital Fund
69. In the Income and Expenditure Account, the excess of income over expenditure is called :
- (a) Surplus
 - (b) Deficit
 - (c) Gross Profit
 - (d) Net Profit

70. In a Receipts and Payments Account, the amount of payment on account of salaries appears at Rs. 1,21,500. Outstanding salaries in the beginning of the year and at the end of the year were Rs. 10,000 and Rs. 10,500 respectively. The amount appearing against the item salaries in the related Income and Expenditure Account for the year will be :
- (a) Rs. 1,11,500
 - (b) Rs. 1,21,000
 - (c) Rs. 1,22,000
 - (d) Rs. 1,31,500
71. The journal entry for the issue of shares at discount, to be recorded at the time of allotment of shares is :
- (a) Dr. Share Allotment A/c
Cr. Share Capital A/c
Cr. Discount on Issue of Shares A/c
 - (b) Dr. Share Capital A/c
Cr. Share Allotment A/c
Cr. Discount on Issue of Shares A/c
 - (c) Dr. Discount on Issue of Shares A/c
Dr. Share Capital A/c
Cr. Share Allotment A/c
 - (d) Dr. Share Allotment A/c
Dr. Discount on Issue of Shares A/c
Cr. Share Capital A/c
72. When Net Profit is Rs. 2,25,000, Taxes Rs. 25,000 and the Net Worth Rs. 10,00,000, what is the rate of return on shareholders' equity ?
- (a) 22.5%
 - (b) 20%
 - (c) 25%
 - (d) Cannot be calculated
73. In the Balance Sheet of a company, Goodwill is shown under the heading of :
- (a) Fixed Assets
 - (b) Investment
 - (c) Current Assets
 - (d) Miscellaneous Assets
74. Preference Shareholders are :
- (a) Debtors of the company
 - (b) Creditors of the company
 - (c) Customers of the company
 - (d) Owners of the company
75. If a limited company has adopted Table – A, it is required to pay interest on calls in advance at the rate of :
- (a) 5%
 - (b) 6%
 - (c) 8%
 - (d) 10%

76. X Ltd. forfeited 20 shares of Rs. 10 each, Rs. 7 called up, on which John had paid application and allotment money of Rs. 5 per share, Of these, 15 shares were reissued to Parker as fully paid up for Rs. 6 per share. What amount should be transferred to Capital Reserve Account ?
- (a) Rs. 15
(b) Rs. 20
(c) Rs. 75
(d) Rs. 100
77. Petty cash is designed :
- (a) To meet the needs of small businesses
(b) To cover small and miscellaneous incomes
(c) To cover the small expenditure to be paid in cash
(d) To cover both small incomes and small expenditures
78. On an equity share of Rs. 100, the minimum amount of application money under the law should be :
- (a) Rs. 2
(b) Rs. 5
(c) Rs. 10
(d) Rs. 50
79. When a firm is dissolved, Goodwill Account is closed by transferring to :
- (a) Realisation Account
(b) Capital Account of the partners
(c) Revaluation Account
(d) Profit and Loss account
80. Partnership can be brought to an end by giving notice when :
- (a) Partnership is for a fixed period
(b) Partnership is not for a fixed period
(c) The purpose for which it was established has come to an end
(d) Partnership is at will
81. Premium paid on the joint life policy of partners is :
- (a) Credited to the respective partners' Capital Accounts
(b) Debited to the respective partners' Capital Accounts
(c) Credited to Profit and Loss Account
(d) Debited to Profit and Loss Account

82. A, B and C share profits and losses in the ratio of 6 : 5 : 3. D is admitted into the partnership for 1/8th share. The sacrificing ratio will be :
- (a) 6 : 5 : 3
 - (b) $5/14 : 4/14 : 3/14$
 - (c) As per Partnership Act
 - (d) Equal
83. When interest is to be allowed on the capital of the partner, it is calculated on the :
- (a) Capital in beginning of the year
 - (b) Capital at the end of the year
 - (c) Capital at the end less drawings, if any
 - (d) Average capital
84. Which of the following is not correct ?
- (a) $\text{Purchases} + \text{Opening Stock} - \text{Cost of Goods Sold} = \text{Closing Stock}$.
 - (b) $\text{Opening Stock} + \text{Purchases} - \text{Closing Stock} = \text{Cost of Goods Sold}$.
 - (c) $\text{Closing Stock} + \text{Cost of Goods Sold} - \text{Purchases} = \text{Opening Stock}$.
 - (d) $\text{Cost of Goods Sold} - \text{Closing Stock} - \text{Purchases} = \text{Opening Stock}$.
85. Which method of depreciation has been especially designed to provide funds for replacement of Assets ?
- (a) Depreciation at replacement price
 - (b) Straight line method
 - (c) Depletion method
 - (d) Depreciation fund method
86. In which method of depreciation, Asset Account is debited with interest ?
- (a) Sum of years' digit method
 - (b) Machine hour rate method
 - (c) Annuity method
 - (d) Diminishing balance method
87. Cartage paid on the purchase of new machine is debited to :
- (a) Cartage Account
 - (b) Profit and Loss Account
 - (c) Machine Account
 - (d) Trading Account
88. Depreciation was not recorded in the books of account because to do so would result in a net loss for the period. Indicate the accounting principle that is violated :
- (a) Cost
 - (b) Full disclosure

- (c) Conservatism
(d) Consistency
89. According to money measurement concept, which of the following will be recorded in the books of accounts ?
(a) Extra profits made due to the introduction of budgetary control system
(b) Quality control in business
(c) Commission payable to salesman
(d) Hardworking nature of employees
90. According to which of the following accounting concepts, even the proprietor of a business is treated as creditor to the extent of his capital ?
(a) Money measurement concept
(b) Cost concept
(c) Dual aspect concept
(d) Separate entity concept
91. The Constitution of the company is :
(a) Memorandum of Association
(b) Articles of Association
(c) Prospectus
(d) Certificate of Commencement
92. The statement in lieu of prospectus in first issue of capital must be issued by :
(a) A Private Company
(b) A Public Company
(c) Private Company for attracting public
(d) Public Company not issuing shares to public
93. While naming a new company the principle which is not applicable is :
(a) Name should not be identical or nearly resemble
(b) Name should not violate provisions of emblems of names
(c) Name may not be offensive or unlawful
(d) Name may be in abbreviation form
94. The day to day affairs of any company is to look after under the overall supervision and control of :
(a) Board of Directors
(b) Body of Members
(c) Managing Director
(d) Representatives of Shareholders
95. The document which contains various provisions of share capital, meetings, Board of Directors and other rules and regulations of the company is :
(a) Certificate of Incorporation
(b) Certificate of Commencement of Business

- (c) Certificate of Statutory declaration of Compliances
- (d) Articles of Association
96. Sweet Equity Share means :
- (a) Shares issued by the company to its shareholders as dividend
- (b) Shares issued by the company to its Employees / Directors for cash
- (c) Shares issued by the company to its Employees / Directors at discount for consideration other than cash
- (d) Shares issued by the company to its shareholders at discount
97. When certificate of incorporation is issued to a company, it means :
- (a) It is a conclusive evidence that all requirements as per Companies Act have been complied
- (b) That the company is incorporated having perpetual succession and Common seal
- (c) That company can act as legal person and capable of exercising all functions of any incorporated company
- (d) All of the above
98. All legal and regulatory formalities as well as compliance of a company registered under 1956 Act is to be carried out by an officer called :
- (a) Managing Director
- (b) Board Members
- (c) Director, Legal
- (d) Company Secretary
99. Doctrine of Indoor management means :
- (a) Assumption of outsiders regarding enjoyment of power by the officers of the company as approved / delegated them
- (b) Authority enjoyed by company officials
- (c) Principles and practice followed for management of the company
- (d) Refers to only rules and regulations for internal management of the company
100. The clause perpetual succession refers to :
- (a) The Director and Shareholders to continue for ever
- (b) The Director and Shareholders must change frequently

- (c) The Director and Shareholders can change the company
- (d) The Director and Shareholders may or may not change but company continues for ever
101. Pigeon Hole method of filing means :
- (a) File cases having good number of holes
- (b) File cases having pigeon holes without any label
- (c) File cases having square holes given with alphabet label
- (d) File cases having round holes with arbitrary number
102. In office automation process, Franking machines are used for :
- (a) Accounting work of the office
- (b) Duplicating the copies
- (c) Fixing the stamps
- (d) Providing telephone connectivity
103. Matrix organization means :
- (a) It is only the functional organization
- (b) It is combination of functional and product method of departmentalization
- (c) It only refers to product method of divisionalisation
- (d) System where no departmentalization is followed
104. Principles of utmost good faith refers to :
- (a) Absence of any fraud or deceit among both parties
- (b) Both the party by influencing with each other agreed upon
- (c) Both disclosed all material facts which are not correct
- (d) One party agrees whereas other party forced to agree
105. Double Insurance means :
- (a) A matter that has been insured for double value
- (b) A matter that has been insured for twice with one insurer
- (c) A matter that has been insured for twice with two different insurers
- (d) Different matter insured with one insurer
106. Management audit is :
- (a) Traditional
- (b) Budgetary
- (c) Network
- (d) Modern Control Technique

107. Communication barriers arises out of symbols and languages are known as :
- (a) Semantic Barriers
 - (b) Psychological Barriers
 - (c) Emotional Barriers
 - (d) None of the above
108. Plans made by middle level managers are :
- (a) Strategic Plans
 - (b) Operational Plans
 - (c) Tactical Plans
 - (d) Novel Plans
109. Leadership theory based on the personal characteristics a leader possess is known as :
- (a) Behavioral Theory
 - (b) Contingency Theory
 - (c) Situational theory
 - (d) Trait Theory
110. When more important, costly and more number of decisions are taken at the lower level it is a case of :
- (a) Centralization
 - (b) Scalar Chain
 - (c) Decentralization
 - (d) Motivation
111. Process of attracting prospective candidates to apply for available position is :
- (a) Selection
 - (b) Recruitment
 - (c) Induction
 - (d) Manpower Inventory
112. Who developed hygienic factors for motivation ?
- (a) Abraham Maslow
 - (b) McGregor
 - (c) Frederic Herzberg
 - (d) McClelland
113. Who developed mathematical formula for span of control ?
- (a) Lyndal Ureusick
 - (b) F. W. Taylor
 - (c) Henri Fayol
 - (d) V. A. Graicunao
114. Assumptions regarding the expected environment in which plans are required to operate is known as :
- (a) Planning Horizon
 - (b) Planning Premise
 - (c) Long Range Planning
 - (d) Tactics

115. When subordinate takes decision within their jurisdiction and refer the problem beyond their capacity to the superior, it is a case of :

- (a) MBO
- (b) Centralization
- (c) MBE
- (d) Line Authority

116. When the Export-Import Bank of India was set up by an Act of Parliament for the purpose of financing, facilitating and promoting Foreign Trade in India ?

- (a) 1972
- (b) 1982
- (c) 1992
- (d) None of the above

117. Answer the question from following table :

Growth of World Merchandise Exports

Year	Value of Merchandise Exports (in billions of US \$)
1950	55
1960	113
1970	280
1980	1846
1990	3311
2000	6350
2002	6272

KR – 8C/29

In which year the value of merchandise exports increased by 147% compared to figure of earlier decade ?

- (a) 1970
- (b) 1990
- (c) 2000
- (d) 1960

118. When the Foreign Trade (Development and Regulation) Act came into force which replaced the Imports and Exports (Control) Act, 1947 ?

- (a) 1990
- (b) 1953
- (c) 1992
- (d) 1973

119. Only four steps of Export Procedures are given, choose the correct sequence :

- (a) Receipt of Enquiry ; Fixing the Exchange Rate ; Receipt of Indent ; Demanding Letter of Credit
- (b) Receipt of Indent ; Receipt of Enquiry ; Fixing the Exchange Rate ; Demanding Letter of Credit

(21)

(Turn over)

- (c) Receipt of Indent ; Fixing the Exchange Rate ; Demanding Letter of Credit ; Receipt of Enquiry
- (d) Receipt of Enquiry ; Receipt of Indent ; Demanding Letter of Credit ; Fixing the Exchange Rate

120. What is the full form of ECGC ?

- (a) Extending Credit and Guarantee Corporation
- (b) Evaluation of Credit and Guarantee by Corporation
- (c) Export Credit and Guarantee Corporation
- (d) None of the above

.....

SPACE FOR ROUGH WORK