

**MULTIPLE CHOICE  
QUESTIONS BANK  
SYLLABUS - 2012**



**Fundamentals of Economics and Management (FEM)  
Fundamentals of Accounting (FOA)  
Fundamentals of Laws and Ethics (FLE)  
Fundamentals of Business Mathematics & Statistics (FMS)**

# Multiple Choice Questions (MCQs)

( *with Answers* )

- A Knowledge Pack

(For Foundation Course)

Syllabus 2012

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# Paper 1 - Fundamentals of Economics and Management

## Multiple Choice Questions on Economics

1. **Micro economics theory deals with**  
(a) Economic behavior of individual economic decision making units;  
(b) Economy as a whole ; (c) Trade relations ; (d) Economic growth of the society
2. **Which of the following is a central problem of every economy**  
(a) Abundance of resources ; (b) Scarcity of economic resources ; (c) Poverty;  
(d) Moral and ethical values
3. **Equilibrium relates to which of these**  
(a) Market condition which oscillate ; (b) Market state of falling price;  
(c) Market condition of rising price ; (d) Market conditions which once achieved tends to persist
4. **General equilibrium analysis refers to**  
(a) Behaviour of individual economic decision making units and individual markets in isolation;  
(b) Behaviour of all the individual decision making units and market viewed in totality;  
(c) Both ; (d) (d) none
5. **Normative economic theory deals with**  
(a) What is or how the economic problem facing the society are solved;  
(b) How the problem should be solved ; (c) What to Produce ; (d) How to produce
6. **In a mixed economy which sector(s) is/ are found**  
(a) Private Only ; (b) Public sector only ; (c) None ; (d) Both a and b
7. **In economic theory the term "means" refers to**  
(a) Resources ; (b) Arithmetic mean ; (c) A characteristic ; (d) None
8. **Market equilibrium of a commodity is determined by**  
(a) Balancing of demand and supply position ; (b) Aggregate demand ; (c) Aggregate supply;  
(d) Government intervention
9. **Ceteris Paribus means**  
(a) Holding demand constant ; (b) Holding supply constant ; (c) Price being constant;  
(d) Other things being constant
10. **Economic resources are**  
(a) Unlimited ; (b) Limited in supply and use ; (c) Limited in supply but have alternative uses;  
(d) Unproductive
11. **Which of the following is/ are not an economic resource**  
(a) Land ; (b) Capital ; (c) Labour ; (d) Air
12. **Which of the following is/ are an economic resource**  
(a) Land ; (b) Capital ; (c) Labour ; (d) All the three
13. **Which of the following is/ are a non-economic resource**  
(a) Air (b) Water ; (c) Sunlight ; (d) All the three
14. **Which of these resources would be called as land in economics**  
(a) Coal mines of Bihar ; (b) Water resources of Uttaranchal ; (c) Mineral deposits of Jharkhand;  
(d) All the three
15. **Which of these is not land in economics**  
(a) Tehri Dam ; (b) Forest reserves of Assam ; (c) Fish reserves in the Bay of Bengal;  
(d) Herbal plant of Uttaranchal



16. **Which of these would be classified as capital in economics**  
(a) Bhankra Dam ; (b) Indira canal ; (c) Golden triangle ; (d) All the three
17. **Capital in economics means**  
(a) Factor of production ; (b) Fund brought in by the entrepreneur;  
(c) Investment in shares, bank deposits ; (d) All the above
18. **Scarcity of resources leads to**  
(a) Unsatisfaction of human wants ; (b) Evaluation of alternative uses of scarce resources;  
(c) Both ; (d) None
19. **Who defined economics as “ Science which deals with wealth”**  
(a) J. (B) Say ; (b) (A) (C) pigou ; (c) Alfred Marshall ; (d) Robbins
20. **Economics cannot be considered a perfect science because**  
(a) Human behaviour is unpredictable  
(b) It is difficult to make correct prediction of economic variables  
(c) Economist do not have common opinion about a particular economic event  
(d) All the three
21. **In economic goods includes material things which.....**  
(a) Can be transferred ; (b) Can be exchanged for one another ;  
(c) Both ; (d) None
22. **In economic wealth is the stock of all those material and immaterial objects which.....**  
(a) Are transferable ; (b) Have utility ; (c) Are scarce ; (d) All the three
23. **In addition to three Central problem of economy, the additional problem(s) raised by the Modern economists is / are**  
(a) Are the resources fully utilized or not ;  
(b) How efficient is the production and distribution system;  
(c) Whether the capacity to produce or grow is increasing or is static ; (d) All the three
24. **The basic assumption of an economic analysis is/ are**  
(a) Ceteris paribus ; (b) Rational behavior ; (c) Both ; (d) None
25. **The terms Micro economic and Macro economics were coined by**  
(a) Professor A Samulson ; (b) Giffen ; (c) Prof. Ragner Frisch ; (d) Eagle
26. -----is known as father of economics  
(a) Adam Smith ; (b) Professor A Samulson ; (c) Alfred Marshall ; (d) J R Hicks
27. **Which of these are outside the domain of macro economics**  
(a) Consumer behavior ; (b) National income ; (c) Economic growth;  
(d) Balance of payment and trade
28. **Scarcity of resources means**  
(a) Limited resources ; (b) Non – existence of resources ; (c) Both ; (d) None
29. **Human wants are**  
(a) Unsatisfiable ; (b) Unlimited ; (c) Undefined ; (d) Limited
30. **Economics cannot be given the status of science because**  
(a) Of non-uniformity of opinion and approach of economist;  
(b) Economic behaviour of human being is unpredictable;  
(c) Measuring rod of money is unstable ; (d) All the three
31. **Which of the following is not a central problem of a society**  
(a) What to produce ; (b) How to produce ; (c) For whom to produce ; (d) Where to produce

- 32. The paradox of Diamond is more costly than water is explained by**  
(a) Marginal utility concept ;(b) Scarcity ; (c) Relative cost of production ; (d) All the three
- 33. Which of these is an economic activity**  
(a) A father teaching his son at home instead of sending to any coaching centre  
(b) A hair dresser doing hair cut designing on payment  
(c) A housewife mending her family cloths on her own  
(d) A singer giving a show on his son's wedding anniversary
- 34. The term " Micro " is derived from the .....word which means.....**  
(a) Latin, small ; (b) Greek, small ; (c) English, tiny ; (d) Roman, small
- 35. Which of the following issue relates to micro-economics**  
(a) Impact of crude price hike on inflation  
(b) Impact of change in bank rate on bank saving and investment  
(c) Impact of Information technology on economic growth  
(d) Impact of shortage of wheat production on wheat prices
- 36. Economics modes are**  
(a) Based on some realistic assumptions ; (b) Based on hypothetical assumptions  
(c) Scientifically tested ; (d) Based on necessity
- 37. The famous book "An enquiry into the nature and causes of wealth of Nation" was written by –**  
(a) Adam Smith ; (b) Samulson ; (c) Robertson ; (d) JB Say
- 38. The famous book "An enquiry into the nature and causes of wealth of Nation" was published in-**  
(a) 1776 ; (b) 1750 ; (c) 1850 ; (d) 1886
- 39. The law of indifference is/are also know by-**  
(a) Law of substitution ; (b) law of equimarginal utility ; (c) Law of diminishing marginal utility  
(d) All the three
- 40. Which of the following is not a central problem of a society**  
(a) What to produce ; (b) How to produce ; (c) For whom to produce ; (d) What to eat
- 41. The central problem of how to produce is resolved by**  
(a) Demand and supply of factor inputs ; (b) Demand and supply of goods;  
(c) Relative prices and availability of factors of production ; (d) Government intervention
- 42. In free economy the decision about investment, saving and consumption are decided by**  
(a) Price mechanism ; (b) Central bank ;(c) Planning Commission ;(d) Finance budget
- 43. Which of these statement is true about production possibility curve (PPC/PPF)**  
(a) It shows various combinations of two goods which yield same level of satisfaction  
(b) It shows various combination of two goods which an economy can produce with a given amount of resources  
(c) It shows various combination of two goods which an economy can produce with a given budget  
(d) It shows various combination of two goods which an economy can produce with a given time
- 44. If production possibility frontier is linear it implies**  
(a) Constant opportunity cost ; (b) Economy is stagnant;  
(c) Underemployment of factor of production ;  
(d) With the increase in production, opportunity cost also increases
- 45. The opportunity cost of consumption is**  
(a) Lack of capital formation for future ; (b) Greater investment ; (c) Full employment ;  
(d) Deflation
- 46. The opportunity cost of capital investment is**

- (a) Sacrifice of current consumption ; (b) More consumption on luxury items;  
(c) Lower capital growth in future ; (d) Wastage of Resources

**47. Any point beyond PPF is**

- (a) Attainable ; (b) Unattainable ; (c) Attainable with increase in production facilities ; (d) None

**48. If an economy is working at a point left to PPF curve it shows that.....**

- (a) The economy is working at less than the full employment level ;  
(b) The economy is at full employment level ;  
(c) The economy is country is faced with excess production ; (d) There is glut of imports

**49. Curvature of PPF is due to.....**

- (a) Increase in opportunity cost ; (b) Decrease in opportunity cost ; (c) Fall in demand;  
(d) Fall in supply

**50. PPF is negative sloped due to**

- (a) Scarcity of production resources ; (b) Unlimited wants ; (c) Improvement in technology;  
(d) Increasing opportunity cost

**51. Economic efficiency means**

- (a) Production of goods of mass consumption at lower cost;  
(b) Production of goods and services for those who have purchasing power;  
(c) Getting greatest satisfaction from available resources ; (d) Full employment of working force

**52. Higher PPC curve indicates**

- (a) More production of both the things with increase in technology or factor inputs supply;  
(b) More production of one at the expense of other;  
(c) More production of one items at the expense of other with increase in technology or factor input supply ; (d) Less than full employment situation

**53. The following table shows the various combinations of two commodities, Gun and Bread that an economy can produce with a given amount of resources. These combinations lies on the same PPF**

Combinations	Gun	Bread in 100 tons
A	0	20
B	1	18
C	2	15
D	3	11
E	4	6
F	5	0

**Based on the details given in the above table, the opportunity of producing 1 gun in combination No. B – is tons of bread**

- (a) 200 ; (b) 100 ; (c) 300 ; (d) 0

**54. Opportunity cost of increasing production of Gun to 3 units in combination D is –tons of bread**

- (a) 200 ; (b) 100 ; (c) 300 ; (d) 400

**55. Opportunity cost of increasing production of Gun to 4 units in combination E is –tons of bread**

- (a) 200 ; (b) 500 ; (c) 300 ; (d) 400

**56. Opportunity cost of increasing production of Gun to 5 units in combination F is –tons of bread**

- (a) 200 ; (b) 100 ; (c) 600 ; (d) 500

**57. In question No. 53 if the economy produces only 3 guns and 900 tons of wheat instead of 1100 tons of wheat what does it indicates**

- (a) Under employment of resources ; (b) Production in efficiency ; (c) Sub-optimal production;  
(d) All the three

**58. If a firm is operating at any point inside the PPF, the firm is**

- (a) Efficient firm ; (b) Inefficient firm ; (c) Poised for abnormal growth ; (d) None

59. **Any point beyond PPF curve can be attained by**  
(a) Increasing supply of factor inputs ; (b) Technological innovation ; (c) Both ; (d) None
60. **Economic growth is best depicted by**  
(a) Outward shift in PPF ; (b) Upward movement in PPF ; (c) Inward movement in PPF  
(d) Downward movement in PPF
61. **Production possibility curves shows maximum combinations of -----products**  
(a) 1 ; (b) 2 ; (c) 3 ; (d) 4
62. **The relationship between aggregate consumption expenditure and aggregate income of household sector is known as ..... function.**  
(a) Consumption ; (b) Saving ; (c) Expenditure ; (d) Income
63. **The ..... measurement method of national income aggregates all the money spent by private citizens, firms and the government within the year.**  
(a) Expenditure ;(b) Income ; (c) Input ; (e) Saving
64. **GDP at market price exceeds GDP at factor cost by the amount of revenue raised through .....**  
(a) Direct taxes ; (b) Indirect taxes ; (c) Income tax ; (d) Tax on rents
65. **Macroeconomics is the study of**  
(a) Inflation ; (b) Unemployment ; (c) Growth ; (d) All of (a), (b) and (c) above.
66. **In a closed economy savings are equal to ..... at the equilibrium level of income.**  
(a) Investments ; (b) Wages ; (c) Income-Investments ; (d) Wages – Consumption
67. **Which of the following methods is/are used for measuring national income?**  
(a) Output method ; (b) Expenditure method ; (c) Income method ;  
(d) All of (a), (b) and (c) above.
68. **Net factor income from abroad is equal to**  
(a) NNP at market price – NDP at market price ; (b) NDP at market prices – Indirect taxes + Subsidies ; (c) NDP at factor cost + Depreciation ; (d) NNP at market prices + Depreciation
69. **Personal disposable income is equal to .....**  
(a) Wages and salaries + Dividends paid at home – Personal income tax  
(b) Wages and salaries + Dividends paid at home + Factor income received from abroad – Personal income tax  
(c) Wages and salaries + Dividends paid at home + Factor income received from abroad + Transfers from government – Personal income tax.  
(d) Wages and salaries + Dividends paid at home + Factor income received from abroad - Transfers from government – Personal income tax.
70. **Personal income equals personal disposable income ( $Y_d$ ) plus**  
(a) Personal savings ; (b) Transfers from government ; (c) Personal income taxes ;  
(d) Dividend payments
71. **GDP at market prices is the sum of Consumption, Investment, Government Spending and Net Exports. 'Net' exports is**  
(a) Gross exports minus depreciation ; (b) Exports minus imports ; (c) Gross exports earnings minus capital inflow ; (d) Export minus imports of merchandize
72. **Macroeconomics is concerned with**  
(a) The level of output of goods and services ; (b) The general level of prices ;  
(c) The growth of real output ; (d) All of the above
73. **Personal income includes all of the following except**  
(a) Transfer payments ; (b) Undistributed corporate profits;  
(c) Personal income taxes ; (d) Dividend payments

- 74. Nominal GDP is**  
(a) The total value of goods and services net of exports  
(b) The total value of goods and services produced during periods of low unemployment  
(c) The total value of goods and services measured at current prices  
(d) The total value of goods and services produced at full employment.
- 75. GDP at factor cost exceeds GDP at market price**  
(a) When the factor income from abroad is negative ;  
(b) When depreciation on fixed capital exceeds income in investment;  
(c) When direct tax exceeds indirect tax ; (d) When subsidies exceeds indirect taxes.
- 76. The difference between Gross National Product (GNP) and Gross Domestic Product (GDP) is**  
(a) Excess of subsidies over indirect taxes ; (b) Depreciation ; (c) Net foreign income from abroad  
(d) Excess of indirect taxes over subsidies
- 77. NDP does not include**  
(a) Payments made for income taxes ; (b) Depreciation allowances ; (c) Undistributed profits;  
(d) The value added from intermediate goods.
- 78. National income is**  
(a) NDP at market prices ; (b) NDP at factor cost ;(c) NNP at factor cost ;  
(d) GNP at market prices.
- 79. The difference between personal disposable income and personal income is**  
(a) Indirect taxes ; (b) Subsidies ; (c) Transfer payments ; (d) Personal taxes.
- 80. Which of the following is an example of a government transfer payment?**  
(a) Purchase of a new car for the Ministry of Finance ;  
(b) Funding of a clinic to provide free vaccinations. ;  
(c) Free food coupons issued to persons in an anti-poverty program. ;  
(d) Funding of a new bridge in an urban area
- 81. The net factor income earned within the domestic territory of a country must be equal to**  
(a) Net Domestic Product at factor cost ; (b) Net Domestic Product at market price;  
(c) Net National Product at market price ; (d) Personal income.
- 82. By definition, the marginal propensity to consume**  
(a) Equals  $\Delta C/\Delta Y_d$  ; (b) Is the behavioral coefficient c in the equation  $C = a + cY_d$ ;  
(c) Is the slope of the consumption function ; (d) All the above
- 83. Ceteris paribus, an income tax**  
(a) Increases the value of the expenditure multiplier and decreases the value of the net tax revenue multiplier; (b) Decreases the value of the expenditure and net tax revenue multiplier;  
(c) Decreases the value of the expenditure multiplier and increases the value of the net tax revenue multiplier ; (d) None of the above.
- 84. On the basis of the Keynesian model of output determination, a multiplier of 3 implies that**  
(a) An increase in consumption by ₹3 will result in an increase in investment by Re. 1  
(b) An increase in investment by Re. 1 will result in an increase in consumption by ₹3  
(c) An increase in investment by Re. 1 will result in an increase in consumption by ₹2  
(d) An increase in investment by Re. 1 will result in an increase in consumption by Re. 1
- 85. Consumption demand does not depend upon the level of**  
(a) Income ; (b) Propensity to consume ; (c) Consumer spending ;  
(d) Marginal efficiency of investment.
- 86. The slope of the consumption curve connotes**  
(a) Average propensity to save ; (b) Marginal Propensity to consume ;  
(c) Marginal propensity to save ; (d) Level of consumption in the economy.

- 87. Financial interrelation ratio is equal to**  
(a) Total issues / National income ; (b) Primary issues / Net capital formation;  
(c) Total issues / Net capital formation ; (d) Total stock of financial assets/Stock of fiscal assets
- 88. If the available workers are unaware of the jobs being offered and the employers are not aware of the available workers, such type on unemployment is called**  
(a) Frictional unemployment ; (b) Structural unemployment;  
(c) Disguised unemployment ; (d) Demand pull unemployment.
- 89. Unemployment that arises when there is a general downturn in business activity is known as**  
(a) Frictional unemployment ; (b) Structural unemployment;  
(c) Cyclical unemployment ; (d) Disguised unemployment
- 90. Full employment is the level at which there is**  
(a) Zero unemployment ; (b) Normal rate of unemployment;  
(c) Lease supply of labor ; (d) Demand for goods is less than supply.
- 91. Natural rate of unemployment increases due to**  
(a) General downturn in business activity ; (b) Changes in labor market ;  
(c) Structural changes in economy ; (d) Frequent changes of jobs by labor
- 92. If the actual rate of unemployment exceeds to natural rate of unemployment then**  
(a) Actual output of the economy will fall below its potential ;  
(b) Production will increase more than potential ; (c) Consumption of goods decreases;  
(d) Both (a) and (c) above.
- 93. Unemployment that arises due to regional occupational pattern of job vacancies, which does not match the pattern of workers availability and suitability, is known as**  
(a) Frictional unemployment ; (b) Structural unemployment ; (c) Cyclical unemployment ;  
(d) Demand pull unemployment.
- 94. Disguised unemployment means**  
(a) Unemployment in agriculture ; (b) Unemployment due to recession ;(c) Unemployment due to downturn in business activity ; (d) Marginal Productivity of Labor (MPL) is zero.
- 95. In which sector of Indian economy will we find a high rate of disguised unemployment?**  
(a) Service sector. ; (b) Agriculture sector. ; (c) Manufacture sector. ; (d) Mining sector.
- 96. Unemployment that is caused by a mismatch between the composition of the labor force (in terms of skills, occupation, industries, or geographic location) and the make-up of the demand for labor is called**  
(a) Real wage unemployment ; (b) Deficient-demand unemployment ;  
(c) Frictional unemployment ; (d) Structural Unemployment
- 97. During the recessionary phase of a business cycle**  
(a) The natural rate of unemployment will increase dramatically  
(b) Potential national income will exceed actual national income  
(c) Actual national income will exceed potential national income  
(d) The real rate of interest will exceed the nominal rate of interest.
- 98. The Philips curve shows that**  
(a) High unemployment rates are associated with low increases in money wage rates  
(b) Low unemployment rates are associated with low rates of inflation  
(c) High unemployment rates are associated with low rates of inflation  
(d) High inflation rates are associated with small increases in money wage rates.
- 99. Full employment exists when there is**  
(a) Zero unemployment ; (b) Natural rate of unemployment ; (c) Least demand for labor  
(d) Least supply of labor

100. **Balance of trade is**  
(a) The difference between balance on current account and capital account  
(b) Same as the balance of merchandise trade ; (c) Same as the balance of current account  
(d) Overall BoP balance.
101. **All entries in the balance of payments should collectively sum to**  
(a) GDP of that country ; (b) GNP of that country ; (c) Zero ; (d) Exports of that country.
102. **In the BoP statement, current account includes**  
**(i) Merchandise, invisible items**  
**(ii) Government loans from abroad**  
**(iii) Foreign direct investment.**  
(a) (i) only ; (b) Both (i) and (ii) above ; (c) Both (i) and (iii) above ; (d) Both (ii) and (iii) above
103. **If the balance on current and capital accounts of Balance of Payments (BoP) taken together is negative, then**  
(a) It is a case of BoP surplus ;  
(b) It is a case of BoP surplus where the official reserve account is in surplus;  
(c) It is a case of BoP deficit ; (d) It is case of BoP disequilibrium
104. **'Transfer Payments' are**  
(a) Payments made to a factor of production ;  
(b) Payments transferred from one sector to another;  
(c) Payments made for no return service ;  
(d) Payments made by government of one country to another
105. **Which of the following transactions is included in the current account balance of the Balance of payments statement?**  
(a) Foreign direct investments. ; (b) Portfolio investments. ;  
(c) External commercial borrowings. ; (d) Dividends earned on portfolio investments
106. **Personal taxes in India best illustrates a**  
(a) Proportional tax system ; (b) Progressive tax system  
(c) Indirect tax system ; (d) Value added tax system
107. **In the Union Budget, profits from public sector undertakings are taken under**  
(a) Revenue receipts ; (b) Capital receipts  
(c) Monetized receipts ; (d) Planned expenditure
108. **Marginal product is.....**  
(a) Rate at which total production changes with change in variable input;  
(b) Rate at which total production changes with change in total cost;  
(c) Rate at which total production changes with change in fixed cost ; (d) None
109. **Total output is maximum when**  
(a)  $MP = 0$  ; (b) MP is increasing ; (c) MP is decreasing ; (d) MP is constant
110. **Law of variable proportion applies.....**  
(a) When all inputs are variable ; (b) When all input are fixed ;  
(c) Some inputs are fixed and some are variable ; (d) All the three
111. **Law of returns to scale applies when.....**  
(a) All inputs cost are variable ; (b) All input cost are fixed;  
(c) All cost are partly fixed and partly variable ; (d) None
112. **Explicit cost refers to**  
(a) Actual expenses of the firm to purchase or hire input it needed  
(b) Actual and notional expenses of the firm to purchase or hire input it needed  
(c) Notional expenses of the firm to purchase or hire input it needed ; (d) All the three

113. **Implicit cost refers to .....**  
 (a) Value of inputs owned by the firm and used in its own manufacturing process  
 (b) Value of input or services purchased from outside and used in its own manufacturing process ; (c) Value of inputs owned by the firm and sold to others ;  
 (d) Value of inputs or services for which no payments were made to outside
114. **Which of these costs will increase or decrease with increase in production**  
 (a) Marginal cost ; (b) Financial costs ; (c) Fixed costs ; (d) All the three
115. **If a firms cost of raw material increases then**  
 (a) Market price of the final product will also increase  
 (b) Equilibrium level of quantity also increases ; (c) Marginal cost curve will shift upward  
 (d) Marginal cost curve will shift downward
116. **If a firms cost of raw material decreases then**  
 (a) Marginal cost curve will shift downward ; (b) Marginal cost curve will shift upward  
 (c) Market price will go down ; (d) Market price will go up
117. **The law of diminishing returns applies in.....**  
 (a) Short run ; (b) Long run ; (c) Very short run ; (d) All the time period
118. **If total production increases in the short run, the total cost will also.....**  
 (a) Increase due to increase in fixed cost ; (b) Increase due to increase in variable cost  
 (c) Increase due to increase in total cost ; (d) Remain constant
119. **Marginal cost is defined as.....**  
 (a) Change in total cost due to addition of one unit ; (b) Total cost divided by additional unit;  
 (c) Total cost divided by total units produced ; (d) Total sales / Total production
120. **The positively sloped part of long run cost curve of a firm is due to**  
 (a) Economies of scale ; (b) Diseconomies of scale;  
 (c) Diminishing returns to scale ; (d) Marginal utility theory
121. **The negatively sloped part of long run cost curve of a firm is due to**  
 (a) Increase in production due to specialization and division of labour;  
 (b) Diseconomies of scale ; (c) Diminishing returns to scale ; (d) Marginal utility theory
122. **Which of the following statement is true about average cost function**  
 (a)  $ATC = AFC - AVC$  ; (b)  $AVC = AFC + ATC$  ; (c)  $AFC = ATC + AVC$  ; (d)  $ATC = AFC + AVC$
123. **The output and cost pattern of a product are given below**
- | Output (q)          | 0  | 1  | 2  | 3  | 4  | 5  |
|---------------------|----|----|----|----|----|----|
| Total in ₹Cost (Tc) | 35 | 42 | 53 | 08 | 75 | 88 |
- From the above details what is the fixed cost or sunk cost  
 (a) ₹25 ; (b) ₹17.5 ; (c) ₹22 ; (d) ₹35
124. **In question No. 123 the marginal cost of producing 2<sup>nd</sup> unit is**  
 (a) ₹17.5 ; (b) ₹11 ; (c) ₹14 ; (d) ₹11
125. **In question No. 123 the average fixed cost of producing 3 units is**  
 (a) ₹17.5 ; (b) ₹15 ; (c) ₹10 ; (d) ₹14
126. **In question No. 123 the average total cost of producing 3 units is**  
 (a) ₹14.5 ; (b) ₹15.5 ; (c) ₹13 ; (d) ₹21
127. **The relationship between the labour hour worked and total output relationship in respect of a product is given below**
- | Hours of labour worked | Total output | Marginal/ incremental output |
|------------------------|--------------|------------------------------|
| 0                      | 0            | 0                            |



1	50	50
2		60
3	175	
4		65
5	300	
6	355	55
7	350	-5
8	340	-10

From the above details what is the average output per hour when 2 hours of labour are deployed  
(a) 55 ; (b) 50 ; (c) 60 ; (d) 65

128. In question No.127 what is the total output when 2 hours of labour are deployed  
(a) 155 ; (b) 110 ; (c) 100 ; (d) 165
129. In question No. 127 what is the marginal output for the 3<sup>rd</sup> hours of labour  
(a) 55 ; (b) 50 ; (c) 60 ; (d) 65
130. In question No. 127 what is the marginal output for the 5<sup>th</sup> hours of labour  
(a) 55 ; (b) 50 ; (c) 60 ; (d) 65
131. In question No. 127 what the average output for 5 hours of labour  
(a) 55 ; (b) 50 ; (c) 60 ; (d) 65
132. In question No. 127 the firm remains in the stage of increasing returns to scale up to level of labour hours  
(a) 2 labour hours ; (b) 3 labour hours ; (c) 4 hrs ; (d) 6 hrs
133. In question No. 127 the firm remains in the stage of constant returns to scale upto level of labour hours  
(a) 2 labour hours ; (b) 3 labour hours ; (c) 4 hrs ; (d) 6 hrs
134. In question No. 127 the firm enter diminishing returns to scale from -----labour hours  
(a) 2 labour hours ; (b) 3 labour hours ; (c) 5 hrs ; (d) 6 hrs
135. In question No. 127 the firm should continue to deploy additional labour hours up to  
(a) 2 labour hours ; (b) 3 labour hours ; (c) 5 hrs ; (d) 6 hrs
136. In question No. 127 the optimum level of output of the firm is  
(a) 355 units ; (b) 350 ; (c) 340 hrs ; (d) 300
137. In question No. 127 if the firm continue to operate beyond 6 labour hours as the labour cannot be declared surplus –the firms should ----- to increase the output  
(a) Increase fixed input ; (b) Retrench the surplus labour ; (c) Outsource the work ;  
(d) All the three
138. When a firm enters the law of diminishing returns to scale  
(a) TVC curve begins to fall at an increasing rate  
(b) TVC curve begins to increase at an increasing rate  
(c) TVC curve begins to fall at a decreasing rate  
(d) TVC curve begins to increase at a decreasing rate
139. Which of these curve never touch X axis  
(a) AVC ; (b) AFC ; (c) TC ; (d) MC
140. Total cost is the arithmetic sum of  
(a) AFC and AVC ; (b) FC and Variable cost ; (c) Marginal cost and variable cost ;  
(d) Sunk cost and fixed cost
141. Variable cost is also known as  
(a) Incremental cost ; (b) Marginal cost ; (c) Differential cost ; (d) All the three

142. **Which of these is not a factor of cost function of a product**  
(a) Market price of the product ; (b) Size of the plant ; (c) Output level ; (d) Prices of inputs
143. **In the short run which of the following is fixed**  
(a) Labour ; (b) Capital ; (c) Raw material ; (d) None
144. **The slope of total variable cost curve equals.....**  
(a) AVC ; (b) MC ; (c) AC ; (d) MPP
145. **In the short run, diminishing marginal returns is implied by**  
(a) Rising MC ; (b) Falling MC ; (c) Rising AVC ; (d) Constant TC
146. **Total variable cost curve is explained by**  
(a) Law of the diminishing marginal returns ; (b) The price of the variable inputs ;  
(c) Production function ; (d) All the three
147. **TVC curve begins to.....with the onset of diminishing returns**  
(a) Rise at an Increasing rate ; (b) Rise at an decreasing rate ;  
(c) Fall at an Increasing rate ; (d) Stabilize
148. **TVC curve begins to.....with the onset of increasing returns**  
(a) Rise at an increasing rate ; (b) Rise at an decreasing rate ;  
(c) Fall at an Increasing rate ; (d) Stabilize
149. **Which of the following cannot be U shaped curve**  
(a) AFC curve ; (b) AC curve ; (c) AVC curve ; (d) AMC curve
150. **Long run supply curve of a constant cost industry is**  
(a) Horizontal line at a price that is equal to the long run minimum average cost of production ;  
(b) Horizontal line overlapping X axis ; (c) Vertical line at mid of X axis ;  
(d) Vertical line overlapping Y axis
151. **Long run supply curve of a increasing cost industry is**  
(a) Horizontal line overlapping X axis ; (b) Upward sloping line ;  
(c) Downward sloping line ; (d) Vertical line
152. **Long run supply curve of a decreasing cost industry is**  
(a) Downward sloping curve ; (b) Upward sloping curve ;  
(c) Straight line parallel to X axis ; (d) Straight line parallel to y axis
153. **In economics, in the long run all the cost.....**  
(a) Are fixed ; (b) Are variable ; (c) Except labour are variable ; (d) Are non controllable
154. **In economic theory, in the short run all the cost are.....**  
(a) Fixed ; (b) Variable ; (c) Controllable ; (d) Semi variable
155. **Marginal cost curve is**  
(a) Positively sloped ; (b) Negatively sloped ; (c) Parallel to X axis ; (d) Parallel to Y axis
156. **Marginal cost can be equal to Average variable cost when**  
(a) Average variable cost is falling ; (b) Average variable cost is increasing ;  
(c) Average variable cost is constant ; (d) Under any of the above situations
157. **The measurement of sensitivity of quantity demand to change in price is calle(d)**  
(a) Price elasticity ; (b) Income elasticity ; (c) Expansion in demand ; (d) None
158. **Which of the following is not a type of elasticity in economics.....**  
(a) Income elasticity ; (b) Price elasticity ; (c) Utility elasticity ; (d) Cross elasticity
159. **Which of the following is not a method of measurement of price elasticity of demand in economics**

- (a) Total Outlay ; (b) Total savings ; (c) Point method ; (d) Arc method
160. **As per total outlay method, demand is said to be elastic if as result of change in price total outlay**  
(a) Increases ; (b) Decrease ; (c) Remain same ; (d) None
161. **If price of sugar falls leading to fall in total outlay on sugar, the demand of sugar is**  
(a) Elastic ; (b) Inelastic ; (c) Unitary elastic ; (d) Less than unit elastic
162. **If price of X falls leading to increase in total outlay on X, the demand of X is**  
(a) Elastic ; (b) Inelastic ; (c) Unitary elastic ; (d) Less than unit elastic
163. **If price of X falls leading to fall in total outlay on X, the demand of X is**  
(a) Elastic ; (b) Inelastic ; (c) Unitary elastic ; (d) Less than unit elastic
164. **If price of coffee falls leading to increase in total outlay on coffee, the demand of coffee is**  
(a) Elastic ; (b) Inelastic ; (c) Unitary elastic ; (d) Less than unit elastic
165. **If the price of burger rises from ₹12 per piece to ₹20 per piece as a result of which the daily sales decreases from 300 to 200 pieces per day. The price elasticity of demand can be estimated as**  
(a) 0.5 ; (b) 0.8 ; (c) 0.25 ; (d) 2.10
166. **If the price of vegetable sandwich rises from ₹6 per piece to ₹12 per piece as a result of which the daily sales decreases from 800 to 400 pieces per day. The price elasticity of demand can be estimated as**  
(a) 0.5 ; (b) 1.5 ; (c) 3.0 ; (d) 2.5
167. **A decrease in price will result in an increase in total revenue if**  
(a) Percentage change in quantity demanded is greater than the percentage change in price  
(b) Percentage change in quantity demanded is less than the percentage change in price  
(c) Percentage change in quantity demanded is equal to the percentage change in price  
(d) None
168. **An increase in price will result in an increase in total revenue if**  
(a) Percentage change in quantity demanded is greater than the percentage change in price  
(b) Percentage change in quantity demanded is less than the percentage change in price  
(c) Percentage change in quantity demanded is equal to the percentage change in price  
(d) None
169. **An increase in price will result in no change in total revenue if**  
(a) Percentage change in price equal the percentage change in price  
(b) Percentage change in demanded is more than the percentage change in price  
(c) Percentage change in price is less than percentage change in demand  
(d) Change in price is more than change in demand in absolute terms
170. **Price elasticity of demand of a product will be more inelastic if**  
(a) It forms a major part of consumer house hold budget;  
(b) It forms a very small part of consumers household budget;  
(c) It is inferior ; (d) It is for mass consumption
171. **Price elasticity demand of product will be more elastic if it**  
(a) Has no substitutes ; (b) Has number of substitutes ; (c) Is an item of necessity;  
(d) Is life saving Product
172. **If the consumption of a product can be postponed for the time being**  
(a) The demand for the product will be inelastic  
(b) The demand for the product will be relatively elastic  
(c) The demand for the product will be perfectly elastic  
(d) The demand for the product will be perfectly inelastic
173. **Bread and butter have.....**  
(a) Negative cross price elasticity of demand ; (b) Positive cross elasticity of demand

- (c) Positive income elasticity of demand ; (d) Negative income elasticity of demand
- 174. Omelet and cakes have**  
(a) Negative cross price elasticity of demand ; (b) Positive cross elasticity of demand;  
(c) Positive income elasticity of demand ; (d) Negative income elasticity of demand
- 175. Point elasticity of demand can be useful in which of the following cases**  
(a) A departmental store is thinking of increasing the price of gift packs  
(b) A service station is considering to lower the service charges  
(c) A health club is considering to lower the monthly membership fee  
(d) An airlines company is considering to lower holiday packages
- 176. The coefficient of price elasticity of demand is calculated as.....**  
(a) The change in price divided by the change in quantity demand  
(b) The percentage change in quantity demand by the percentage change in price  
(c) The change in quantity demanded by the change in price  
(d) The percentage change in price by the percentage change in demand
- 177. Point elasticity concept was propounded by**  
(a) Marshal ; (b) Lipsey ; (c) Hicks ; (d) Samulson
- 178. Price elasticity of demand is not affected by**  
(a) Nature of the commodity ; (b) Availability of close substitute;  
(c) Cost of production ; (d) Consumption habits
- 179. Demand of salt is inelastic because**  
(a) Of low price ; (b) No substitute ; (c) Absence of it makes food tasteless ; (d) All the three
- 180. Luxury goods have --- -- degree of elasticity**  
(a) High ; (b) Low ; (c) Moderate ; (d) Completely inelastic
- 181. The quantity of a commodity which an individual is willing to purchase over a specific period of time is a function of**  
(a) Price of the product ; (b) Disposal income ; (c) Taste and price of other commodities;  
(d) All the three
- 182. Which of the following is not a factor is market supply of product**  
(a) Cost of production ; (b) Number of buyers ; (c) Market price of the product ;  
(d) Price of related products
- 183. Market demand curve for a commodity is.....**  
(a) Horizontal summation of the individual demand curve for the commodity;  
(b) Summation of individual demand curve for 3 years;  
(c) Demand curve of complementary goods ; (d) Demand curve of supplementary goods
- 184. Equilibrium state is achieved at .....**  
(a) The peak point of supply curve ; (b) The bottom point of demand curve  
(c) The inflation point of demand curve ; (d) The intersection of demand and supply curve
- 185. If the cross elasticity between two products is positive then we can say that**  
(a) The products are perfectly substitute of each other;  
(b) The products are complementary to each other;  
(c) Both the products are unrelated ; (d) Both are luxury items
- 186. If the price elasticity of a product is greater than 1, we can say that**  
(a) The products demand is sensitive to price variation;  
(b) Product demand is insensitive to price variation;  
(c) Demand and price move in same directions ; (d) None of this

187. If the price elasticity of demand for wine is estimated to be  $-0.6$ , then a 20% increase in price of wine will lead to .....in quantity demanded of wine at that price  
(a) 12% increase ; (b) 12% decrease ; (c) 19.6% increase ; (d) 20.6% decrease
188. If the price elasticity of demand of Chicken is  $+0.95$ . then a 20% increase in price of chicken will lead to in quantity demanded of chicken at that price  
(a) 19% increase ; (b) 19% decrease ; (c) 20.95% increase ; (d) 20.6% decrease
189. If the cross price elasticity of demand for two product is negative, then the two products are .....  
(a) Complementary to each other ; (b) Perfectly substitute for each other;  
(c) Completely competitive ; (d) Unrelated
190. If demand of coffee increases by 10% with 20% decline in the price of sugar we can say that  
(a) Cross price elasticity of demand is negative and both the products are complementary to each other;  
(b) Cross price elasticity of demand is negative and the goods are substitute;  
(c) Cross price elasticity is positive and the products are complementary to each other ;  
(d) None of these
191. If the price of coffee falls by 8% and the demand for Tea declines by 2%. The cross price elasticity of demand for Tea is  
(a) 0.45 ; (b) 0.25 ; (c) +0.44 ; (d) -0.30
192. When the price of complementary products falls, the demand of the other product will  
(a) Fall ; (b) Increases ; (c) Remain stable ; (d) Drops by 25%
193. When the price of complementary products increases, the demand of the other product will  
(a) Falls ; (b) Increases ; (c) Remains same ; (d) Increases by 25%
194. Elasticity of supply depends upon  
(a) Nature of the commodity ; (b) Production technology ; (c) Future outlook of prices  
(d) All the three
195. A supply curve passing through the origin will have elasticity  
(a) Less than 1 ; (b) More than 1 ; (c) Just One ; (d) Zero
196. A supply curve passing through any point on X axis(quantity) will have elasticity  
(a) Less than 1 ; (b) More than 1 ; (c) Just one ; (d) Zero
197. Supply curve passing through any point on Y axis(Price) will have elasticity  
(a) Less than 1 ; (b) More than 1 ; (c) Just One ; (d) Zero
198. Goods which are perfect substitute of each other will have rate of substitution  
(a) Unity ; (b) Less than 1 ; (c) More than 1 ; (d) Zero
199. Goods which are perfect substitute of each other will have elasticity of substitution.....  
(a) Unity ; (b) Less than 1 ; (c) More than 1 ; (d) Infinite
200. Goods which are not perfect substitute of each other but have to be consumed in a fixed ratio will have rate of substitution  
(a) Unity ; (b) Less than 1 ; (c) More than 1 ; (d) Zero
201. If a dealer is prepared to supply 1000 sets of a 29" Color TV if the price is ₹12,000 per set, however if the price raises to ₹15,000 he is prepared to supply 1,500 pieces. The elasticity of supply of TV set is  
(a) 1 ; (b) 2 ; (c) 0.75 ; (d) 1.4
202. In question No. 201 if at ₹15,000, the dealer is prepared to supply on 1250 sets of TV the elasticity of supply is  
(a) 1 ; (b) 2 ; (c) 0.75 ; (d) 1.4

203. In question No. 201 if at ₹15,000, the dealer is prepared to supply on 1100 TV sets, the elasticity of supply is  
(a) 1 ; (b) 2 ; (c) 0.4 ; (d) 1.5
204. Tea and Coffee are perfect substitute of each other, given the price of Tea and Coffee being ₹100 and ₹200 per Kg. a consumer is prepared to buy 3 Kg. of each. If the price of tea remain same and the price of Coffee rises to ₹400 per kg. the demand for Tea goes to 6 Kg. and that of Coffee falls to 1Kg. The elasticity of substitution between Tea and Coffee is  
(a) 1 ; (b) 4 ; (c) 5 ; (d) 3
205. Select the odd one  
(a) Consumer taste ; (b) Price of the goods ; (c) Change in population ;  
(d) Increase in price of product
206. Select the odd one  
(a) Price of the product ; (b) Cost of production ; (c) No. of suppliers ; (d) St. duties
207. X a consumer spends his entire income on two commodities A and (B) if price of A increases by 10% and his expenditure on item B remains same, then the price elasticity of item A is  
(a) 1 ; (b)  $< 1$  ; (c)  $> 1$  ; (d)  $\geq$
208. In question No. 207. If the price of item No. A instead of increasing falls by 25% and still his total expenditure as well expenditure on item B remains same, the price elasticity of A will be  
(a) 1 ; (b)  $< 1$  ; (c)  $> 1$  ; (d)  $\geq$
209. An individual is spending his entire income on two items A and B equally. If income elasticity of A is 4 what is income elasticity of B  
(a) 4 ; (b) 2 ; (c) 3 ; (d) 1
210. If an individual is spending his entire income on two items A and B in the ratio of 60:40. If income elasticity of A is 5 what is income elasticity of B  
(a) 4 ; (b) 2 ; (c) 5 ; (d) 1
211. If prices of petrol rises from ₹40. To ₹48 per lt., the demand for cars falls from 60 per month to 45 per month, the cross elasticity of petrol and Car is  
(a) 1.5 ; (b) 1.25 ; (c) 1.0 ; (d) 1.59
212. If prices of Eggs rises from ₹25 per dozen to ₹30 per dozen, the demand for vegetable burger increases from 30 per day to 40 per day, then the cross elasticity of eggs and vegetable burger is  
(a) 1.5 ; (b) 1.25 ; (c) 1.65 ; (d) 1.86
213. Cross elasticity of a nearly perfect substitute products will be  
(a) Infinite ; (b) Zero ; (c)  $> 1$  ; (d)  $< 1$
214. Cross elasticity of unrelated products will be  
(a) Infinite ; (b) Zero ; (c)  $> 1$  ; (d)  $< 1$
215. Cross elasticity of complementary products will be  
(a) Infinite ; (b) Zero ; (c)  $> 1$  ; (d)  $< 0$
216. If two goods are perfect substitutes for one another, the elasticity of substitution will be  
(a) Infinite ; (b) Zero ; (c)  $> 1$  ; (d)  $< 0$
217. If two goods are not substitutes at all for one another, the elasticity of substitution will be  
(a) Infinite ; (b) Zero ; (c)  $> 1$  ; (d)  $< 0$
218. If the disposal income of a household increases by 10% and the demand for bread falls by 5%. The income elasticity of bread is  
(a) 0.5 ; (b) -0.5 ; (c) 1.0 ; (d) -1.0

219. **In question No. 218 bread can be considered as**  
(a) Essential goods ; (b) Luxury goods ; (c) Inferior goods ; (d) Normal goods
220. **If the disposal income of a household increases by 10% and the demand for X commodity increased by 25%. The income elasticity of X is**  
(a) 1.5 ; (b) -0.5 ; (c) 2.5 ; (d) -2.5
221. **In question No. 220 X can be considered as**  
(a) Essential goods ; (b) Luxury goods ; (c) Inferior goods ; (d) Normal goods
222. **If the disposal income of a household increases by 10% and the demand for X commodity increased by 10% the income elasticity of X is**  
(a) 1.5 ; (b) 0.5 ; (c) 1.5 ; (d) 1.0
223. **In question No. 222 X can be considered as**  
(a) Essential goods ; (b) Luxury goods ; (c) Inferior goods ; (d) Normal goods
224. **If the disposal income of a household decreases by 10% and the demand for X commodity remains same. The income elasticity of X is**  
(a) 0 ; (b) 0.5 ; (c) 0.5 ; (d) 2.5
225. **In question No. 224 X can be considered as**  
(a) An essential goods ; (b) Luxury goods ; (c) Inferior goods ; (d) Normal goods
226. **Which of these would lead to increase in quantity supplied at a given price**  
(a) Increase in VAT ; (b) Increase in excise duty ; (c) Increase in import duty ;  
(d) Reduction in levies
227. **Which of these would lead to decrease in quantity supplied at a given price**  
(a) Decrease in VAT ; (b) Decrease in excise duty ;  
(c) Decrease in import duty ; (d) Imposition of higher levies
228. **The income elasticity of demand of inferior goods is generally**  
(a)  $>1$  ; (b)  $<1$  ; (c)  $<0$  ; (d)  $=0$
229. **The income elasticity of demand of normal goods is generally**  
(a)  $>1$  ; (b)  $<1$  ; (c)  $<0$  ; (d)  $>0$
230. **The cross elasticity of complementary goods is generally**  
(a)  $>1$  ; (b)  $<1$  ; (c)  $<0$  ; (d)  $=0$
231. **The cross elasticity of substitute goods is generally**  
(a)  $>1$  ; (b)  $<1$  ; (c)  $<0$  ; (d)  $>0$
232. **The elasticity of a demand curve with a constant slope**  
(a) Increases at higher price ; (b) Decreases at higher price ;  
(c) Increases at lower price ; (d) Remains constant
233. **A perfect inelastic supply curve will be**  
(a) Parallel to Y axis or a vertical line ; (b) Parallel to X axis ; (c) U shaped ;  
(d) Downward sloping
234. **A perfectly elastic supply curve will be**  
(a) Parallel to Y axis or a vertical line ; (b) Parallel to X axis ;  
(c) U shaped ; (d) Downward sloping
235. **Which of the following is not a factor in market supply of a product**  
(a) Cost of production ; (b) Number of buyers ; (c) Market price of the product ;  
(d) Price of related products

236. **The minimum price that a supplier expect to make available a specific quantity for sale is called**  
(a) Demand price ; (b) Administered price ; (c) Cost price ; (d) Supply price
237. **The maximum quantity that a supplier is prepared to supply in the market at a given price is called**  
(a) Economic order quantity ; (b) Optimum quantity ; (c) Supply quantity ; (d) Both or quantity
238. **Change in cost of production of the concerned goods causes**  
(a) The demand curve to shift ; (b) The supply curve to shift ; (c) Increase in quantity demanded; (d) Decrease in quantity supplied
239. **Shift in supply curve is cause by**  
(a) Change in citrus paribus conditions ; (b) Increase in price; (c) Decrease in price ; (d) Change in consumer income
240. **At a given price increase in quantity supplied can be possible if .....**  
(a) There is apprehension of sharp fall in prices in future ;  
(b) Refund or subsidy of statutory levy in cash is given by the Government;  
(c) Improvement in technology led to cost saving ; (d) All the three
241. **Which of these is not a determinant of aggregate supply**  
(a) Quantity demanded ; (b) Price of the product under consideration ;  
(c) Relative price of other goods ; (d) Future expectations about prices
242. **A positive sloped supply curve for a product represents**  
(a) Supply will move with movement in the price in the opposite direction;  
(b) Supply will move with the movement in the price in the same direction;  
(c) Both ; (d) None
243. **Which of the following will have a relatively flat supply curve**  
(a) Land ; (b) Labour ; (c) Capital ; (d) Raw material
244. **A supply curve parallel to X axis means the product supply is**  
(a) Limited ; (b) Unlimited ; (c) Not available ; (d) None
245. **Which of these will have highly inelastic supply curve**  
(a) Perishable goods ; (b) Consumer durables goods;  
(c) Items of elite class consumption ; (d) All the three
246. **Which of these is not a factor of quantity supplied**  
(a) Price of the goods ; (b) Price of the related other goods;  
(c) Cost of production ; (d) Consumers disposal income
247. **The supply of goods means .....**  
(a) Quantity offered for sale at a given price and time ;  
(b) Quantity produced by the manufacturer ; (c) Quantity available with the supplier  
(d) Consumers disposal income
248. **Under law of supply, ceteris paribus is**  
(a) Cost of production ; (b) Production technology ; (c) None ;(d) Both
249. **According to law of supply .....**  
(a) Higher the price higher the production of the product;  
(b) Higher the price lower the cost of production ;  
(c) Lower the price lower the demand for the product;  
(d) Higher the price higher the quantity the seller is prepared to supply in market
250. **The quantity that an individual supplier is prepared to supply over a period of time is a function of**  
(a) Price of the product ; (b) Cost of production of the product ; (c) Both ; (d) None



251. **A desire culminates into demand or effective desire only when it is backed by**  
(a) Purchasing power ; (b) Willingness of spend money ; (c) Both ; (d) None
252. **The ..... price that a customer is willing to pay for a given quantity is called demand price**  
(a) Maximum ; (b) Minimum ; (c) Bargained ; (d) Floor
253. **Goods or services that are not necessary for living are**  
(a) Needs ; (b) Desires ; (c) Wants ; (d) Essentials
254. **Complementary goods are those which are .....**  
(a) Consumed simultaneously ; (b) Close competitive ; (c) Both ; (d) Unrelated
255. **Sugar and tea are ..... goods**  
(a) Complementary ; (b) Perfect substitute of each other ; (c) Both ; (d) Unrelated
256. **If price of sugar increase, the demand for tea will .....**  
(a) Fall ; (b) Increase ; (c) Not affected ; (d) No relation
257. **Increase in price of a product reduces the purchasing power as a result of which demand for a product goes up. This effect is known as**  
(a) Substitution effect ; (b) Income effect ; (c) Diminishing marginal utility concept  
(d) Law of diminishing returns
258. **Decreases in price of a product results in increased consumption of the product as the product becomes cheaper compared to other products. This effect is known as**  
(a) Substitution effect ; (b) Income effect ; (c) Diminishing marginal utility concept;  
(b) Law of diminishing returns
259. **Traditional approach to law of Demand was propounded by**  
(a) Giffen ; (b) A Samulson ; (c) Alfred Marshall ; (d) Pique
260. **According to traditional approach the factor responsible for operation of downward slope of demand curve are**  
(a) Change in number of consumers ; (b) Law of decreasing marginal utility  
(c) Alternative uses of goods ; (d) All the three
261. **According to Modern approach, law of demand is caused by**  
(a) Income effect ; (b) Substitution effect ; (c) Both ; (d) None
262. **Which of these are exception to law of Demand**  
(a) Giffen effect/goods ; (b) Future change in prices ; (c) Change in fashion ; (d) All the three
263. **Shift in Demand curve or change in Demand curve occurs due to**  
(a) Increase in price ; (b) Decrease in cost of production ;  
(c) Change in Ceteris paribus conditions ; (d) All the three
264. **Change in quantity demanded or Movement along demand curve occurs due**  
(a) Due to change in price only ; (b) Change in Ceteris paribus conditions only ;  
(c) Change in cost of production ; (d) Change in technology
265. **Increase in Demand is also known as – in economics**  
(a) Expansion in demand ; (b) Compression in demand ; (c) Extension in demand;  
(d) Extraction in demand
266. **Decrease in Demand is also known as**  
(a) Expansion in demand ; (b) Compression in demand ; (c) Extension in demand;  
(d) Extraction in demand
267. **Tea and coffee are**  
(a) Complementary goods ; (b) Alternative goods ; (c) Unrelated goods ; (d) None of these

268. If price of Tea increases the demand of coffee will  
(a) Increase ; (b) Decrease ; (c) Remain same ; (d) Cannot say
269. The demand function of a product x is as  $dx = 12 - 2P_x$ , where  $P_x$  stand for price. The quantity demanded corresponding to price of ₹2 will be .....  
(a) 8 ; (b) 6 ; (c) 5 ; (d) 10
270. In question No. 269 the quantity demanded if the price is 5 will be .....  
(a) 8 ; (b) 2 ; (c) 5 ; (d) 10
271. If an individual Y has a demand of 6 units of the product of market price of the product will be .....  
(Ref. Q. No. 269)  
(a) ₹4 ; (b) ₹5 ; (c) ₹3 ; (d) ₹4.5
272. If there are 5000 customers for the product, the aggregate market demand for the product at market price ₹2 in the question No. 269 will be .....  
(a) 40,000 ; (b) 30,000 ; (c) 20,000 ; (d) 16,000
273. Aggregate market demand in question No. 270 If there are 5000 customers will be .....  
(a) 40,000 ; (b) 30,000 ; (c) 20,000 ; (d) 16,000
274. The Supply function of a product x is as  $S_x = 5p_x + 3$ . Where  $P_x$  stand for price. The quantity supplied corresponding to price of ₹2 will be .....  
(a) 18 ; (b) 13 ; (c) 15 ; (d) 23
275. In question No. 274 if the price is ₹4 the supply available in the market will be .....  
(a) 18 ; (b) 13 ; (c) 15 ; (d) 23
276. At what price the firm will be willing to supply 28 pieces in the market (Ref. Q. No. 274)  
(a) ₹4 ; (b) ₹5 ; (c) ₹3 ; (d) ₹4.5
277. If there are 1000 firms in the market dealing the product under question what would be the aggregate supply if the price is ₹4 (Ref. Q. No. 274)  
(a) 20,000 ; (b) 23,000 ; (c) 25,000 ; (d) 21,000
278. The individual demand and supply curve of a product are  $D_x = 12 - 2p_x$ ,  $S_x = 3 + 5p_x$ , where  $P_x$  stand for price and  $D_x$  and  $S_c$  respectively stands for quantity demanded and quantity supplied (d) If there are 5000 consumers and 1000 suppliers for the product under question. What will be the equilibrium price  
(a) ₹4 ; (b) ₹5 ; (c) ₹3 ; (d) ₹4.5
279. What is the quantity demanded and supplied at the equilibrium price (Ref. Q. No. 278)  
(a) 20,000 ; (b) 22,000 ; (c) 21,000 ; (d) 19,000
280. What is the aggregate demand if the market price is ₹4.20 per unit (Ref. Q. No. 278)  
(a) 20,000 ; (b) 22,000 ; (c) 19,000 ; (d) 18,000
281. What is the aggregate supply if the market price is ₹4.20 per unit (Ref. Q. No. 278)  
(a) 20,000 ; (b) 24,000 ; (c) 25,000 ; (d) 28,000
282. The quantity of a commodity which an individual is willing to purchase over a specific period of time is a function of  
(a) Price of the product ; (b) Disposal income ; (c) Taste and price of other commodities;  
(d) All the three
283. Market demand curve for a commodity is  
(a) Horizontal summation of the individual demand curve for the commodity;  
(b) Summation of individual demand curve for 3 years;  
(c) Demand curve of complementary goods ; (d) Demand curve of supplementary goods

284. **Equilibrium state is achieved at**  
(a) The peak point of supply curve ; (b) The bottom point of demand curve;  
(c) The inflection point of demand curve ; (d) The intersection of demand and supply curve
285. **Under the law of demand ceteris paribus is/are**  
(a) Price of other goods ; (b) Disposal income ; (c) Tastes and preferences ; (d) All the three
286. **The demand for a product is 25 units when the price is ₹10, however the demand rises to 26 when the price is reduced to ₹9.9 per unit. The marginal revenue from production and sale of additional unit from 25 to 26 is**  
(a) ₹7.4 ; (b) ₹(16) ; (c) ₹10 ; (d) ₹257.6
287. **If in question No. 286 the price is reduced to ₹9 But the demand goes to 26 units what is the marginal revenue from sale of 26<sup>th</sup> unit**  
(a) ₹7.4 ; (b) ₹(-16) ; (c) ₹16 ; (d) ₹257.4
288. **In question No. 286 what is the total revenue from sale of 26 units**  
(a) ₹7.4 ; (b) ₹9 ; (c) ₹10 ; (d) ₹257.40
289. **In question No. 286 what is the total revenue from sale of 26 units**  
(a) ₹16 ; (b) ₹9 ; (c) ₹234 ; (d) ₹257.4
290. **In question No. 286 what is the average revenue from sale of 26 units**  
(a) ₹10 ; (b) ₹9.9 ; (c) ₹9 ; (d) ₹16
291. **If the question No. 286 despite reduction in price to ₹9.9 the demand for the product remains at 25 units we can say that the demand for the product is**  
(a) Elastic ; (b) Less elastic ; (c) Perfectly inelastic ; (d) Unity elastic
292. **In question No. 286 if the price is reduced to ₹9 per unit the demand for the product instead of increasing fall down to 24 units, the goods can be .....**  
(a) Essential goods ; (b) Luxury goods ; (c) Inferior goods ; (d) None of these
293. **In question No. 286 if the price is increased to ₹11 per unit and the demand sharply falls to 20 unit, we can say that the goods are .....**  
(a) Essential goods ; (b) Luxury goods ; (c) Inferior goods ; (d) None of these
294. **A levy of excise duty on consumption of an item consumed will .....**  
(a) Induce suppliers to pump in more quantity in the market; (b) Result in fall in the consumption of the commodity and lower total expenditure on it by the consumer ; (c) Lead to inflationary conditions ; (d) Place the consumer on lower indifference curve
295. **An imposition of excise duty would effect the demand of a product due to .....**  
(a) Income effect ; (b) Substitution effect ; (c) Both ; (d) None
296. **Two commodities X and Y goods can be inferred as close substitute of each other if –**  
(a) Increase in price of one leads to increase in demand of other and vice versa  
(b) Increase in price of one leads to decrease in demand of other and vice versa  
(c) Fall in price of one lead to fall in demand of other one  
(d) Increase in price of one leads to increase in demand of other one
297. **Two Commodities X and UY can be inferred as complementary to each other if**  
(a) Increase in price of one leads to increase in demand of other and vice versa  
(b) Increase in price of one leads to decrease in demand of other and vice versa  
(c) Fall in price of one lead to fall in demand of other one  
(d) Increase in price of one leads to increase in demand of other one
298. **Goods or services that are necessary for living are**  
(a) Needs ; (b) Desires ; (c) Wants ; (d) Essentials

- 299. A goods can be considered inferior goods in economics if increase in disposal income of the consumer causes**  
(a) An increase in demand ; (b) No change in demand ; (c) Decrease in demand ;  
(d) Less than proportionate change in demand
- 300. A goods can be considered a normal goods in economics if increase in disposal income of the consumer causes**  
(a) An increase in demand ; (b) No change in demand ; (c) Decrease in demand ;  
(d) Less than proportionate change in demand
- 301. Change in consumers tastes and preference causes – of the particular goods**  
(a) Change in quantity demanded ; (b) Shift in demand curve ; (c) Change in price ;  
(d) No effect on quantity demanded
- 302. Change in price of the goods cause**  
(a) Change in quantity demanded ; (b) Shift in demand curve ; (c) Change in price ;  
(d) No effect on quantity demanded
- 303. If price of Choco bar decreases we except**  
(a) The quantity demanded to increase ; (b) Quantity demanded to decrease ;  
(c) Demand curve to shift left ; (d) No change in quantity demanded
- 304. According to law of demand**  
(a) Higher the price higher the production of the product  
(b) Higher the price lower the cost of production  
(c) Lower the price higher the demand for the product  
(d) Higher price higher the quantity the more the consumer demand
- 305. The quantity of a commodity that an individual is willing to purchase over a specified period of time is a function of except .....**  
(a) Price of the commodity ; (b) Price of the competitive products ;  
(c) His disposal income ; (d) Price of factor of production
- 306. Market demand curve for a commodity is a**  
(a) Horizontal summation of all the individual demand curve for that product  
(b) Summation of demand curve of competitive products  
(c) Demand curve of average demand and price of previous six months  
(d) Projected demand schedule for next three months
- 307. If the supply of a product remain same with the increase in price, the possible reasons can be**  
(a) Apprehension of further price hike ; (b) Limited production facility ;  
(c) Commodity being a rare commodity ; (d) All the three
- 308. In a market economy equilibrium price is reached at**  
(a) Point of interaction of aggregate demand and aggregate supply curve ;  
(b) At the top of demand curve ; (c) Midpoint of demand curve ; (d) Midpoint of supply curve
- 309. Which of the following is/are an essential feature of the market**  
(a) Buyers ; (b) Sellers ; (c) Price ; (d) All the three
- 310. Which of these is not an essential feature of a market**  
(a) Buyers ; (b) Sellers ; (c) Commodity ; (d) Building with loading and unloading facilities
- 311. Which of the following is/are the characteristic of a monopolistically competitive market**  
(a) No restriction on exit and entry ; (b) Many sellers ; (c) Product differentiation ; (d) All the three
- 312. If there is simultaneous fall in consumers disposal income as well number of suppliers of a product in the market, the**  
(a) Equilibrium quantity will decrease ; (b) Equilibrium price will decrease ;  
(c) Equilibrium price will go up ; (d) Equilibrium quantity will increase
- 313. Very short period is the market condition where the supply remain perfectly**

- (a) Elastic ; (b) Inelastic ; (c) Unity elastic ; (d) Elasticity less than 1
- 314. In the long run price is governed by .....**  
(a) Cost of Production ; (b) Demand supply forces ; (c) Marginal utility ; (d) None
- 315. Adam Smith called price mechanism as**  
(a) Invisible hands ; (b) Consumer sovereignty ; (c) Consumer liberty ; (d) Price regulation
- 316. In the long run a firm in perfect competition earns**  
(a) Normal profit only ; (b) Abnormal profit ; (c) Average profit of past five years;  
(d) 12.33% profit on capital employed
- 317. The practice of selling same product to different persons at different price is called**  
(a) Price discrimination ; (b) Price rigging ; (c) Price manipulation ; (d) Price Justification
- 318. Which of these is not a cause of price discrimination**  
(a) Ignorance of consumer ; (b) Place differentiation ; (c) Variation in quality ;  
(d) Tax differentiation
- 319. If both the disposal income as well as number of suppliers of a product rises, the equilibrium**  
(a) Price remain same ; (b) Price will go up ; (c) Quantity will go up ; (d) Quantity will go down
- 320. Simultaneous increase in demand and quantity supplied will**  
(a) Increase in equilibrium price and quantity ; (b) Decrease equilibrium price and quantity  
(c) Increase equilibrium price but decrease quantity ; (d) Decrease equilibrium price but increase quantity
- 321. A firm faces the shut down situation when**  
(a) Price is less than average variable cost ; (b) Price is more than the average variable cost  
(c) Price is equal to fixed cost ; (d) Price is more than the average fixed cost
- 322. If a firm shut down at a level when  $AVC > Price$ , the firm restricts its losses to**  
(a) Total fixed cost ; (b) Average fixed cost ; (c) Variable cost ; (d) Average variable cost
- 323. Fixed costs are**  
(a) Avoidable in the short run ; (b) Sunk cost in the short run ; (c) Sunk cost in the long run  
(d) Unavoidable in the long run
- 324. When the price is less than the average variable cost, the firm should .....**  
(a) Continue to operate till the market recover ; (b) Shut down its operation for the time being  
(c) Retrench workers and pay them compensation;  
(d) Clear the existing stock at a price less than the prevailing price to beat the competitors
- 325. Breakeven point refers to the situation when**  
(a) Total revenue is equal to total cost ; (b) Total revenue is more than total cost  
(c) Total revenue is less than total cost ; (d) Total revenue is equal to total variable cost
- 326. A firm that break even after all the economic costs are paid in earning**  
(a) Economic profit ; (b) Accounting profit ; (c) Normal profit ; (d) Super normal profit
- 327. A firm that makes profit in excess of normal profit is earning**  
(a) Economic profit ; (b) Costing profit ; (c) Normal profit ; (d) Super normal profit
- 328. A natural monopoly has declining – over large range of output**  
(a) Long run average cost ; (b) Short run average cost ; (c) Long run total cost;  
(d) Long run marginal cost
- 329. A monopoly based on sole state ownership of production and distribution network is known as**  
(a) Natural monopoly ; (b) Technological monopoly ; (c) Government monopoly;

- (d) Geographical monopoly
330. **The market state that satisfy all the essential features of a perfect competitive market except identity of product is known as**  
(a) Oligopoly ; (b) Duopoly ; (c) Monopoly ; (d) Monopolistic competition
331. .... **may start a price war in order to grab a larger share of market**  
(a) Oligopoly ; (b) Duopolies ; (c) Monopolist ; (d) Monopolistic competition
332. **In the short run if the price is above the average total cost in a monopolistic competitive market, the firm makes**  
(a) Profits and new firms join the market ; (b) Profit and bar entry to new firms;  
(c) Makes losses and exit the market ; (d) Quick profit and disappears
333. **Which of these is associated with a monopolistic competitive market –**  
(a) Product differentiation ; (b) Homogeneous Product ; (c) Normal in short run;  
(d) Single buyer
334. **The ideal level of operation for a pure monopoly firm is the level where**  
(a) TR and STC curve are parallel to each other ; (b) TR = TC ; (c) TR = Total variable cost;  
(d) TR is less than STC
335. **When the Demand curve of a pure monopoly firm is elastic, MR will be**  
(a) Negative ; (b) Positive ; (c) Zero ; (d) Any of these
336. **In short run a monopolistic competition firm will be in equilibrium where**  
(a) MR = curve intersect SMC curve from above  
(b) MR curve intersect SMC curve from below  
(c) MC = AR ; (d) MR curve intersect SMC from below and P is equal to or more than AVC
337. **In a pure monopoly firm a firm can make abnormal profit at the long run equilibrium level due to**  
(a) Price discrimination;(b)Cost effectiveness ; (c) Banned entry of new firms ; (d) Sales promotion
338. **In the short run an oligopolistic firm will**  
(a) Make profits ; (b) Incur losses ; (c) Just break even ; (d) Any of these three are possible
339. **A monopoly firm makes more profit because**  
(a) It has ability to choose among price and output combination ; (b) It can discriminate price;  
(c) It leave the consumer with no consumer surplus ; (d) it acts as a market leader
340. **Super normal profits occurs when**  
(a) Average revenue is more than average cost ; (b) Total revenue is maximum;  
(c) Total cost is minimum ; (d) MC is equal to MR
341. .... **has excess production capacity in the long run**  
(a) Perfect competition market ; (b) Monopolistic competition market ; (c) Oligopolistic market  
(d) None
342. **Oligopoly market is known for .....**  
(a) Price flexibility ; (b) Price rigidity ; (c) Price discrimination ; (d) All the three
343. **In a competitive market ..... is the price maker**  
(a) Firm ; (b) Industry ; (c) Consumer ; (d) Trade association
344. **In a competitive market ..... is the price taker**  
(a) Firm ; (b) Industry ; (c) Consumer ; (d) Trade association
345. **A competitive firm maximizes its total profit when .....**  
(a) Average cost equal average realization ; (b) Marginal cost equals Price;

(d) Total revenue is the maximum ; (d)  $MR = AR$

346. A Monopoly's demand curve is

- (a) Same as its average revenue curve ; (b) Same as its supply curve;  
(c) Same as its cost curve ; (d) Same as that of the factor inputs

347. Which of them is a characteristic of a price taker

- (a)  $MR = Price$  ; (b)  $AR = MR$  ; (c)  $TR = PXQ$  ; (d) All the three

348. The table given below shows the demand and supply position of eggs at various prices

Price (₹Per dozen)	Daily Demand	Daily supply
16	3000	2300
17	2950	2350
18	2850	2475
19	2750	2525
20	2600	2600
21	2500	2650
22	2450	2700
23	2400	2750
24	2350	2800

What will be the equilibrium price

- (a) ₹19 ; (b) ₹20 ; (c) ₹21 ; (d) ₹23

349. In question No. 348. What is the equilibrium quantity of demand and supply

- (a) 2525 ; (b) 2600 ; (c) 2650 ; (D) 2725

350. Under perfect market conditions an Industry is said to be in equilibrium where

- (a) Total output is equal to total demand ; (b) Profit is maximum  
(c) Where the total revenue is maximum ; (d) Where total average cost is the minimum

351. Under perfect market conditions a firm is said to be in equilibrium where

- (a) Total output is equal to total demand ; (b) Profit is the maximum;  
(c) Where the total revenue is maximum ; (d) Where total average cost is the minimum

352. Under perfect market conditions the supply curve of a firm is represented by

- (a) MC curve ; (b) MR curve ; (c) AR curve ; (d) AC curve

353. Long-term equilibrium of an Industry under a perfectly market conditions is achieved when

- (a) All the firms are earning normal profit ; (b) All the firms are in equilibrium ;  
(c) There is no further entry or exit of firms from the industry ; (d) All the three

354. Which of the following statement is true

- (a) In perfect competition Average and Marginal revenue are identical  
(b) In perfect competition Average and Marginal cost are identical  
(c) In perfect competition Average price and Marginal cost are identical  
(d) In perfect competition only normal profit can be earned by a firm

355. For a monopoly firm market demand curve is

- (a) Marginal revenue curve itself ; (b) Average Revenue curve itself ; (c) Marginal cost curve  
(d) None

356. Which of the following statement is true

- (a) For a monopoly firm AR can be zero  
(b) For a monopoly firm MR can be zero or even negative  
(c) For monopoly firm MR and AR are identical  
(d) For a monopoly firm MR and AR are positive sloped

357. For a monopoly firm the MR Curve

- (a) Overlaps AR curve ; (b) Is above the AR curve ;  
(c) Lies half way between AR curve and the Y axis ; (d) Is same as AR curve

**358. A monopoly is characterized by**

- (a) Limited entry and exit opportunity ; (b) Single supplier ; (c) Few customers ; (d) All the three

**359. Which of the following faces a downward sloping demand curve**

- (a) Firm in a competitive market ; (b) Firm in a monopoly market ; (c) Both ; (d) None

**360. Average Revenue of a monopolist firm is**

- (a) Always more than the Marginal revenue ; (b) Always less than the Marginal revenue ;  
(c) Equal to marginal revenue ; (d) Any of the above three possible

**361. Demand curve of an Oligopoly firm is characterized by**

- (a) Horizontal to X axis ; (b) Kink at the price ; (c) U shaped curve ; (d) A liner line

**362. Which of the following statement is true**

- (a) Monopolist are price takers ; (b) Monopoly firm earn abnormal profits ;  
(c) A Monopoly firm faces straight demand line ;  
(d) Supply curve of a monopoly firm is positive sloped

**363. What will happen if a firm in perfect competitive market, increase its output by 50%**

- (a) Total sales revenue will also increase by 50% ; (b) Selling price will come down by 50% ;  
(c) Total sales revenue will decrease by 50% ; (d) Profit will increase by 25%

**364. .... it is the form of the market in which the only seller of a commodity has fully control over the prices**

- (a) Monopoly ; (b) Pure monopoly ; (c) Simple monopoly ; (d) All the three

**365. Stock of both man made goods as well as natural resources like capital is called –**

- (a) National wealth ; (b) National stock ; (c) No less no gain level ; (d) All the three

**366. .... is a situation in which it is not possible to make someone better off without making someone worse off**

- (a) Social efficiency ; (b) Production efficiency ; (c) Distribution efficiency ; (d) Pareto efficiency

**367. .... is the price at which demand for a commodity is equal to its supply**

- (a) Normal price ; (b) Equilibrium price ; (c) Short run price ; (d) Secular price

**368. When a monopolist charges different prices to each customer it is called price discrimination of –**

- (a) First order ; (b) Second order ; (c) Third order ; (d) Fourth order

**369. The demand curve of a Monopoly firm is –**

- (a) Same that of a firm in a perfect competition ; (b) Same as that of the total market demand ;  
(c) Non-exist ; (d) Perfectly elastic

**370. In a perfect competitive market price determines –**

- (a) What to buy ; (b) What to produce ; (c) Both ; (d) None

**371. Total profit of a firm in a perfect competitive market is –**

- (a) Total revenue less total cost ; (b) Marginal revenue less marginal cost ;  
(c) Total revenue less marginal cost ; (d) Total revenue less variable cost

**372. National income is the ..... Of all the goods and services produced by a country during a period of year**

- (a) Physical quantity ; (b) Money value ; (c) ₹Value ; (d) All the three

**373. GPD is the money value of final goods and serviced produced in the..... Of a country during an accounting year**



- (a) Domestic territory ; (b) Political territory ; (c) Specific area ; (d) FTZ area
- 374. Which of these is/ are included in the domestic territory of a country?**  
(a) Territory lying within the political frontier including territorial water of the country.  
(b) Ships and aircrafts operated by the residents of the country between two or more countries.  
(c) Fishing vessels, oil and natural gas rigs and floating platforms. ; (d) All the three
- 375. Choose the correct statement**  
(a)  $GPD\ at\ fc = GPD\ mp - IT + S$  ; (b)  $GPD\ at\ fc = GDP\ mp - IT - S$  ; (c)  $GDP\ at\ fc = GDP\ mp + IT + S$  ;  
(d)  $GDP\ at\ fc = GDP\ mp + IT - S$
- 376. Which of the following equation is correct**  
(a)  $NDP = GDP - Depreciation$  ; (b)  $NDP = GDP + Depreciation$  ; (b)  $NDP = GDP - Depreciation - subsidy$  ;  
(d)  $NDP = GDP - Depreciation + subsidy$
- 377. Which of the following equation is correct?**  
(a)  $GNP = GDP + Net\ factor\ income\ from\ abroad$   
(b)  $GNP = GDP + Gross\ factor\ income\ from\ abroad$   
(c)  $GNP = GDP - Net\ factor\ income\ from\ abroad$   
(d)  $GNP = GDP - Gross\ factor\ income\ from\ abroad$
- 378. Which of these items are excluded in the computation of National Income under value added method?**  
(a) Own acquired fixed assets by the Government enterprises, Govt. and household;  
(b) Production for self-consumption ; (c) Imputed rent for own occupied house ; (d) All the three
- 379. Which of these is / are a transfer payments(s)?**  
(a) Pension ; (b) Scholarship ; (d) Unemployment allowance ; (d) All the three
- 380. In agricultural sector net value added is estimated by**  
(a) Income method ; (b) Expenditure method ; (c) Production method ; (d) All the three
- 381. Which of these are not included in territory sector?**  
(a) Banking ; (b) Insurance ; (c) Agriculture ; (d) Transport
- 382. Which of these indicates increase in welfare of the people?**  
(a) Increase in production of war time equipments ; (b) Increase in production of food grains  
(c) Spurt in smuggling activities ; (d) Increase in production of Heroine, smack et(c)
- 383. Which of the following is an example of an intermediate goods.**  
(a) A Tata Indica sold by a dealer of second hand car ;  
(b) Steel and cement used to construct a flyover ; (c) Farming crop purchased by FCI  
(d) All the three
- 384. GDP is defined as**  
(a) The market value of all goods and services produced in the domestic economy during the year ; (b)  
Current value of all the capital goods produced in the country. ; (c) Sum of goods and services  
exported during the year. ; (d) All the capital goods and consumable goods produced and sold  
during the year
- 385. If in 2000 nominal GDP is = ₹70000 Crore and the prices in 2000 were 40% more than the real GDP in 2000 using 1996 as a base year is**  
(a) ₹45,000 Crore ; (b) ₹50,000 Crore ; (c) ₹42,000 Crore ; (d) ₹98000 Crore
- 386. Assuming consumption C= ₹45000, Investment I= ₹1000, Government Purchase G= ₹1200, Exports=₹450, Depreciation = ₹600, and Indirect Tax= ₹500, then GDP will be**  
(a) ₹5900 ; (b) ₹6600 ; (c) ₹6000 ; (d) ₹5100
- 387. In question No. 386, the National Income will be**  
(a) ₹5000 ; (b) ₹6600 ; (c) ₹6000 ; (d) ₹5500

388. If the cost of production of a cake in bakery is ₹20 per cake which is ultimately sold to the customer after packing and transporting to the retail shops at ₹25 per cake. The value added is  
(a) ₹5 ; (b) ₹20 ; (c) ₹25 ; (d) ₹4
389. In a closed economy  
(a) GDP=GNP ; (b) GDP>GNP ; (c) GDP<GNP ; (d) All the three are possible
390. In an open economy  
(a) GDP=GNP ; (b) GDP>GNP ; (c) GDP<GNP ; (d) All the three are possible
391. Which of these is an example of a transfer payment?  
(a) Profit ; (b) Retirement pension ; (c) Rent ; (d) Transportation and freight charges
392. GDP can be defined as sum of the market value of the.....  
(a) Final manufactured goods and services ; (b) Intermediate goods  
(c) Goods and services exported ; (d) Sub-standard goods and discarded services
393. A read garment factory pays ₹100 for suit length and ₹5 for cotton thread purchased and ₹50 to the labour for stitching the suit which he sells in the market for ₹750. His contribution to GDP is  
(a) ₹595 ; (b) ₹750 ; (c) ₹600 ; (d) ₹400
394. Which of these would not be part of GDP?  
(a) Sale of Intermediate goods ; (b) Income from illegal betting ; (c) Household services rendered by a house wife in her family ; (d) All the three
395. Real GDP is measured in.....prices  
(a) Base year ; (b) Current year ; (c) 1980 ; (d) 2000
396. Nominal GDP is measured in .....prices  
(a) Base year ; (b) Current year ; (c) 1980 ; (d) 2000
397. Which of these is not a part of GDP for the year 2006?  
(a) Earning of an International fashion show organized in Delhi  
(b) Sale of ticket for Republic day parade. ; (c) Fee of a practicing Chartered Accountant  
(d) A house built in 2000 and first sold in 2006
398. If GDP exceeds GNP the possible reasons could be  
(a) Foreigners are earning more in India than Indians are earning in foreign countries  
(b) High incidence of plant and machinery wear out  
(c) Indian are earning more in foreign countries than foreigners earnings in India  
(d) None
399. .... is an index of price change for goods and services included in GDP  
(a) Price index ; (b) Sensex ; (c) GDP deflator ; (d) None
400. From the following equation estimated consumption when disposal income is ₹1000 is  $C = ₹200 + 0.80Y_d$   
(a) ₹1000 ; (b) ₹1100 ; (c) ₹900 ; (d) ₹800
401. The vital data of a country are given below:  
GNP at MP = ₹99,000, Net factor income abroad = (-) 560 Capital consumption allowance = ₹6,100, Net indirect tax = ₹8,470  
From the above, estimate of GNP at factor cost =  
(a) ₹90,530 ; (b) ₹91,000 ; (c) ₹89,990 ; (d) ₹93,100
402. Based on the data given in question No. 401. NNP at factor cost  
(a) 84,430 ; (b) 87000 ; (c) 86540 ; (d) 88000
403. Based on the data given in question No. 401. NDP at FC  
(a) 86,430 ; (b) 87000 ; (c) 84990 ; (d) 88000

- 404. Based on the data given in question No. 401.NDP at MP**  
(a) 88,430 ; (b) 93460 ; (c) 86540 ; (d) 88000
- 405. Which of the following statement is true?**  
(a) Value added = total sales + closing stock of finished goods – opening stock of finished goods – total expenditure on raw material – intermediate goods  
(b) Value added = total sales + closing stock of finished goods and semi finished goods – total expenditure on raw material – intermediate goods  
(c) Value added = total sales + closing stock of finished goods and semi-finished goods-opening stock of finished goods and semi finished goods-total expenditure on raw material  
(d) Value added = total sales + closing stock of finished goods and semi finished goods – opening stock of finished goods and semi finished goods – total expenditure on raw material – intermediate goods.
- 406. True value added**  
(a) value added-depreciation ; (b) Value added – depreciation – tax ;  
(c) Value added – interest – tax ; (d) Value added – depreciation-interest
- 407. If Nominal GDP is 11% and Real GDP is 6%, then the difference of 5% represent**  
(a) Depreciation ; (b) Rate of inflation ; (c) Rate of interest ; (d) Tax burden
- 408. Given Real GDP of 6.5% and rate of inflation of 5.5% nominal GDP will be.....**  
(a) 12% ; (b) 10% ; (c) 10.5% ; (d) 9.5%
- 409. Given Real GDP 8.25%, Nominal GDP 11.25%, Rate of inflation will be**  
(a) 2.5% ; (b) 3% ; (c) 4.25% ; (d) 3.5%
- 410. If we add..... to net domestic production we get GDP**  
(a) Depreciation ; (b) Direct tax ; (c) Indirect tax ; (d) Interest payment
- 411. If we add..... to national income we get NDP**  
(a) Depreciation ; (b) Net foreign factor income ; (c) Indirect-tax ; (d) Transfer payment
- 412. .... is the personal income minus personal income tax and miscellaneous receipts of Government administrative departments.**  
(a) Surplus income ; (b) Disposal income ; (c) Expendable income ; (d) Residual income
- 413. Which of these is/are not included in net domestic product at factor cost.**  
(a) Wages or compensation of employees ; (b) Rent, interest, profits or operating surplus;  
(c) Mixed income ; (d) None
- 414. Which is the apex bank for agricultural credit in India?**  
(a) RBI ; (b) SIDBI ; (c) NABARD ; (d) IDBI
- 415. SIDBI is a subsidiary bank of**  
(a) IDBI ; (b) SBI ; (c) HDFC ; (d) ICICI
- 416. RBI check inflation by**  
(a) Increasing bank rate ; (b) Increasing CRR ; (c) Both ; (d) None
- 417. Which of the following is near money?**  
(a) Bill of exchange ; (b) Saving bonds ; (c) Gilt edged securities ; (d) All the three
- 418. Which of the following is the oldest system of money?**  
(a) Barter ; (b) Plastic money ; (c) Credit money ; (d) Gold
- 419. Optional money is a**  
(a) Legal tender money ; (b) Non-legal tender money ; (c) Limited legal tender money;  
(d) Full bodied money

420. **Which of these is not a function of money?**  
(a) Means of exchange ; (b) Store value ; (c) Power indicator ; (d) Measurement of value
421. **Which of the following function does money serve when used to measure the prices of different goods and services?**  
(a) Store of value ; (b) Medium of exchange ; (c) Standard of value ; (d) Display of power
422. **Which of the following function does money serve when used to purchase or sell different goods and services?**  
(a) Store of value ; (b) Medium of exchange ; (c) Standard of value ; (d) Display of power
423. **If RBI wants to decrease the money supply in order to check inflation it will**  
(a) Sell bonds ; (b) Increase CRR ; (c) Hike bank rate ; (d) All or any of the above three
424. **If the country is passing through recession, the RBI would**  
(a) Buy bonds ; (b) Reduce CRR ; (c) Ease out bank rate ; (d) All or any of the above three
425. **If RBI sucks excess money into circulation this will effect**  
(a) M1 ; (b) M2 ; (c) Both ; (d) None
426. **Manipulation in CRR enables the RBI to .....**  
(a) Influence the lending ability of the commercial banks ; (b) Check unemployment growth;  
(c) Check poverty ; (d) Increase GDP
427. **How does a commercial bank create money**  
(a) By printing money ; (b) By lending a part of its deposits ; (c) By issuing ATM cards  
(d) Accepting deposits
428. **Which of these affects the demand for money?**  
(a) Real income ; (b) Price level ; (c) Rate of interest ; (d) All the three
429. **If someone keeps some money for bad days, this demand for money is known by ..... motive of money**  
(a) Speculative ; (b) Transaction ; (c) Precautionary ; (d) Store
430. **Which of these would lead to fall in demand for money?**  
(a) Inflation ; (b) Increase in real income ; (c) Increase in real rate of interest ;  
(d) Increase in wealth
431. **EXIM Bank was established in**  
(a) Jan. 1982 ; (b) March 1984 ; (c) Fe(b) 2001 ; (d) August 1975
432. **EXIM Bank is authorized to raise loan from**  
(a) RBI ; (b) Government of India ; (c) International market ; (d) Trading activities
433. **Which of these are not the duties of EXIM Bank?**  
(a) Lending/Guaranteee ; (b) Advisory ; (c) Promotional ; (d) Trading activities
434. **RBI was nationalized in**  
(a) June 1947 ; (b) Jan. 1949 ; (c) March 1954 ; (d) April 1936
435. **Which of these terms are/is appropriate for RBI?**  
(a) Banker's Bank ; (b) Banker's to the Government ; (c) Both ; (d) None
436. **Exchange Control and Management is done by**  
(a) RBI ; (b) As per Defence of India Act ; (c) SBI ; (d) IDBI
437. **FERA has been replaced by**  
(a) FINA ; (b) FEMA ; (c) FENA ; (d) MRTTP
438. **CRR means**

- (a) Cash Reserve Ratio ; (b) Current rate of return ; (c) Cumulative rate of return;  
(d) Current rate of Rupee

**439. CRR is used to**

- (a) Combat inflation ; (b) Check black money ; (c) Check tax evasion ; (d) All the three

**440. SLR stands for**

- (a) Short liquid rupee ; (b) Statutory liquid ratio ; (c) Statutory liquid Rupee ; (d) Shorter long rung

**441. Nationalization of Banks took place in**

- (a) July 1969 ; (b) February 1977 ; (c) Jan. 1960 ; (d) April 1989

**442. Repo Market means**

- (a) A money market instrument which helps in collateral short term borrowing and lending through sale and purchase operation in debt instrument  
(b) A money market instrument which helps in collateral long term borrowing and lending through sale and purchase operation in debt instrument  
(c) A money market instrument which helps in collateral short term lending through sale and purchase operation in debt instrument  
(d) A money market instrument which helps in collateral short term borrowing through sale and purchase operation in debt instrument

**443. Repo transaction means**

- (a) Sale of securities by the holder to the investor with the agreement to purchase them at a predetermined rate and date.  
(b) Sale of securities by the holder to the investor with the agreement to resell them at a predetermined rate and date.  
(c) Sale and purchase of securities by the holder to the investor with the agreement to purchase them at the prevailing rate and date  
(d) Sale of securities by the holder to the investor with the agreement to purchase them at market driven rate.

**444. Reverse Repo transaction means**

- (a) Sale of securities by the holder to the investor with the agreement to purchase them at a predetermined rate and date  
(b) Sale or purchase of securities by the holder to the investor with the commitment to sell or purchase them at a predetermined rate and date  
(c) Sale and purchase of securities by the holder to the investor with the agreement to purchase them at the prevailing rate and date  
(d) Sale of securities by the holder to the investor with the agreement to purchase them at market driven rate

**445. Repo transactions are allowed in**

- (a) Government securities / Treasury bills of all maturity ; (b) State Government securities  
(c) PSU bonds/Private corporate bonds ; (d) All the three

**446. India is a recipient of loan from which of these agencies**

- (a) World Bank ; (b) IMF ; (c) IDA ; (d) All the three

**447. Demand pull inflation rises due to**

- (a) Persistent rise in factor cost ; (b) Mismatch between demand and supply of commodities  
(c) Combine phenomena of demand pull and cost-push inflation. ;  
(d) Increase in Price of precious metal

**448. Cost push inflation arises due to**

- (a) Persistent rise in factor cost ; (b) Mismatch between demand and supply of commodities  
(c) Combine phenomena of demand pull and cost-push inflation. ;  
(d) Increase in price of precious metal

**449. Deflation is a state when**

(a) Prices are falling ; (b) Consistent increase in prices ; (c) Fall in GDP ; (d) Collapse of sensx

**450. Which of these is one of the causes of inflation?**

(a) Increase in public expenditure ; (b) Deficit financing ; (c) Increase in administrative prices  
(d) All the three

**451. Deficit financing means**

(a) Financing budgetary deficit by borrowing  
(b) Financing budgetary deficit by printing money ; (c) Both ; (d) None

**452. Inflationary conditions may co-exist with which of the following situation**

(a) Increase in factor cost ; (b) Increase in employment opportunities;  
(c) Growth in GDP and imports ; (d) All the three

**453. Given the supply quantity which is fixed an increase in aggregate demand will have direct impact on**

(a) Increase in GDP ; (b) Inflationary pressure ; (c) Greater employment opportunity;  
(d) More equitable distribution of income and wealth

**454. Supply of money refers to**

(a) Total money held by the public ; (b) Total money held by RBI ;  
(c) Total money with all the commercial banks and RBI ;  
(d) Total money in Government account

**455. Given a reserve ratio of 20% in initial deposit of ₹1000 in a banking system would create secondary deposit of ₹.....**

(a) ₹3,000 ; (b) ₹5,000 ; (c) ₹4,000 ; (d) ₹6,000

**456. Given a reserve ratio of 20% for an initial deposit of ₹1000 create total supply of money**

(a) ₹4,000 ; (b) ₹5,000 ; (c) ₹800 ; (d) ₹160

**457. Which of these is not the function of IMF?**

(a) It provides mechanism for orderly adjustment of exchange rate  
(b) It provides mechanism for international consultation  
(c) It provides forum for settlement of international trade disputes  
(d) It is a reservoir of the currencies of all the member countries

**458. Which of these is not the function of World Bank?**

(a) To arbitrate on international trade disputes.  
(b) To help the member countries in the reconstruction and development of their countries.  
(c) To encourage private foreign investment and credit by guaranteeing repayment.  
(d) To promote long term balanced growth of international trade.

**459. Which of the following is not the function of World Trade Organization?**

(a) To settle border disputes of member countries. ; (b) To handle trade disputes.  
(c) To provide technical assistance and training to developing countries.  
(d) To provide forum for trade negotiation between the member countries.

**460. At a given time and in a given marketplace, the entire market demand curve indicates the**

(a) quantity of a good consumers would be willing and able to purchase at a given price.  
(b) quantity of a good consumers would be able to purchase at a series of prices.  
(c) quantity of a good consumers want to purchase at a given price  
(d) quantity of a good consumers have purchased at a series of prices over the year.

**461. Assume Samantha likes hot dogs and hamburgers equally, and the price of hamburgers (a normal good) declines. She will most likely purchase more hamburgers; this is**

(a) a reflection of the income effect ; (b) a reflection the substitution effect;  
(c) a reflection of the income and substitution effects ; (d) None of above

**462. Which of the following would not be considered a normal good?**

- (a) Steaks ; (b) flour ; (c). oranges ; (d) meals at restaurants
- 463. A typical demand curve will normally have a**  
(a) positive slope ; (b) horizontal slope ;(c) vertical slope ; (d) negative slope
- 464. Which of the following would not be considered compliments?**  
(a) shoes and socks ; (b) tennis racquet and tennis balls ; (c) Coke and Pepsi ;  
(d) automobiles and gasoline
- 465. Which of the following would not be considered substitutes?**  
(a) butter and margarine ; (b) Coke and Pepsi ; (c) Fords and Chevrolets  
(d) Hamburgers and french fries
- 466. The price of Ford automobiles increases and the price of Chevrolets remains constant, the demand for Chevrolets will**  
(a) increase ; (b) decrease ; (c) decrease then increase ; (d) increase then decrease
- 467. An improvement in technology would shift**  
(a) the demand curve inward ; (b) the demand curve outward ; (c) the supply curve inward  
(d) the supply curve outward
- 468. A shift outward in supply curve will result in equilibrium price**  
(a) increasing and quantity increasing ; (b) increasing and quantity decreasing ;  
(c) decreasing and quantity increasing ; (d) decreasing and quantity decreasing
- 469. A reduction in the number of producers will result in equilibrium price**  
(a) increasing and quantity increasing ; (b) increasing and quantity decreasing ;  
(c) decreasing and quantity increasing ; (d) decreasing and quantity decreasing
- 470. As a certain type of clothing becomes more fashionable, we would expect its equilibrium price**  
(a) to decrease and quantity will remain constant ; (b) and quantity will decrease;  
(c) to increase and quantity to decrease ; (d) and quantity to increase
- 471. If supply and demand both shift outward, but demand shifts outward more than supply, the equilibrium price**  
(a) will increase and quantity will increase ; (b) will increase and quantity will decrease;  
(c) will decrease and quantity will decrease ; (d) will decrease and quantity will increase
- 472. At Christmas time often a certain toy or doll becomes increasingly popular; this is primarily due to a(n)**  
(a) Surplus ; (b) increase in demand ; (c) increase in supply ; (d) decrease in supply
- 473. Which of the following is correct for a price floor set above the equilibrium price?**  
(a) quantity supplied is less than quantity demanded at the set price.;  
(b) at the set price there will be a shortage;  
(c) quantity supplied exceeds quantity demanded at the set price ; (d) None of above
- 474. Which of the following is correct for the price ceiling which is set below the market's equilibrium price?**  
(a) quantity demanded exceeds quantity supplied at the set price;  
(b) quantity demanded is less than quantity supplied at the set price ;  
(c) at the set price there is a surplus ; (d) None of above
- 475. What will happen to the equilibrium price and quantity of peanut butter if peanuts increase in price and the price of jelly decreases?**  
(a) the equilibrium price and quantity increase  
(b) the equilibrium price will fall and the equilibrium quantity will be indeterminate  
(c) the equilibrium price will rise and the equilibrium quantity will be indeterminate  
(d) None of above
- 476. Which of the following would not reduce the transaction cost in a market?**  
(a) a real estate agent, when buying a house

- (b) a stock broker, when purchasing stock  
(c) a full page newspaper ad to sell your used lawn mower  
(d) a farmer's market for fresh produce
- 477. Which Indian State has favourable sex ratio?**  
(a) Kerala ; (b) Uttar Pradesh ; (c) Haryana ; (d) Bihar
- 478. Green revolution is also known as**  
(a) Wheat revolution ; (b) Milk revolution ; (c) Grain revolution ; (d) Chipko movement
- 479. Green revolution was successful because of use of ..... Seeds**  
(a) HYV ; (b) Imported ; (c) Australian ; (d) Local seeds
- 480. BSNL stands for**  
(a) British Sanchar Nigam Lt(d) ; (b) Bidesh Sanchar Nigam Lt(d) ; (c) Bharat Sanchar Nigam Lt(d)  
(d) Bhartiya Swadeshi Nigam Lt(d)
- 481. Regulatory framework for Telecom sector is provided by**  
(a) MTNL ; (b) VANL ; (c) BSNL ; (d) TRAI
- 482. TRAI stands for**  
(a) Trans Communication Regulatory Authority of India ; (b) Telecom Regulatory Authority of India  
(c) Telegraphic Regulatory Authority of India ; (d) Traffic Regulatory Authority of Indi(a)
- 483. NTPC stands for**  
(a) National Thermal Power Corporation ; (b) Naturopathy treatment project commission.  
(c) Natural thermal project company ; (d) National Thermal power commission
- 484. Sarvya Siksha Abhiyan policy was declared in**  
(a) 2004 ; (b) 2001 ; (c) 1999 ; (d) 2003 ;
- 485. Disguised unemployment is mainly due to**  
(a) Under employment ; (b) Seasonal nature of work ; (c) Strike and lock-out ;  
(d) Structural changes in the economy
- 486. Disguised unemployment is mainly found in**  
(a) Urban areas ; (b) Rural areas ; (c) Small scale sector ; (d) Highly qualified work force
- 487. Disguised unemployment refers to the situation when**  
(a) Marginal Productivity of the surplus workers is zero  
(b) Marginal productivity of the surplus workers is less than average productivity  
(c) Marginal productivity of the surplus workers is falling sharply  
(d) Marginal productivity of the surplus workers is falling sharply
- 488. Structural unemployment is mainly due to**  
(a) Structural changes in the economy ; (b) Technological development  
(c) Growth in GDP ; (d) Population explosion.
- 489. Which of the following is a cause of frictional unemployment?**  
(a) Non-availability of work due to strike and lock-out.  
(b) Temporary unemployment due to change over in jo(b) ; (c) Both ; (d) None
- 490. Which of the following is not a cause of unemployment in India?**  
(a) Growing population ; (b) Lack of employment opportunity ;  
(c) Inappropriate education system ; (d) Liberalization
- 491. Labour cost consists of**  
(a) All people officially employed or unemployed  
(b) All people over the age of 18 but less than 58 years of age  
(c) All youth having passed matriculate examination ; (d) All the three



492. **The type of unemployment that includes those persons who are unemployed for an intervening period of change over in job for better job is known as**  
 (a) Seasonal unemployment ; (b) Voluntary unemployment ; (c) Frictional unemployment  
 (d) Technical unemployment
493. **Which of these measures would not reduce natural rate of unemployment?**  
 (a) Creation of more jobs ; (b) Reducing the age of superannuation  
 (c) Hike in unemployment allowance ; (d) Employment oriented education system
494. **Unemployment due to mismatch between skill possessed and present available jobs**  
 (a) Cyclical unemployment (b) Structural unemployment ; (c) Frictional unemployment;  
 (d) Seasonal unemployment
495. **In an agricultural family all the family members are working the farmland of the family. Due to addition of two more person in the family they are also working in the farmland of the family with no additional increase in farm output. This type of unemployment is known as**  
 (a) Cyclical unemployment ; (b) Disguised unemployment ; (c) Frictional unemployment  
 (d) Seasonal unemployment
496. **Which of these is/are the feature of an underdeveloped economy?**  
 (a) Greater inequalities ; (b) High incidence of unemployment ;  
 (c) Orthodox means of production ; (d) All the three
497. **Which of these is primary sector.**  
 (a) Communication ; (b) Banking ; (c) Construction ; (d) Poultry farming
498. **Which of these is a secondary sector**  
 (a) Manufacturing sector ; (b) Transport ; (c) Forestry ; (d) Animal husbandry
499. **Which of the following is not an economic activity?**  
 (a) Painting for self use ; (b) Maintenance of Public Park by Local administration  
 (c) Painting for commercial use ; (d) Running an Academic school
500. .... States that rapid growth of per capita income will be associated with a reduction in poverty.  
 (a) The trickle down theory ; (b) Multiplier theory ; (c) Malthus population theory ; (d) None

**Answer**

1	a	2	b	3	d	4	b	5	b	6	d	7	a
8	a	9	d	10	c	11	d	12	d	13	d	14	d
15	a	16	d	17	a	18	c	19	a	20	d	21	c
22	d	23	d	24	c	25	c	26	a	27	a	28	a
29	b	30	d	31	d	32	b	33	b	34	b	35	d
36	a	37	a	38	a	39	d	40	d	41	c	42	a
43	b	44	a	45	a	46	a	47	c	48	a	49	a
50	a	51	c	52	a	53	a	54	d	55	b	56	c
57	d	58	b	59	c	60	a	61	b	62	a	63	a
64	b	65	d	66	a	67	d	68	a	69	c	70	c
71	b	72	d	73	b	74	c	75	d	76	c	77	b
78	c	79	d	80	c	81	a	82	d	83	b	84	c
85	d	86	b	87	c	88	a	89	c	90	c	91	d
92	d	93	b	94	c	95	b	96	d	97	a	98	c
99	b	100	b	101	c	102	a	103	c	104	c	105	d
106	b	107	a	108	a	109	a	110	c	111	a	112	a
113	d	114	a	115	c	116	a	117	a	118	b	119	a
120	b	121	a	122	d	123	a	124	b	125	c	126	d
127	a	128	b	129	d	130	c	131	c	132	b	133	c

**PAPER 1: FUNDAMENTALS OF ECONOMICS AND MANAGEMENT (SYLLABUS 2012)\_MCQ**

134	c	135	d	136	a	137	a	138	a	139	b	140	b
141	d	142	a	143	b	144	b	145	a	146	d	147	a
148	b	149	a	150	a	151	b	152	a	153	b	154	a
155	a	156	c	157	a	158	c	159	b	160	c	161	b
162	a	163	b	164	a	165	a	166	a	167	a	168	b
169	a	170	b	171	b	172	b	173	a	174	b	175	c
176	b	177	a	178	c	179	b	180	a	181	d	182	b
183	a	184	d	185	a	186	a	187	b	188	a	189	a
190	a	191	b	192	b	193	a	194	d	195	c	196	a
197	b	198	a	199	d	200	d	201	b	202	a	203	c
204	c	205	d	206	a	207	a	208	a	209	c	210	c
211	b	212	c	213	a	214	b	215	d	216	a	217	b
218	b	219	c	220	c	221	b	222	d	223	d	224	a
225	a	226	d	227	d	228	c	229	d	230	c	231	d
232	a	233	a	234	b	235	b	236	d	237	c	238	b
239	a	240	d	241	a	242	b	243	a	244	b	245	a
246	d	247	a	248	d	249	d	250	c	251	c	252	a
253	c	254	a	255	a	256	a	257	b	258	a	259	c
260	d	261	c	262	d	263	c	264	a	265	a	266	d
267	b	268	a	269	a	270	b	271	c	272	a	273	d
274	b	275	d	276	b	277	b	278	c	279	b	280	d
281	b	282	d	283	a	284	d	285	d	286	a	287	b
288	d	289	c	290	b	291	c	292	c	293	b	294	d
295	c	296	a	297	b	298	a	299	c	300	a	301	b
302	a	303	a	304	c	305	d	306	a	307	d	308	a
309	d	310	d	311	d	312	a	313	b	314	a	315	a
316	a	317	a	318	d	319	c	320	a	321	a	322	a
323	b	324	b	325	a	326	c	327	d	328	a	329	c
330	d	331	a	332	a	333	c	334	a	335	b	336	d
337	c	338	d	339	a	340	a	341	b	342	b	343	b
344	a	345	c	346	a	347	d	348	b	349	b	350	a
351	b	352	a	353	d	354	a	355	b	356	b	357	c
358	a	359	b	360	a	361	b	362	a	363	a	364	b
365	b	366	d	367	b	368	a	369	b	370	c	371	a
372	b	373	a	374	b	375	a	376	a	377	a	378	d
379	d	380	c	381	c	382	a	383	b	384	a	385	b
386	b	387	d	388	a	389	a	390	d	391	b	392	a
393	b	394	d	395	a	396	b	397	d	398	a	399	c
400	a	401	a	402	a	403	c	404	b	405	d	406	a
407	b	408	a	409	b	410	a	411	b	412	b	413	d
414	c	415	a	416	c	417	d	418	a	419	b	420	c
421	c	422	b	423	d	424	d	425	c	426	a	427	b
428	d	429	c	430	c	431	a	432	d	433	d	434	b
435	c	436	a	437	b	438	a	439	a	440	b	441	a
442	a	443	a	444	b	445	d	446	d	447	b	448	a
449	a	450	d	451	c	452	d	453	b	454	a	455	c
456	b	457	c	458	a	459	a	460	b	461	b	462	b
463	d	464	c	465	d	466	a	467	d	468	c	469	b
470	d	471	a	472	b	473	c	474	a	475	c	476	c
477	a	478	a	479	a	480	d	481	d	482	b	183	a
484	b	485	a	486	b	487	a	488	a	489	c	490	d
491	a	492	c	493	c	494	b	495	b	496	d	497	d
498	a	499	a	500	a								

## Multiple Choice Questions on Management

1. **If no one is aware of conflict, it is generally agreed that:**  
(a) employee-employer relations will be good ; (b) conflict is subversive.  
(c) no conflict exists. ; (d) conflict is inevitable.
2. **Which of the following is not a requirement in your text's definition of conflict?**  
(a) must be perceived ; (b) overt acts only ; (c) incompatibility ; (d) opposition
3. **\_\_\_\_\_ is a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about.**  
(a) Politics ; (b) Consideration ; (c) Power ; (d) Conflict
4. **Which of the following is not one of the views of conflict?**  
(a) the traditional view ; (b) the human relations view ; (c) the interactionist view  
(d) the inevitability view
5. **The traditional view of conflict argues that conflict:**  
(a) cannot be avoided (d) (b) indicates a malfunctioning within the group.  
(c) is good for a group. (d) improves productivity.
6. **The traditional view of conflict is:**  
(a) the belief that all conflict is harmful and must be avoided (d)  
(b) the belief that conflict is a natural and inevitable outcome in any group.  
(c) the belief that conflict is not only a positive force in a group but that it is absolutely necessary for a group to perform effectively.  
(d) no generalization about conflict is appropriate.
7. **Which one of the following is not part of the traditional view of conflict?**  
(a) inevitable ; (b) must be avoided ; (c) indicates malfunctioning ; (d) harmful
8. **Which one of the following views on conflict dominates in most actual groups and organizations?**  
(a) human relations ; (b) interactionist ; (c) traditional ; (d) functional
9. **The \_\_\_\_\_ view of conflict argues that conflict is a natural and inevitable outcome in any group.**  
(a) human relations ; (b) interactionist ; (c) traditional ; (d) functional
10. **The \_\_\_\_\_ view of conflict argues that some conflict is absolutely necessary for a group to perform effectively.**  
(a) human relations ; (b) interactionist ; (c) traditional ; (d) functional
11. **The \_\_\_\_\_ view of conflict argues that conflict indicates a malfunctioning within the group.**  
(a) human relations ; (b) interactionist ; (c) traditional ; (d) functional
12. **The human relations view of conflict argues that conflict is:**  
(a) an inevitable outcome in any group.  
(b) always a positive force in determining group performance.  
(c) always a negative force in determining group performance.  
(d) necessary for effective group performance.
13. **The human relations view of conflict advocates:**  
(a) encouraging conflict. ; (b) open communication for resolving conflict.  
(c) group therapy for resolving conflict. ; (d) acceptance of conflict.
14. **The interactionist view of conflict proposes that conflict is:**  
(a) an indication of the group maturity level. (b) necessary for effective group performance.;  
(c) a necessary evil. ; (d) always evident in groups.
15. **According to the interactionist's perspective, a group that functions without conflict is:**  
(a) the ideal situation but is rarely achieved. ; (b) prone to becoming static and apathetic.

- (c) likely to be responsive to the need for change and innovation. ; (d)the most productive.
16. **Encouraging group leaders to maintain an ongoing minimum level of conflict is part of the \_\_\_\_ view of conflict.**  
(a) functional ; (b)traditional ; (c)human relations ; (d) interactionist
17. \_\_\_\_ **conflict supports the goals of the group and improves its performance.**  
(a) Formal ; (b) Informal ; (c) Functional ; (d) Dysfunctional
18. \_\_\_\_ **conflict hinders group performance.**  
(a) Formal ; (b) Informal ; (c) Functional ; (d) Dysfunctional
19. **Conflict is functional if it:**  
(a) supports the goals of the group. (b) is satisfying to the individual members of the group.  
(c) causes group members to argue. ; (d) causes turnover.
20. **Conflict that relates to the content and goals of the work is termed \_\_\_\_ conflict.**  
(a) explicit ; (b)task ; (c) relationship ; (d) process
21. **Which is not one of the three types of conflict?**  
(a) Task ; (b) job ; (c) relationship ; (d) process
22. \_\_\_\_ **conflict focuses on interpersonal relationships.**  
(a) Task ; (b) Job ; (c) Relationship ; (d) Process
23. \_\_\_\_ **conflict relates to how the work gets done.**  
(a) Task ; (b) Job ; (c) Relationship ; (d) Process
24. \_\_\_\_ **conflicts are almost always dysfunctional.**  
(a) Task ; (b) Job ; (c) Relationship ; (d) Process
25. **The most important criterion in determining whether conflict is functional or dysfunctional is:**  
(a) overall morale. (b) turnover rates. ; (c) absenteeism levels. ; (d) group performance.
26. **The first stage of the conflict process is called:**  
(a) cognition and personalization. ; (b) behavior. ; (c) potential opposition or incompatibility.  
(d) outcomes.
27. **Which of the following is a stage in the conflict process?**  
(a) functional conflict (b) dysfunctional conflict ; (c) hindering conflict ; (d) incompatibility
28. **Which of the following is not a stage in the conflict process?**  
(a) potential opposition ; (b) cognition ; (c) vision ; (d) intentions
29. **The presence of conditions that create opportunities for conflict to arise is the \_\_\_\_ stage of the conflict process.**  
(a) potential opposition ; (b) cognition ; (c) vision ; (d) intentions
30. **Stage II of the conflict process deals with:**  
(a) cognition and personalization of conflict. ; (b) group development.  
(c) conflict avoidance. ; (d) interaction between group members.
31. **According to the text, the categories of antecedent conditions for conflict include all of the following except:**  
(a) communication. ; (b) structure. ; (c) group interaction. ; (d) personal variables.
32. **High job specialization causes \_\_\_\_ conflict.**  
(a) communicative ; (b) structural ; (c) personal-variable ; (d) antecedent
33. **Research confirms that participation and conflict are:**

- (a) positively correlated. (b) counterproductive. ; (c) negatively correlated. ;  
(d) always present together.
34. **In which stage are conflict issues defined?**  
(a) Stage I, Potential opposition ; (b) Stage II, Cognition and personalization  
(c) Stage III, Intuitions ; (d) Stage IV, Behavior
35. \_\_\_\_\_ **intervene(s) between people's perceptions and emotions and their overt behavior.**  
(a) Intuition ; (b) Intention ; (c) Cognition ; (c) Attributions
36. **There are two dimensions to conflict-handling intentions, cooperativeness, and assertiveness. Cooperativeness is the degree to which:**  
(a) one party attempts to satisfy the other party's concerns.  
(b) one party attempts to satisfy his or her own concerns.  
(c) both parties work toward a common goal. (d) \_\_\_\_\_ there is an absence of conflict.
37. **The dimension of the conflict-handling intention labeled assertiveness is:**  
(a) the degree to which one party attempts to satisfy his/her own concerns.  
(b) the degree to which one party attempts to satisfy the other party's concerns.  
(c) the degree to which one party attempts to satisfy everyone's concerns.  
(d) the degree to which one party is competitive.
38. **Which is not one of the five conflict-handling intentions?**  
(a) Cooperating ; (b) competing ; (c) accommodating ; (d) avoiding
39. **The conflict-handling orientation that combines assertiveness and cooperation is:**  
(a) collaborating. ; (b) competing. ; (c) avoiding. ; (d) accommodating.
40. **The unassertive and uncooperative conflict-handling orientation is:**  
(a) collaborating. ; (b) accommodating. ; (c) avoiding. ; (d) competing.
41. **Attempting to find a win-win solution that allows both parties' goals to be completely achieved and seeking a conclusion that incorporates the valid insights of both parties is an example of which conflict-handling intention?**  
(a) collaborating ; (b) accommodating ; (c) avoiding ; (d) \_\_\_\_\_ competing
42. **Which type of conflict-handling intention results in a person's withdrawing from conflict?**  
(a) competing ; (b) avoiding ; (c) \_\_\_\_\_ accommodating ; (d) compromising
43. **Conflict-handling behaviors are initiated in \_\_\_\_\_, in which there is a dynamic process of interaction.**  
(a) Stage II of the conflict process ; (b) Stage III of the conflict process  
(c) Stage IV of the conflict process ; (d) Stage V of the conflict process
44. **The two dimensions of conflict-handling orientations are:**  
(a) awareness and assertiveness. ; (b) reliability and awareness.  
(c) cooperativeness and assertiveness. ; (d) independence and interdependence.
45. **Trying to make someone else accept blame for a problem is an example of which conflict-handling orientation?**  
(a) competing ; (b) avoiding ; (c) \_\_\_\_\_ accommodating ; (d) compromising
46. **Which one of the following conflict-handling orientations represents an attempt to find a win-win solution?**  
(a) avoiding ; (b) collaborating ; (c) accommodating ; (d) \_\_\_\_\_ compromising
47. **Collaborating is the preferred conflict-handling orientation:**  
(a) to build social credits for later issues. ; (b) in emergencies. ;  
(c) to gain consensus and commitment. ; (d) when an issue is trivial.
48. \_\_\_\_\_ **is when one party is willing to be self-sacrificing in order that the relationship can be maintained.**

- (a) Competing ; (b) Accommodating ; (c) Collaborating ; (d) Compromising
49. **The conflict-handling orientation that is based on a process of give-and-take and an emphasis on "splitting the difference" is:**  
(a) avoiding. ; (b) collaborating. ; (c) accommodating. ; (d) compromising.
50. **To achieve a compromising approach one needs to:**  
(a) avoid overt disagreement.  
(b) value openness and trust.  
(c) dominate the other conflicting party.  
(d) give up something of value.
51. **A willingness to accept a raise of \$2 an hour rather than \$3, to acknowledge partial agreement with a specific viewpoint, and to take a partial blame for an infraction are examples of:**  
(a) avoiding.  
(b) collaborating.  
(c) accommodating.  
(d) compromising.
52. **In which stage of the conflict process does conflict become visible?**  
(a) potential opposition or incompatibility (Stage I) ;  
(b) cognition and personalization (Stage II) ; (c) intentions (Stage III) ; (d) behavior (Stage IV)
53. **Which of the following is not a conflict resolution technique?**  
(a) superordinate goals ; (b) appointing a devil's advocate ; (c) avoidance ;  
(d) authoritative command
54. **Conflict management techniques can:**  
(a) resolve conflict. ; (b) stimulate conflict. ; (c) both resolve and stimulate conflict.  
(d) none of the above
55. **Which of the following is a conflict stimulation technique?**  
(a) expansion of resources ; (b) compromise ; (c) bringing in outsiders ;  
(d) authoritative command
56. **What is conflict management?**  
(a) achieving the desired conflict level ; (b) stopping all conflict ; (c) stimulating conflict  
(d) avoiding conflict
57. **Conflict is constructive when:**  
(a) it improves the quality of decisions. ; (b) it stimulates creativity and innovation.  
(c) it fosters an environment of self-evaluation and change. ; (d) all of the above
58. **Which one of the following might not be a functional outcome of the conflict process?**  
(a) stimulates creativity ; (b) avoids risk ; (c) fosters environment of self-evaluation  
(d) relieves tensions
59. **Conflict is dysfunctional when it:**  
(a) provides a medium to release tension. ; (b) reduces group cohesiveness.  
(c) fosters an environment of self-evaluation and change.  
(d) provides a means for releasing tensions.
60. **A common ingredient in organizations that successfully create functional conflict is that they:**  
(a) reward dissent and punish conflict avoiders. (b) shoot the messenger.  
(c) formally assign devil's advocates. ; (d) avoid risky situations.
61. **If you support the idea that conflict is bad and should be eliminated, you are supporting:**  
(a) the traditional view. ; (b) the human relations view. ; (c) the interactionist view. ;  
(d) the moderated acceptance view.
62. **You have decided to accept conflict as a natural occurrence and deal with it. You are supporting:**

- (a) the traditional view. ; (b) the human relations view. ; (c) the interactionist view.  
(d) the behavior modification view.
63. **You decide to do more research on the view that conflict should be encouraged as a means to achieve change and innovation. This view is termed:**  
(a) the traditional view. ; (b) the human relations view. ; (c) the interactionist view.  
(d) the acceptance view.
64. **When the group disagrees, it is usually over how the work should get done. The type of conflict experienced by your group is:**  
(a) task conflict. (b) relationship conflict. ; (c) process conflict. ; (d) traditional conflict.
65. **You have decided to allow the conflict to exist so long as it doesn't hinder group performance. You will try to eliminate \_\_\_\_ conflict.**  
(a) functional ; (b) dysfunctional (c) task ; (d) individualized
66. **Last month, Jennifer's department experienced constructive conflict during a meeting. Which of the following is not an outcome of this functional conflict?**  
(a) improved quality of decisions ; (b) creativity and innovation are stimulated  
(c) tensions are released ; (d) communication is retarded
67. **When "yes" people are hired and promoted, \_\_\_\_ outcomes are likely to result.**  
(a) improved organizational ; (b) functional ; (c) dysfunctional ; (d) better decisions
68. **Conflict:**  
(a) can be positively related to productivity. ; (b) is always dysfunctional.  
(c) can arise from diversity. ; (d) all of the above
69. **Which of the following is a characteristic of distributive bargaining?**  
(a) I win, you win ; (b) long-term focus ; (c) convergent or congruent interests  
(d) opposed to each other
70. **You have decided to try to find a win-win situation. You have decided to find a way to engage in:**  
(a) integrative bargaining. ; (b) distributive bargaining. ; (c) mediation.  
(d) BATN(A)
71. **Which of the following is/are pre-judgement(s) of the 'Hawthorne Studies?'**  
I. Perceived meaning and importance of the work determine the output.  
II. Job performance depends on the individual worker.  
III. Workplace culture sets its own production standards.  
(a) Only (I) above ; (b) Only (II) above ; (c) Only (III) above ; (d) Both (II) and (III) above
72. **If a manager develops a new idea and gives a plan for development of a new product in his workplace, then he is carrying out which of the following roles?**  
(a) Liaison ; (b) Entrepreneur ; (c) Disseminator ; (d) Disturbance handler
73. **Which of the following is the employer-employee authority relationship that follows the chain of command?**  
(a) Staff authority ; (b) Referent power ; (c) Line authority ; (d) Functional authority
74. **Which of the following steps in the planning process should be completed before the others can be addressed?**  
(a) Putting plans into action ; (b) Stating organizational objectives  
(c) Listing alternative ways of reaching objectives  
(d) Developing premises on which to base each alternative
75. **Which of the following is a factor that affects delegation of authority from the delegant's aspect?**  
(a) Love for authority ; (b) Fear of exposure ; (c) Experiences of the superior ; (d) Fear of criticism
76. **Standing plans that furnish broad guidelines for channeling management thinking in specified direction**

are called

(a) Single-use plans ; (b) Programs ; (c) Procedures ; (d) Policies

**77. Which of the following is/are advantage(s) of a functional structure?**

I. Permits growth and diversity of products and services.

II. Power and prestige.

III. Clarity about career paths.

IV. Furnishes measurable training ground for general managers.

(a) Only (I) above ; (b) Both (I) and (IV) above ; (c) Both (II) and (III) above ;

(d) (I), (II) and (III) above

**78. Various moderating variables determine whether a manager will act in an ethical or unethical manner. Which of the following individual characteristics indicates the degree to which people believe they are masters of their own fate?**

(a) Perception ; (b) Value ; (c) Attitude ; (d) Locus of Control

**79. Power based upon identification with a person who has desirable resources or personal traits is known as**

(a) Coercive power ; (b) Legitimate power ; (c) Expert power ; (d) Referent power

**80. Departmentation by 'time' is one of the oldest forms of departmentation, generally used at lower levels of the organization. Which of the following is not an advantage of departmentation by 'time'?**

(a) It aids efficient utilization of manpower

(b) Round-the-clock services can be rendered

(c) It mostly results in improved coordination and communication

(d) It results in a continuous cycle without interruption

**81. If Coca-Cola wished to examine its general environment before constructing its business strategy, the company would explore all of the following environments except**

(a) Sociocultural ; (b) Knowledge ; (c) Global ; (d) Economic

**82. Many sophisticated techniques or tools are useful in decision-making. Which of the following is a tool that helps managers figure out how much to produce and points out the relationship between revenues, costs, and profits?**

(a) Marginal analysis ; (b) Breakeven analysis ; (c) Ratio analysis ; (d) Financial analysis

**83. With respect to factors that affect reorganization, when a single change triggers off a sequence of related changes, it is called the**

(a) Halo effect ; (b) Hawthorne effect ; (c) Domino effect ; (d) Sensitivity effect

**84. Which of the following is a method that can be used to overcome the tendency toward conformity in group decision-making?**

(a) Brainstorming ; (b) Nominal group technique ; (c) Groupthink ; (d) Electronic meetings

**85. Which of the following is a strength of the divisional structure?**

(a) It focuses on results ; (b) It gains advantages due to work specialization

(c) Employees have more than one boss ; (d) It is based solely on teams

**86. Douglas McGregor's view that suggests that employees will exercise self-direction and self-control when they are committed to the objectives of the work is called:**

(a) Theory X ; (b) Theory Z ; (c) Theory Y ; (d) Theory A

**87. Which step in Maslow's Hierarchy of Needs Theory deals with achieving one's potential?**

(a) Self-actualization ; (b) Safety ; (c) Esteem ; (d) Physiological

**88. Which of the following would be classified by Herzberg as a hygiene factor?**

(a) Responsibility ; (b) Company policy ; (c) Personal growth ; (d) Achievement



89. Who proposed that achievement, affiliation and power are three important needs that help explain motivation in workplace situations?  
(a) McClelland ; (b) Maslow ; (c) Alderfer ; (d) Herzberg
90. Company policy, administration, supervision, interpersonal relations, working conditions, and salary are characterized as:  
(a) Growth factors ; (b) Achievement factors ; (c) Hygiene factors ; (d) Motivating factors
91. An individual's perception of whether performing at a particular level will lead to attainment of a desired outcome is termed:  
(a) Relevance ; (b) Expectancy ; (c) Expectation ; (d) Instrumentality
92. Expectancy theory is an example of a:  
(a) Process Theory ; (b) Goal-setting Theory ; (c) Needs Theory ; (d) Cognitive Evaluation Theory
93. Which of the following steps is important to improving expectancy?  
(a) Create the belief that effort is related to performance.  
(b) Ask employees what rewards they value. ; (c) Deliver rewards as promised.  
(d) Make the rewards meaningful.
94. Management by objectives emphasizes participatively setting goals that are:  
(a) General in nature. ; (b) Easy to attain. ; (c) Easy to create and develop.  
(d) Tangible, verifiable, and measurable.
95. For the individual employee, MBO provides:  
(a) Specific personal performance objectives. ; (b) Communication between co-workers.  
(c) A means to an end. (d) A way to keep the company accountable.
96. Research indicates that financial incentives \_\_\_\_\_ commitment to difficult goals.  
(a) do not impact ; (b) significantly increase ; (c) decrease ; (d) increase
97. An individual's belief that he or she is capable of performing a task is called:  
(a) Self-actualization ; (b) Self-worth ; (c) Self-efficacy ; (d) Self-importance
98. The major benefit of having employees participate in goal setting is:  
(a) That it provides the company with greater financial stability.  
(b) That it appears to induce employees to accomplish more difficult goals and tasks.  
(c) That it takes less time and resources to implement this type of system.  
(d) That it provides more time for management to pursue other activities.
99. Employee recognition can:  
(a) Be a strong motivator. ; (b) Lead to unrealistic expectations. ;  
(c) Help with MBO program implementation. ; (d) Assist with goal setting.
100. The theory that an employee will compare his or her job inputs and outcomes relative to others is called:  
(a) Employee Theory ; (b) Comparative Theory ; (c) Performance Theory ; (d) Equity Theory
101. Allocating extrinsic rewards for behaviour that has been previously intrinsically rewarded tends to decrease the overall level of motivation, and is called:  
(a) Reward Evaluation Theory ; (b) Extrinsic Evaluation Theory ; (c) Cognitive Evaluation Theory  
(d) Intrinsic Evaluation Theory
102. Alfie Kohn suggests that for people to be motivated it is only necessary to provide the right :  
(a) Incentives ; (b) Rewards ; (c) Environment ; (d) Compensation
103. An employee's experience in a situation or position outside his or her current organization is a referent comparison called:

- (a) Other-inside ; (b) Self-outside ; (c) Self-inside ; (d) Other-outside
- 104. What are the most common hours for a "professional" to work in a week?**  
(a) Whenever they feel ; (b) Part-Time ; (c) Until the job is done ; (d) Self-within
- 105. Theory X suggests that employees:**  
(a) Dislike work ; (b) Dislike their manager ; (c) Like work ; (d) None of the above
- 106. What three words define motivation?**  
(a) Persistence, fairness, ambition ; (b) Ambition, direction, intensity  
(c) Desire, persistence, fairness ; (d) Intensity, direction, persistence
- 107. What does ERG stand for?**  
(a) Excellent, relationship, growth ; (b) Expectancy, real, exist  
(c) Employee, related, greatness ; (d) Existence, relatedness, growth
- 108. The theory that individuals act depending upon their evaluation of whether their effort will lead to good performance, whether good performance will be followed by a reward, and whether that reward is attractive to them, is called:**  
(a) Equity Theory ; (b) Expectancy Theory ; (c) Empirical Theory ; (d) Outcome Theory
- 109. Which answer corresponds to a person's internal desire to do something, due to such things as interest, challenge and personal satisfaction?**  
(a) Theory X ; (b) Extrinsic motivators ; (c) Intrinsic motivators ; (d) Theory Y
- 110. What is valence?**  
(a) The value or importance an individual places on a reward  
(b) The importance of doing something well  
(c) The value of an object to a person  
(d) The knowledge and effort put into something
- 111. Transformational leadership is about change, \_\_\_\_\_, and entrepreneurship.**  
(a) Motivation ; (b) innovation ; (c) loyalty ; (d) enthusiasm
- 112. While considering the seven leadership styles described by the leadership continuum, all of the following are variables that need to be considered for a manager, EXCEPT,**  
(a) manager's preferred style based on experience.  
(b) manager's preferred style based on expectation.  
(c) manager's preferred style based on knowledge.  
(d) manager's preferred style based on confidence in upper management.
- 113. This is a supervisory style which involves high-directive-high-supportive behavior (HD-HS) and is appropriate when interacting with moderate-capability employees.**  
(a) autocratic style ; (b) participative style ; (c) consultative style ; (d) laissez-faire style
- 114. Which of the following management substitutes is characterized by formalization, inflexibility, and closely knit work groups?**  
(a) Characteristics of subordinates. ; (b) Characteristics of managers.  
(c) Characteristics of the organization. ; (d) Characteristics of task.
- 115. Being conscientious, admitting mistakes, and knowing one's strengths and limitations are the skills associated with \_\_\_\_\_.**  
(a) Competence ; (b) consistency ; (c) loyalty ; (d) integrity
- 116. The leader's behavior actually makes the leader's style.**  
(a) True ; (b) False
- 117. Only managers can be true leaders, because they have the ability to influence others.**  
(a) True ; (b) False

118. **Transformational leadership focuses on middle and first line managers.**  
(a) True ; (b) False
119. **To determine whether one's leadership style is task- or relationship-oriented, the leader must fill in the Least Coworker Participation (LCP) scale.**  
(a) True ; (b) False
120. **The supportive style is largely absent in the autocratic supervisory style.**  
(a) True ; (b) False
121. **Which of the following statements about leadership is false?**  
(a) Leadership does not necessarily take place within a hierarchical structure of an organisation.  
(b) Not every leader is a manager.  
(c) When people operate as leaders their role is always clearly established and define(d)  
(d) All the above.  
**[hint: It is true to say that not every leader is a manager, nor does leadership necessarily take place within a hierarchical structure of an organisation, but it is not true to say that when people operate as leaders their role is always clearly established and define(d) Many people operate as leaders without their role ever being clearly establishe(d)]**
122. **Within an organisation, leadership influence will be dependent upon the type of \_\_\_\_\_ that the leader can exercise over the followers.**  
(a) Power ; (b) friendship ; (c) knowledge ; (d) delegation  
**[hint: Within an organisation, leadership influence will be dependent upon the type of power that a leader can exercise over followers. The exercise of power is a social process which helps to explain how different people can influence the behaviour/actions of others.]**
123. **Which of the following sources of power are among those identified by French and Raven?**  
(a) Reward power ; (b) Referent power ; (c) Expert power ; (d) All the above  
**[hint: There are five main sources of power as identified by French and Raven: (1) Reward Power based on the subordinate's perception that the leader has the ability and resources to obtain rewards for those who comply; (2) Coercive Power based on fear and the subordinate's perception that the leader has the ability to punish or bring about undesirable outcomes for those who do not comply; (3) Legitimate Power based on the subordinate's perception that the leader has the right to influence because of their role or position; (4) Referent Power based on the subordinate's identification with the leader and; (5) Expert Power based on the subordinate's perception of the leader as someone who is competent and who has some special knowledge or expertise.]**
124. **Legitimate power is based on the subordinate's perception that the leader has a right to exercise influence because of the leader's**  
(a) role or position within the organisation  
(b) ability to punish or reward  
(c) personal characteristics and personality  
(d) expertise and knowledge  
**[hint: Legitimate Power is based on the subordinate's perception that the leader has the right to influence because of their role or position within the organisation. The other forms of power, as identified by French and Raven are: Reward Power based on the subordinate's perception that the leader has the ability and resources to obtain rewards for those who comply; Coercive Power based on fear and the subordinate's perception that the leader has the ability to punish or bring about undesirable outcomes for those who do not comply Referent Power based on the subordinate's identification with the leader and; Expert Power based on the subordinate's perception of the leader as someone who is competent and who has some special knowledge or expertise.]**
125. **The functional approach to leadership emphasises that**  
(a) the various functions of leadership cannot be shared among members of a group  
(b) leadership resides in a particular person and not in the functions  
(c) both of the above  
(d) neither of the above

[hint: The functional approach to leadership emphasises neither a nor b but that leadership resides in the functions and not in a particular person and that the various functions of leadership can be shared amongst members of a group.]

126. Adair claims that the effectiveness of a leader is dependent upon meeting \_\_\_\_\_ areas of need within the work group.

- (a) three
- (b) four
- (c) two
- (d) none of the above

[hint: Adair claims that the effectiveness of a leader is dependent upon meeting three areas of need within the work group: the need to achieve the common task, the need for team maintenance and the individual needs of group members.]

127. Needs such as training the group, setting standards and maintaining discipline, and appointing sub-leaders may be called

- (a) individual functions
- (b) task functions
- (c) team functions
- (d) work functions

[hint: According to Adair, needs such as training the group, setting standards and maintaining discipline and appointing sub-leaders are Team Functions. Task Functions involve, amongst other things, defining group tasks, planning the work and reviewing progress and Individual Functions include such functions as attending to personal problems, giving praise and status and training the individual.]

128. Results of the Ohio State Leadership studies indicated that there are two major dimensions of leadership behaviour. What are they?

- (a) Achievement and structure ; (b) Consideration and structure
- (c) Consideration and power ; (d) Achievement and power

129. Which of the following qualities did the University of Michigan Institute for Social Research find in effective supervisors?

- (a) Participative problem solving.
- (b) Delegation of authority.
- (c) An interest and concern for subordinates.
- (d) All the above.

[hint: A major research study was carried out at the University of Michigan Institute for Social Research where effective supervisors, measured along dimensions of group morale, productivity and cost reduction appeared to display all of those qualities mentioned above, together with high standards of performance.]

130. The \_\_\_\_\_ style of leadership is where the focus of power is with the manager. The manager alone exercises decision-making, authority and the control of rewards or punishments.

- (a) democratic
- (b) laissez-faire
- (c) authoritarian
- (d) None of the above

[hint: The authoritarian style of leadership is where the focus of power is with the manager and he/she alone exercises decision-making, authority and the control of rewards or punishment. A democratic style is where the focus of power is more with the group as a whole and there is a greater interaction with the group. A genuine laissez-faire style is where the manager observes that members of the group are working well on their own and consciously makes a decision to pass the focus of power to members but is readily available if needed.]

131. Tannenbaum and Schmidt's continuum of possible leadership behaviour identifies four main styles of leadership by the manager. What are they?

- (a) Commands, helps, joins and leads ; (b) Tells, sells, consults and joins
- (c) Tells, helps, joins and leads ; (d) Commands, sells, consults and resists

- 132. Contingency theories of leadership are based on the belief that**  
(a) there is no single style of leadership appropriate to all situations  
(b) there is a single style of leadership appropriate to all managers  
(c) there is a single style of leadership appropriate to all situations  
(d) none of the above  
**[hint:** Contingency theories of leadership are based on the belief that there is no single style of leadership appropriate to all situations as it will be dependent upon the interactions between the variables involved in a leadership situation and patterns of leadership behaviour.]
- 133. Vroom and Yetton's contingency model of leadership is based on certain aspects of a leader's decision, they are**  
(a) decision quality  
(b) decision acceptance  
(c) both of the above  
(d) neither of the above  
**[hint:** Vroom and Yetton's contingency model of leadership is based on two aspects of a leader's decision: decision quality and decision acceptance. Decision quality, or rationality, is the effect that the decision has on group performance and decision acceptance refers to the motivation and commitment of group members in implementing the decision.]
- 134. Another contingency model of leadership is the path-goal theory. This suggests that subordinates will see leadership behaviour as a motivating influence if**  
(a) their effective performance will satisfy their needs  
(b) the necessary direction, guidance, training and support is provided  
(c) path-goal relationships are clarified ; (d) all the above
- 135. Hersey and Blanchard present a form of situational leadership based on the \_\_\_\_\_ of the people the leader is attempting to influence.**  
(a) Readiness ; (b) personality ; (c) intelligence ; (d) motivation
- 136. When determining the most appropriate form of leadership, which of the following should be considered?**  
(a) The manager  
(b) The group  
(c) The work environment  
(d) All the above  
**[hint:** Clearly there is no one 'best' form of leadership which will result in the maintenance of morale among group members and high work performance. The three main aspects to be considered in determining the most appropriate style of leadership are: the manager, the group and the work environment. It is not enough to simply consider one of these aspects.]
- 137. The following four different approaches to management thinking were developed in the first half of the 20th century:**  
(a) Scientific management, general administrative, quantitative, and contingency approach.  
(b) Scientific management, general administrative, quantitative, and organizational behavior.  
(c) General administrative, globalization, organizational behavior, and quantitative.  
(d) Systems approach, scientific management, general administrative, and organizational behaviour.
- 138. When we classify managers according to their level in the organization they are described as \_\_\_\_\_.**  
(a) Functional, staff and line managers  
(b) Top managers, middle managers and supervisors  
(c) High level and lower level managers ; (d) General managers and administrative managers
- 139. Frederick Taylor and Frank and Lillian Gilbreth were advocates of an approach to management involving the use of scientific method, known as:**  
(a) The quantitative approach. ; (b) Management science.  
(c) Scientific management. ; (d) The contingency approach.
- 140. Authority, discipline, unity of command, and unity of direction are:**

- (a) Taylor's four principles of management. ; (b) Principles of the human relations movement.
- (c) Elements of Weber's ideal bureaucratic structure.
- (d) Four of Fayol's fourteen principles of management.

**141. Some of the other fields of study that affect management theory or practice include:**

- (a) Political science, philosophy, anthropology and sociology
- (b) Zoology, psychology, sociology and philosophy.
- (c) Anthropology, astrology, political science and psychology.
- (d) Political science, sociology, typography and economics.

**142. The philosophy of management known as total quality management developed primarily out of the work of:**

- (a) Henri Fayol ; (b) Frederick Taylor ; (c) Robert McNamara ; (d) W. Edwards Deming

**143. Possibly the most important pre-20th century influence on management was:**

- (a) Therbligs ; (b) The industrial revolution. ; (c) Scientific management. ; (d) The division of labor.

**144. \_\_\_\_\_ need involves the desire to affiliate with and be accepted by others.**

- (a) Esteem ; (b) Belongingness ; (c) Safety ; (d) Self Actualization

**145. Needs that impel creativity and innovation, along with the desire to have a productive impact on our surroundings are \_\_\_\_\_ needs.**

- (a) Existence ; (b) Relatedness ; (c) Growth ; (d) None of the Above

**146. Division of labor, authority hierarchy, formal selection, formal rules and regulations, impersonality, and career orientation are all features of:**

- (a) Weber's ideal type bureaucracy. ; (b) General administrative theory.
- (c) Fayol's principles of management. ; (d) Taylor's principles of management.

**147. The decision-making model consists of four styles: directive, analytic, behavioral and \_\_\_\_\_.**

- (a) Conceptual ; (b) Intuitive ; (c) Group interaction ; (d) Laggard

**148. \_\_\_\_\_ is characteristic of liquidity ratios.**

- (a) Organization's ability to meet its current debt obligations
- (b) Organization's use of debt to finance its assets and whether it's able to meet the interest payments on the debt ;(c) How efficiently the firm is using its assets ;(d) None of given options

**149. \_\_\_\_\_ is a communication that flows from a higher level to one or more lower levels in the organization.**

- (a) Horizontal communication ; (b) Upward communication ; (c) Downward communication
- (d) None of given options

**150. 1<sup>st</sup> stage of group development is \_\_\_\_\_.**

- (a) Storming ; (b) Norming ; (c) Forming ; (d) Performing

**151. \_\_\_\_\_ is an individual's capacity to influence decisions**

- a) Span of control ; (b) Line authority ; (c) Staff authority ; (d) Power

**152. An organizational design with low departmentalization, wide spans of control, authority centralized in a single person and little formalization are characteristics of \_\_\_\_\_.**

- (a) Simple structure ; (b) Functional structure ; (c) Divisional structure ; (d) None of given option

**153. \_\_\_\_\_ is the form of departmentalization that groups similar jobs and activities into departments.**

- (a) A product structure ; (b) A divisional structure ; (c) A matrix structure ;
- (d) A functional structure

**154. The main influence on the behavioral science theories were:**

- (a) Psychology and sociology. ; (b) Sociology and bureaucracy. ; (c) Sociology and science.
- (d) Bureaucracy and psychology.

155. ERG theory was introduced by \_\_\_\_\_.  
(a) Clayton Alderfer ; (b) McClelland ; (c) Douglas McGregor ; (d) J. Stacey Adams
156. \_\_\_\_\_ is counter to goal-setting theory.  
(a) Expectancy Theory ; (b) Reinforcement Theory ; (c) ERG Theory ; (d) None of given option
157. Autocratic, Democratic and Laissez-faire leader behavior styles were introduced by \_\_\_\_\_.  
(a) University of Iowa researcher ; (b) Michigan Studies ; (c) Ohio State Studies  
(d) None of given option
158. The difference between an e-business enhanced organization and an e-business enabled organization is:  
(a) Only an e-business enhanced organization uses the Internet.  
(b) Only an e-business enhanced organization relies on an intranet.  
(c) Only e-business enhanced organizations use e-business tools and applications.  
(d) Only e-business enhanced organizations have e-business units within their organization.
159. \_\_\_\_\_ is not one of the eight steps in the decision making process.  
(a) Identifying the problem ; (b) Analyzing alternative solutions  
(c) Implementing the decision ; (d) Delegating the decision making
160. \_\_\_\_\_ is the capacity to affect the behaviors of others.  
(a) Leadership ; (b) Power ; (c) Trait ; (d) Aggression
161. Which of the following is NOT associated with learning organizations or knowledge management?  
(a) COIN ; (b) A recommended response to a rapidly changing world  
(c) Systematic gathering and sharing of useful information. (d) PSTN
162. Surroundings are \_\_\_\_\_ needs.  
(a) Existence ; (b) Relatedness ; (c) Growth ; (d) None of the Above
163. The vertical flow of communication from lower level to one or more higher levels is \_\_\_\_\_.  
(a) Upward communication ; (b) Downward communication ; (c) Formal Communication  
(d) Horizontal communication
164. Inputs necessary for the group to operate are \_\_\_\_\_ inputs.  
(a) Group Size ; (b) Work Group ; (c) Group Task ; (d) None of the Above
165. A \_\_\_\_\_ is the combining of two or more companies into one organization.  
(a) Merger ; (b) Acquisition ; (c) Diversification ; (d) None of the given options
166. The General Manager's meeting was most likely a result of the following management function:  
(a) Organizing ; (b) Planning ; (c) Decision-Making ; (d) Controlling
167. Managers today realize that long-term success can be achieved primarily by satisfying the customer. Customers are demanding quicker service, higher quality, and more \_\_\_\_\_.  
(a) Value for their money ; (b) Personal attention ; (c) Variety in services ; (d) Online choices
168. The belief that a firm's obligation goes beyond that required by law and economics, and includes a pursuit of long-term goals that are good for society is known as:  
(a) Social responsiveness ; (b) Ethical responsibility ; (c) Social responsibility ; (d) Social obligation
169. Challenging goals usually lead to \_\_\_\_\_ performance from individuals and groups.  
(a) Higher ; (b) Lower ; (c) Excellent ; (d) None of the Above
170. Which of the following is not a basic function of the management process?  
(a) Controlling ; (b) Organizing ; (c) Working ; (d) Leading

171. **One of the greatest effects of e-commerce is that:**  
(a) Costs will be reduced ; (b) Customers will be empowered  
(c) Employees become more powerful ; (d) Computers will
172. **Which of the following has been the main driver to the globalization of business?**  
(a) The higher standards of living in the U.S. and Europe ; (b) Technology  
(c) The NAFTA trade agreement ; (d) The increasing ethnic diversity within countries
173. **Operations management is applicable**  
(a) mostly to the service sector ; (b) mostly to the manufacturing sector  
(c) to manufacturing and service sectors ; (d) to the manufacturing sector exclusively
174. **Walter Shewhart is listed among the important people of operations management because of his contributions to**  
(a) assembly line production ; (b) measuring the productivity in the service sector  
(c) statistical quality control ; (d) all of the above
175. **Henry Ford is noted for his contributions to**  
(a) standardization of parts ; (b) statistical quality control ; (c) assembly line operations  
(d) scientific management
176. **Taylor and Deming would have both agreed that**  
(a) Whirlpool's global strategy is a good one  
(b) Eli Whitney was an important contributor to statistical theory  
(c) Management must do more to improve the work environment and its processes so that quality can be improved  
(d) The era of Operations Management will be succeeded by the era of scientific management
177. **Who among the following is associated with contributions to quality control in operations management?**  
(a) Charles Babbage ; (b) Frank Gilbreth ; (c) W. Edwards Deming ; (d) Henri Fayol
178. **The field of operations management is shaped by advances in which of the following fields?**  
(a) chemistry and physics ; (b) industrial engineering and management science  
(c) information sciences ; (d) all of the above
179. **The five elements in the management process are**  
(a) plan, direct, update, lead, and supervise  
(b) accounting/finance, marketing, operations, and management  
(c) organize, plan, control, staff, and manage  
(d) plan, lead, organize, manage, and control
180. **The responsibilities of the operations manager include**  
(a) planning, organizing, staffing, procuring, and reviewing  
(b) forecasting, designing, planning, organizing, and controlling  
(c) planning, organizing, staffing, leading, and controlling ; (d) designing and operating
181. **Which of the following is not an element of the management process?**  
(a) pricing ; (b) staffing ; (c) planning ; (d) leading
182. **An operations manager is not likely to be involved in.....**  
(a) the design of products and services to satisfy customers' wants and needs  
(b) the quality of products and services to satisfy customers' wants and needs  
(c) the identification of customers' wants and needs ; (d) forecasting sales
183. **All of the following decisions fall within the scope of operations management except for.....**  
(a) financial analysis ; (b) design of products and processes  
(c) location of facilities ; (d) all of the above fall within the scope of operations management
184. **Which of the following are the primary functions of all organizations?**



- (a) operations, marketing, and human resources
  - (b) marketing, human resources, and finance/accounting
  - (c) sales, quality control, and operations
  - (d) research and development, finance/accounting, and purchasing
- 185. Budgeting, paying the bills, and collection of funds are activities associated with the**
- (a) management function ; (b) finance/accounting function
  - (c) production/operations function ; (d) staffing function
- 186. Which of the following would not be an operations function in a fast-food restaurant?**
- (a) making hamburgers and fries ; (b) advertising and promotion
  - (c) maintaining equipment ; (d) designing the layout of the facility
- 187. The three major functions of business organizations**
- (a) are mutually exclusive ; (b) exist independently of each other ; (c) overlap
  - (d) function independently of each other
- 188. The marketing function's main concern is with**
- (a) producing goods or providing services ; (b) procuring materials, supplies, and equipment
  - (c) building and maintaining a positive image ; (d) generating the demand for the organization's products or services
- 189. Current trends in operations management include all of the following except**
- (a) Just-in-time performance ; (b) rapid product development ; (c) mass customization
  - (d) mass production
- 190. The service industry makes up approximately what percentage of all jobs in the United States?**
- (a) 20% ; (b) 40% ; (c) 74% ; (d) 90%
- 191. Typical differences between goods and services do not include**
- (a) cost per unit ; (b) ability to inventory items ; (c) timing of production and consumption
  - (d) knowledge content
- 192. Which is not true regarding differences between goods and services?**
- (a) Services are generally produced and consumed simultaneously, tangible goods are not.
  - (b) Services tend to have a more inconsistent product definition than goods.
  - (c) Goods tend to have higher customer interaction than services.
  - (d) None of the above are true.
- 193. Which of the following is not a typical attribute of goods?**
- (a) output can be inventoried ; (b) aspects of quality difficult to measure
  - (c) output can be resold ; (c) production and consumption are separate
- 194. Which of the following services is not unique, i.e., customized to a particular individual's needs?**
- (a) hairdressing ; (b) elementary education ; (c) legal services ; (d) computer consulting
- 195. Which of the following is not a typical service attribute?**
- (a) intangible product ; (b) customer interaction is high ;
  - (c) simultaneous production and consumption ; (d) difficult to resell
- 196. Which of the following inputs has the greatest potential to increase productivity?**
- (a) labor ; (b) management ; (c) capital ; (d) None of the above
- 197. Forecasts used for new product planning, capital expenditures, facility location or expansion, and R&D typically utilize a.....**
- (a) short-range time horizon ; (b) long-range time horizon ;
  - (c) naive method, because there is no data history ; (d) all of the above
- 198. The three major types of forecasts used by business organizations are**

- (a) strategic, tactical, and operational ; (b) economic, technological, and demand  
(c) exponential smoothing, Delphi, and regression ; (d) departmental, organizational, and territorial

**199. Which of the following is no step in the forecasting process?**

- (a) determine the use of the forecast ; (b) eliminate any assumptions ;  
(c) determine the time horizon ; (d) validate and implement the results

**200. The two general approaches to forecasting are.....**

- (a) qualitative and quantitative ; (b) mathematical and statistical  
(c) judgmental and qualitative ; (d) judgmental and associative

**201. Which of the following uses three types of participants: decision makers, staff personnel, and respondents?**

- (a) executive opinions ; (b) sales force composites ; (c) the Delphi method ;  
(d) time series analysis

**202. Which of the following is not type of qualitative forecasting?**

- (a) executive opinions ; (b) sales force composites ; (c) the Delphi method ; (d) moving average

**203. The forecasting model that pools the opinions of a group of experts or managers is known as the.....**

- (a) sales force composition model ; (b) jury of executive opinion model  
(c) consumer market survey model ; (d) management coefficients model

**204. Which of the following techniques uses variables such as price and promotional expenditures, which are related to product demand, to predict demand?**

- (a) associative models ; (b) exponential smoothing ; (c) weighted moving average  
(d) time series

**205. The fundamental difference between cycles and seasonality is the**

- (a) duration of the repeating patterns ; (b) magnitude of the variation  
(c) ability to attribute the pattern to a cause ; (d) all of the above

**206. Increasing the number of periods in a moving average will accomplish greater smoothing, but at the expense of.....**

- (a) manager understanding ; (b) accuracy ; (c) stability ; (d) responsiveness to changes

**207. Organizational structure is made up of key elements. Which of the following is not one of these elements?**

- (a) Span of control ; (b) Centralization ; (c) Decentralization ; (d) Co-ordination

**208. Which of the following is one of the six key elements a manager needs to consider when designing an organization's structure?**

- (a) Job design ; (b) Work specialization ; (c) Feminine organization ;  
(d) Eliminating chain of command

**209. One of the most popular ways to group activities is by.....**

- (a) Product ; (b) Function ; (c) Process ; (d) Geography

**210. Sun Petroleum Products departmentalizes by fuels, lubricants, and waxes and chemicals. This is an example of departmentalization by.....**

- (a) Product ; (b) Functions ; (c) Job design ; (d) Customer

**211. Which type of departmentalization achieves economies of scale by placing people with common skills and orientations into common units?**

- (a) Geographic ; (b) Product ; (c) Process ; (d) Functional

**212. When jobs are grouped together based on a particular type of customer, this is known as.....**

- (a) Job structuring ; (b) Formalization ; (c) Centralization ; (d) Departmentalization

**213. Which of the following trends is gaining momentum?**

- (a) Using less departmentalization
  - (b) Geographical departmentalization
  - (c) Using only one type of departmentalization
  - (d) Using more customer departmentalization
- 214. The unbroken line of authority that extends from the top of the organization to the lowest echelon and clarifies who reports to whom is termed.....**
- (a) Unity of command ; (b) Authority ; (c) Power and authority structure
  - (d) Chain of command
- 215. What is span of control?**
- (a) empowering lower-level employees
  - (b) concentrating decision-making on one specific point in the organization
  - (c) centralization
  - (d) number of subordinates a manager can effectively direct
- 216. Centralization refers to.....**
- (a) The degree to which decision-making is concentrated at a single point in the organization
  - (b) The development and maintenance of power in the organization
  - (c) The decision-making process
  - (d) The geographic dispersion of an organization
- 217. In an organization that has high centralization.....**
- (a) Problem can be quickly and efficiently solved
  - (b) The corporate headquarters is located centrally to branch offices
  - (c) Top managers make all the decisions-lower-level managers merely carry out directions
  - (d) All top-level officials are located within the same geographic area
- 218. The degree to which jobs within an organization are standardized is referred to as.....**
- (a) job variation ; (b) routineness ; (c) formalization ; (d) centralization
- 219. In a highly formalized organization, job behaviours are relatively**
- (a) Non programmed ; (b) Non-existent ; (c) Programmed ; (d) Discretionary
- 220. Employee discretion is inversely related to.....**
- (a) Centralization ; (b) Standardization ; (c) Complexity ; (d) Decentralization
- 221. Which of the following structures is characterized by centralization, high formalization, extensive departmentalization, and a limited information network?**
- (a) Technology model ; (b) Mechanistic model ; (c) Job satisfaction model ; (d) Organic model
- 222. If there is low formalization, a comprehensive information network and high participation in decision-making, one would expect.....**
- (a) A mechanistic structure ; (b) A typical government organization ; (c) A stable structure
  - (d) An organic structure
- 223. Which of the following is characterized by wide spans of control, little formalization, a low degree of departmentalization, and authority centralized in a single person.....**
- (a) Bureaucracy ; (b) Simple structure ; (c) Matrix organization ; (d) Mechanistic structure
- 224. Which organization is characterized by very formal rules, centralized authority, and narrow spans of control?**
- (a) Boundaryless ; (b) Matrix ; (c) Virtual ; (d) Bureaucracy
- 225. The matrix structure combines which two forms of departmentalization?**
- (a) Simple And functional ; (b) Functional and product ; (c) Virtual and team ;
  - (d) Product and organic
- 226. Which of the following problems is most likely to occur in a matrix structure?**

- (a) Decreased employee motivation ; (b) Employees receiving conflicting directives  
(c) Decreased response to environmental change ; (d) Decreased coordination
- 227. Which structure breaks down departmental barriers and decentralizes decision-making to the level of the work team?**  
(a) Boundaryless ; (b) Feminine ; (c) Team ; (d) Virtual
- 228. Which type of organization outsources major business functions?**  
(a) Modular ; (b) Innovation ; (c) Virtual ; (d) Feminine
- 229. The innovation strategy is characterized by.....**  
(a) A mixture of loose with tight properties ; (b) Looser controls for new undertakings  
(c) Low specialization and low formalization ; (d) Tight controls over current activity
- 230. A continually evolving network of independent companies, suppliers, customers, even competitors, linked together to share skills, costs, and access to one another's markets is called a/an.....**  
(a) Virtual organization ; (b) Boundaryless organization ; (c) Modular organization  
(d) Integrated organization
- 231. An organization that seeks to eliminate the chain of command, have limitless spans of control, and replace departments with empowered teams is called a/an.....**  
(a) Cooperative organization ; (b) Virtual organization ; (c) Boundaryless organization  
(d) Modular organization
- 232. Which dimension of an organization's environment refers to the degree to which it can support growth?**  
(a) Volatility ; (b) Technology ; (c) Capacity ; (d) Complexity
- 233. Neoclassical economics concerns itself with the determination of various prices. In the branch of Microeconomics, economists are concerned with \_\_\_\_\_, while in Macroeconomics they consider \_\_\_\_\_**  
(a) Price rises: price falls ; (b) Real prices: nominal prices ;  
(c) Individual product prices: the aggregate price level ;  
(d) Costs to consumers: costs to producer
- 234. The Keynesian productivity deal.....**  
(a) called for the active intervention of the state to stimulate growth in productivity and output  
(b) linked increases in wages to increases in productivity so that wages and profits could both rise  
(c) linked increases in wages to increases in productivity so that wages and profits could both rise  
(d) all of the above
- 235. The field of economics that is now called Macroeconomics grew out of the era of the Great Depression, which saw the economy experience a prolonged downturn and persistent high unemployment. Classical economics could not explain these problems because its models assumed all of the following EXCEPT**  
(a) prices are flexible ; (b) recessions were self correcting  
(c) wages would adjust in the labor market, thereby eliminating unemployment  
(d) the government should intervene in the economy
- 236. During the downturn portion of a business cycle, the economy is characterized by**  
(a) rising unemployment and rising investment  
(b) falling unemployment and falling output  
(c) rising profits and falling wages  
(d) falling output and rising unemployment
- 237. Changes in behavior as a result of observation and manipulation of conditions in an environment are termed.....**  
(a) The Hawthorne effect ; (b) Group dynamic ; (c) Social influence ; (d) Sociometry
- 238. Members within a group that share similar experiences and feelings are known to have.....**

- (a) Process ; (b) Universal ; (c) Content ; (d) Conflict
239. **An important factor of the preplanning stage in group dynamics is determining what the group is to accomplish; this is known as.....**  
(a) Goal setting ; (b) Cohesion ; (c) Clarity of purpose ; (d) Group orientation
240. ....Groups have members who have similar presenting problems or are similar in gender, ethnicity, or social background(d)  
(a) Heterogeneous ; (b) Ideal ; (c) Dynamic ; (d) Homogeneous
241. **Role \_\_\_\_\_ is a conflict between the role an individual has outside the group and the role he or she is expected to have in the group.**  
(a) Collision ; (b) Transition ; (c) Confusion ; (d) Incompatibility
242. **Yalom's curative factors within a group often affect the interactions of members and the group as a whole in complex ways. As members begin experiencing and expressing feelings, Yalom would assert that \_\_\_\_\_ is the curative factor.**  
(a) Catharsis ; (b) Altruism ; (c) Interpersonal learning ; (d) Existential factor
243. **In Glass and Benschoff's (1999) PARS model, which conceptualizes "processing" in group work, PARS is an acronym in which "S" stands for**  
(a) System ; (b) Sociometry ; (c) Subgrouping ; (d) Self
244. **In setting up a group structure, \_\_\_\_\_ has a strong influence on how a group operates.**  
(a) Membership ; (b) Group setting ; (c) Physical structure ; (d) Group content
245. **Which role in a group setting contributes to the social-emotional bonding of members and the group's overall success?**  
(a) Facilitative/building role ; (b) Individualizing ; (c) Maintenance ; (d) Blocking
246. **"To understand communication in a meeting, we need to investigate the roles, personalities and values of every participant, as well as review the minutes taken and actions resulting from previous meetings." Which of Trenholm's perspectives is described here?**  
(a) Socio-psychological ; (b) Cybernetic ; (c) Psychosocial ; (d) Pragmatic
247. **What term did Lengel and Daft use for failure when face-to-face talking is used to convey routine messages?**  
(a) Data richness ; (b) Channel richness ; (c) Data processing ; (d) Data glut
248. **What is redundancy in messages?**  
(a) Information that recipient has already receive  
(b) Extra information to persuade the receiver to accept and act upon the message  
(c) Parts of the message that have no meaning and could be eliminated  
(d) Message that have no purpose and need not be retained
249. **According to the text, why should more attention be given to training in listening to oral communication?**  
(a) Responsibility for effective communication is usually assigned to the sender  
(b) Evaluating the speaker seems easier than evaluating the audience  
(c) Presentation is thought of as a one way process ; (d) All of the above
250. **Which of the following was presented as a listening skill?**  
(a) Use open-ended question ; (b) Hold feedback until it is asked for  
(c) Concentrate on the whole message, not just the highlights ; (d) None of the these items
251. **Which of the factors listed below is not a reason for decision making in organizations being a complex process?**  
(a) People have to make decisions in a historical context  
(b) Several stakeholders will have an interest in the decision

- (c) Modern information systems enable people to evaluate a range of possible outcomes  
(d) Factors in the current context of the organization affect the decision
- 252. The overall process of decision making in, for example, staff selection includes which of these stages?**  
(a) Deciding which candidate to appoint ; (b) Identifying the need for a new member of staff  
(c) Agreeing the job specification ; (d) All of the above
- 253. A manager who is helping a customer return some shoes they purchased last week is dealing with what type of decision?**  
(a) Non-programmed decision ; (b) Uncertainty ; (c) Bounded rationality ;  
(d) Programmed decision
- 254. A solution to a problem that is arrived at through an unstructured process of decision making is called a.....**  
(a) Bounded rationality ; (b) Non-programmed decision ; (c) Programmed decision ;  
(d) Uncertainty
- 255. As a manager moves to higher positions in an organisation the ability to make \_\_\_\_\_ becomes \_\_\_\_\_ important.**  
(a) Non-programmed; more ; (b) Programmed; more ; (c) Non-programmed; less  
(d) Programmed; much more
- 256. If a manager at Wipro wants to award a contract for printing the company's promotional literature and has obtained quotations from several printers, the manager can select a printer and know with \_\_\_\_\_ what the printing should cost.**  
(a) Ambiguity ; (b) Risk ; (c) Uncertainty ; (d) Certainty
- 257. In Herbert Simon's theory, a manager who accepts the first satisfactory solution to a problem has made a \_\_\_\_\_ decision, while a manager who continues to search for the best possible solution is seeking to find a \_\_\_\_\_ decision**  
(a) Maximising; satisficing ; (b) Minimising; maximizing ; (c) Satisficing; maximising  
(d) Maximising; minimizing
- 258. The decision making model which emphasises that organisations contain diverse interest groups who will bargain about goals and alternative actions, often with incomplete information is known as the.....**  
(a) Inspirational or garbage can model ; (b) Political model ;  
(c) Administrative or incremental model ; (d) Computational and rational model
- 259. Which of the following is not among the reasons for complexity of decisions?**  
(a) Individuals have different risk propensities.  
(b) There are many criteria for making choices.  
(c) Decisions have immediate, short-term impact. ; (d) Managers often share decisions.
- 260. Max Weber, a German sociologist, showed particular concern for**  
(a) social structures; (b) flexible structures ; (c) bureaucratic structures ;  
(d) personalised structures
- 261. In the context of decision making, which of the following best describes a heuristic?**  
(a) A rule that a person relies upon to assess or categorise choices.  
(b) One of many personal learned rules that a person applies in the process of decision making.  
(c) A fixed set of internal rules that a person uses when making a decision.  
(d) An attitude that prefers to look at a question as a whole.
- 262. The company announcement: SUCCESSFUL SALE OF PLANT: 75 PER CENT OF 1,000 JOBS TO BE SAVED! The local newspaper headline: 250 JOBS TO GO AT PROCESSING PLANT What is illustrated here?**  
(a) Availability heuristic ; (b) Judgemental bias ; (c) Overconfidence ; (d) Framing error

- 263. The jackpot on a gaming machine has not 'dropped' for several weeks. Believing that the payout is imminent, a gambler feeds coins steadily to the machine. What does this behavior illustrate?**  
(a) Escalation of commitment ; (b) A display of overconfidence  
(c) Decision making under uncertainty ; (d) Changing subjective probabilities
- 264. Which of the following best expresses the difference between programmed and non-programmed decisions?**  
(a) Occur under certainty or risk; occur under uncertainty or ambiguity  
(b) Made by managers who prefer a thinking or technocratic style; made by managers who use judgement and follow intuition  
(c) Handled with decision rules; decision rules cannot be developed  
(d) Have computer routines developed for them; are not computerized
- 265. Select the incorrect statement. Harrison and Pelletier argued that managers should learn to avoid ...**  
(a) Treating decisions with uncertain outcomes as though they had predictable results  
(b) Treating non-programmed decisions as routine  
(c) Mixing routine and non-routine decisions.  
(d) Treating *ad-hoc* decisions as though they were everyday occurrences
- 266. Which of the following is not an assumption of the classical decision model?**  
(a) Problems are clearly defined.  
(b) Decision makers behave logically.  
(c) Evaluation criteria are drawn from objectives and the definition of the problem.  
(d) Choice is made once sufficient information on alternatives is available
- 267. Which of the following was not given by Janis as a symptom of groupthink?**  
(a) Pressure to conform ; (b) An awareness of vulnerability  
(c) Negative stereotypes of outside opponents ; (d) An illusion of unanimity
- 268. Stoner and others have shown how groups can make decisions that are much less, or much more, cautious than any member would take alone. What are these changes called?**  
(a) Diffusion of responsibility ; (b) Risky and cautious shift ; (c) Polarisation  
(d) Decision arrangement
- 269. On the difficulty of recognising creativity, de Bono said, "Any valuable creative idea is ..." What?**  
(a) ... worth a thousand ordinary ideas."  
(b) "... always logical in hindsight."  
(c) "... the mark of a creative personality."  
(d) "... part of a stream of good ideas."
- 270. Which characteristic was found by Raudsepp among creative managers?**  
(a) They had few hobbies or interests outside work.  
(b) They focused intensely on immediate needs.  
(c) They were irritated by the status quo.  
(d) They had little energy to spare.
- 271. Conceptual skills relate to a manager's ability to**  
(a) Take a strategic view of how parts of the organization function  
(b) Solve detailed problems in groups  
(c) Correctly evaluate organizational problems  
(d) Understand and interact effectively with others in the organization
- 272. Which of the following functions or activities requires recruiting and placing qualified personnel needed for the organization so that it may achieve its objectives and goals?**  
(a) Planning ; (b) Staffing ; (c) Organizing ; (c) Controlling
- 273. A variation of the electronic meeting that links together media from different locations is \_\_\_\_\_**  
(a) E-commerce ; (b) The Delphi technique ; (c) Video conference ; (d) E-conference

- 274.** \_\_\_\_ plans have clearly defined objectives.  
(a) Directional ; (b) Flexible ; (c) Specific ; (d) Standing
- 275.** Who studied the nature of specific jobs, and broke the tasks into basic work units with the end result providing the one right way to perform the job?  
(a) Douglas M. McGregor ; (b) Frederick W. Taylor ; (c) Henry L. Gantt ; (d) Henry L. Gantt
- 276.** The recently emerged type of managerial job is \_\_\_\_\_  
(a) Top Manager ; (b) Middle Manager ; (c) First Line Manager ; (d) Team Leader
- 277.** The Hawthorne studies:  
(a) Found that to increase worker efficiency, management must analyze and minimize the motions required to complete a task.  
(b) Found that when workers know they are being watched, their productivity increases.  
(c) Found that a worker is inherently lazy and will use any excuse not to perform their duties.  
(d) Found that workers accept a managerial directive only if it is acceptable in terms of their personal interests.
- 278.** The Behavioral approach to management focused on:  
(a) The worker ; (b) The manager ; (c) The owner ; (d) None of the above.
- 279.** The external environment factor that states: The values and culture that affect the way people feel about the organization they are in and about work itself is:  
(a) Sociological factors ; (b) Political factors ; (c) Economic factors ; (d) Psychological factors
- 280.** The external environment factor that includes: Factors that have a less immediate effect on a business such as the nation's rate of inflation or recession, unemployment rate, or standard of living, is  
(a) Political factors ; (b) Sociological factors ; (c) Indirect economic factors ;  
(d) Direct economic factors
- 281.** The resources within an organization, used to achieve its goal, make up the \_\_\_\_\_ of a business.  
(a) External environment ; (b) Internal environment ; (c) Social responsibility ;  
(d) Workers motivation
- 282.** Strategic planning:  
(a) Addresses the organization's basic mission or business, issuing broad statements of purpose or direction that have a long lead time.  
(b) Involves managers in each unit of an organization who are responsible for achieving the unit's objectives within a specified period of time.  
(c) Looks specifically at resources, finances, and market conditions to determine ways to accomplish the overall plans of the organization.  
(d) Determines the day-to-day operations within an organization.
- 283.** GAP analysis:  
(a) Is a planning approach for determining where an organization is today.  
(b) Is a planning approach for determining how an organization will reach its goals.  
(c) Provides a diagram showing a company's present momentum and its potential.  
(d) All of the above.
- 284.** The SWOT approach assesses an organization's  
(a) Speed, Wants, Order, Timing ; (b) Structure, Workforce, Organization, Types  
(b) Strengths, Weaknesses, Opportunities, Threats. ; (d) Signs, Worries, Objectives, Techniques
- 285.** \_\_\_\_\_ is the process of using the resources and personnel of an organization in an orderly way to achieve the objectives and long-term goals of the organization.  
(a) Planning ; (b) Organizing ; (c) Leading ; (c) Controlling
- 286.** Which of the following is the most common type of departmentalization?



- (a) Customer/Market Departmentalization ; (b) Function Departmentalization  
(c) Geography Departmentalization ; (c) Process Departmentalization
- 287. A manufacturing company has divided its departments into pattern making, fabric cutting, and fabric coloring. What type of departmentalization is this?**  
(a) Geography Departmentalization ; (b) Process Departmentalization  
(c) Matrix/Project Departmentalization ; (d) Function Departmentalization
- 288. A \_\_\_\_\_ organizational structure is the simplest form and has clear lines of authority and ease of decision making.**  
(a) Horizontal ; (b) Line ; (c) Vertical ; (d) Staff
- 289. The management of people/labor should be handled by what department in an organization?**  
(a) Administration ; (b) Human Resources ; (c) Information Systems ; (d) Accounting
- 290. When a candidate for a position is asked general, open-ended job related questions, they are experiencing what type of interview?**  
(a) Unstructured Interview; (b) Relaxed Interview ; (c) Unorganized Interview ;  
(d) Structured Interview
- 291. Which of the following is NOT a major influence on the rate of compensation?**  
(a) Competition ; (b) Voluntary retirement ; (c) Laws ; (d) Unions
- 292. Which type of separation is most unpleasant for an employee?**  
(a) Termination ; (b) Mandatory retirement ; (c) Voluntary retirement ; (d) Resignation
- 293. Leadership can \_\_\_\_\_ subordinates to help the organization achieve its goals.**  
(a) Motivate ; (b) Communicate ; (c) Direct ; (d) All of the above
- 294. Which source of power is based on an individual's knowledge, special skills, abilities, or previous experience?**  
(a) Referent power ; (b) Expert power ; (c) Referent power ; (d) Legitimate power
- 295. Which source of power is based on a manager's ability to punish a subordinate?**  
(a) Coercive power ; (b) Referent power ; (c) Rewarded power ; (d) Legitimate power
- 296. A budget is what type of control?**  
(a) Standard ; (b) Process ; (c) Division ; (d) Financial
- 297. The theory that an individual tends to act in a certain way, with the expectation that the act will be followed by a given outcome and according to the attractiveness of the outcome is \_\_\_\_\_.**  
(a) Equity theory ; (b) Three-needs theory ; (c) Motivation-hygiene theory  
(d) Expectancy theory
- 298. Leaders who inspire followers to transcend their own self-interests for the good of the organization, and are capable of having a profound and extraordinary effect on followers are \_\_\_\_\_ leaders.**  
(a) Transactional ; (b) Transformational ; (c) Democratic ; (d) Autocratic
- 299. A group of employees with expertise in a variety of specialty areas who are brought together to work on a project or specific activity is a:**  
(a) Cross functional team ; (b) Self-managed team ; (c) Virtual team ; (d) Problem-solving team
- 300. \_\_\_\_\_ is the power to give positive benefits or rewards.**  
(a) Expert power ; (b) Reward power ; (c) Legitimate power ; (d) Coercive power
- 301. The final step of the strategic management process is \_\_\_\_\_.**  
(a) Doing an internal analysis ; (b) Formulating strategies ; (c) Implementing strategies  
(d) Evaluating results

- 302. A/An \_\_\_\_\_ is a formal evaluation of an organization's financial statements, performed either by an outside accounting firm or by an internal department.**  
(a) Revenue operating budget ; (b) Incident log ; (c) Financial audit ; (d) Balance sheet budget
- 303. In a PERT network, slack time is \_\_\_\_.**  
(a) The end point that represents the completion of a major activity  
(b) The time or resources required to progress from one event to another  
(c) The amount of time an individual activity can be delayed without delaying the whole Project  
(d) The longest or most time-consuming sequence of events and activities
- 304. Which type of decision making is carried out by lower level management and deals with specific day-to-day processes?**  
(a) Programmed decision making ; (b) Operational decision making ;  
(c) Administrative decision making ; (d) Mid-level decision making
- 305. \_\_\_\_\_ involves allocating resources by detailing what activities have to be done, the order in which they are to be completed, who is to do each, and when they are to be complete(d)**  
(a) Benchmarking ; (b) Budgeting ; (c) Scheduling ; (d) Competitor intelligence
- 306. A problem solver is a style of problem solving reflected by the manager**  
(a) Who confronts the problem, reacts to it, and makes those changes necessary solve it.  
(b) Who notices a problem and does not react.  
(c) Who actively looks at situations, searching for problems or anticipating possible problems so that corrective action can be taken before the problem grows. ; (d) None of the above
- 307. The process by which a sender transmits content is known as**  
(a) Encoding ; (b) Decoding ; (c) Feedback ; (d) Receiver
- 308. When a subordinate or lower level manager passes information or offers suggestions to higher level management, they're using which level of communication?**  
(a) Upward communication ; (b) Downward communication ; (c) Lateral communication  
(d) Diagonal communication
- 309. If a solution to a particular problem is not vital to the functioning of an organization and management is willing to overlook the causes of the conflict, managers may choose to use which type of conflict resolution?**  
(a) Confrontation ; (b) Avoidance ; (c) Dominance ; (d) Compromise
- 310. Which of the following statements would a Theory X manager consider to be true?**  
(a) The average person can learn to accept and even seek responsibility  
(b) Employees will shirk responsibility  
(c) Employees will exercise self-direction if they are committed to the objectives  
(d) Employees view work as being as natural as play
- 311. A short letter written to a potential employer with a resume attached is known as a**  
(a) Introduction letter ; (b) Cover letter ; (c) Interview letter ; (d) Ice-breaker letter
- 312. \_\_\_\_\_ is the process of getting results accomplished through others.**  
(a) Ordering ; (b) Mandating ; (c) Delegating ; (d) Working
- 313. What is the term used to define the number of subordinates directly controlled by a manager?**  
(a) Division management ; (b) Departmentation ; (c) Investment span ;  
(d) Span of management
- 314. Which management theorist is responsible for the motivation-hygiene theory?**  
(a) Abraham Maslow ; (b) Dale Hawthorne ; (c) Peter Drucker ; (d) Frederick Herzberg
- 315. What kind of organizational structure combines a vertical chain of command with horizontal reporting requirements?**

- (a) Line authority ; (b) Matrix ; (c) Functional ; (d) Line-and-staff
- 316. What kind of training program is most appropriate for a simple task?**  
(a) On-the-job training ; (b) vestibule training ; (c) laboratory training ; (d) job rotation
- 317. Which leadership theory suggests that management style should adapt itself to changing circumstances?**  
(a) Contingency theory ; (b) Delegation theory ; (c) Autocratic theory ; (d) Participatory theory
- 318. According to Abraham Maslow, the most elevated type of need is \_\_\_\_\_.**  
(a) Self-actualization ; (b) Physiological ; (c) Esteem ; (d) Safety
- 319. Mr. (A) is a manager in a manufacturing company, he attempts to establish a culture of quality affecting the attitudes and actions of every employee and relies on a workforce that wants to improve quality. He focuses on establishing:**  
(a) Total Quality Management ; (b) Knowledge management ; (c) Operations Management  
(d) Management of Information System
- 320. Ali is working in XYZ Company; he desires to get himself secure from crimes, company layoffs and other adverse impacts. We can say that he fulfils the ----- need.**  
(a) Self Actualization ; (b) Social need ; (c) Esteem ; (d) Safety
- 321. In ----- theory management assumes that employees may be ambitious, self-motivated, and anxious to accept greater responsibility, and exercise self-control, self-direction, autonomy and empowerment.**  
(a) Theory Y manager ; (b) Theory X manager ; (c) Theory Z manager ; (d) All of the above
- 322. ----- roles involve people and other duties that are ceremonial and symbolic in nature.**  
(a) Informational. ; (b) Interpersonal. ; (c) Decisional. ; (d) All of the given options.
- 323. ----- is the use of scientific method to define the "one best way" for a job to be done.**  
(a) Scientific management ; (b) Bureaucratic management ; (c) Administrative management  
(d) Management
- 324. The planning process can be used to promote \_\_\_\_\_ inorganization**  
(a) Advancement ; (b) Technologies ; (c) Innovation ; (d) Discoveries
- 325. The study of people in relation to their fellow human beings is \_\_\_\_\_**  
(a) Psychology ; (b) Sociology ; (c) Anthropology ; (d) All of the given options
- 326. Which management concept suggests that low-importance decisions be handled by subordinates, so that managers can focus on high-importance decisions?**  
(a) management by objective ; (b) management by exception ; (c) Participatory management  
(d) inclusionary management
- 327. Getting work done with a minimum of effort, expense or waste is the definition of \_\_\_\_\_**  
(a) Effectiveness. ; (b) Management ; (c) Planning. ; (d) Efficiency
- 328. \_\_\_\_\_ are mathematical models that describe the operating characteristics of queuing situations.**  
(a) Waiting line models ; (b) Simulation models ; (c) Decision trees ; (d) All of the given options
- 329. Managers having the least authority and are at the lowest level in the hierarchy of the organization are called \_\_\_\_\_**  
(a) Middle level managers ; (b) Top level managers ; (c) First-line managers ;  
(d) None of the given options
- 330. \_\_\_\_\_ reduces uncertainty**  
(a) Negotiating ; (b) Planning ; (c) Organizing ; (d) Leading

331. Decision makers face \_\_\_\_\_ types of problems.  
(a) 2 ; (b) 3 ; (c) 4 ; (d) 5
332. \_\_\_\_\_ are those plans that are extended beyond three years.  
(a) Short Term Plans ; (b) Long Term Plans ; (c) Specific Plans ; (d) Strategic Plans
333. \_\_\_\_\_ need involves the desire to affiliate with and be accepted by others.  
(a) Esteem ; (b) Belongingness ; (c) Safety ; (d) Self-Actualization
334. \_\_\_\_\_ is the recording system which enables sender to leave messages for receiver by telephone.  
(a) E-Mail ; (b) Voice Mail ; (c) Videoconferencing ; (d) Teleconferencing
335. A motivational approach in which an organization's financial statements are opened to and shared with all of the employees is called \_\_\_\_\_.  
(a) Open Book Management ; (b) Pay for Performance Program ; (c) Reinforcement Theory  
(d) Feedback
336. A \_\_\_\_\_ refers to the authority and responsibility for achieving the major goals of the Organization.  
(a) Line position ; (b) Staff position ; (c) Line authority ; (d) None of the given options
337. ----- maintains self developed network of outside contacts and informers who provide favors and information.  
(a) Entrepreneur ; (b) Monitor ; (c) Liaison ; (d) Figurehead
338. ----- is the planning and implementing of organizational systems and practices that maximize the potential of employees to contribute to organizational goals and develop their capabilities unhindered by group identities such as race, gender, age, or ethnic group.  
(a) Managing Diversity ; (b) Anthropology ; (c) Bureaucracy ; (d) Remuneration
339. Seema desires for friendship, love, and a sense of belonging, we can say that she fulfils the \_\_\_\_\_.  
(a) Physical need ; (b) Self Actualization ; (c) Social need ; (d) Esteem
340. ----- is a condition in which the decision maker chooses a course of action without complete knowledge of the consequences that will follow implementation.  
(a) Risk ; (b) Uncertainty ; (c) Ambiguity ; (d) Accuracy
341. NAFTA stands for:  
(a) North American Free Trade Agreement ; (b) North Asian Free Trade Agreement  
(c) North American Free Trade Association ; (d) None of the given options
342. Which one of the following is not the characteristic of Weber's ideal bureaucracy?  
(a) Specialization of labor ; (b) Formalization of rules ; (c) Division of labour  
(d) Formalization of links authority into a hierarchical structure
343. \_\_\_\_\_ shows the management structure of an organization.  
(a) Hierarchy ; (b) Decision Tree ; (c) Incremental Model ; (d) Satisfying model
344. If the average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition and wants security above all, the management attitude would be:  
(a) Theory Y manager ; (b) Theory X manager ; (c) Theory Z manager ;  
(d) All of the given options
345. Getting work done with a minimum effort, expense, or waste is the definition of \_\_\_\_\_.  
(a) Management ; (b) Planning ; (c) Efficiency ; (d) Effectiveness
346. Which of the following is not an argument for the assumption of social responsibility by business?  
(a) Long-run profits ; (b) Stockholder interests ; (c) Ethical obligations ; (d) Costs

- 347. \_\_\_\_\_ concluded that managers perform 10 interrelated activities that relate to decision making, using information and interpersonal relationships.**  
(a) Mintzberg ; (b) Abraham Maslow ; (c) Robert Owen ; (d) Henri Fayol
- 348. Scientific Management approach is developed by**  
(a) Elton Mayo ; (b) Henry Fayol ; (c) F.W. Taylor ; (d) (A) Maslow
- 349. Who proposed “ bureaucratic structure” is suitable for all organization**  
(a) Elton Mayo ; (b) Henry Fayol ; (c) F.W. Taylor ; (d) Max Weber
- 350. Whose concept states that interpersonal and human relations may lead to productivity**  
(a) Elton Mayo ; (b) Henry Fayol ; (c) F.W. Taylor ; (d) Max Weber
- 351. Today’s organization are**  
(a) Open system ; (b) Closed system ; (c) Open as well as closed ; (d) None of these
- 352. Which of the following methods is/are used to solve intergroup conflicts indirectly**  
(a) Avoidance ; (b) Encouragement ; (c) Bargaining ; (d) All of these
- 353. Which of the following is / are not direct method to solve intergroup conflicts**  
(a) Problem solving ; (b) Domination by the management ; (c) Removing key figures in conflict  
(d) Persuasion
- 354. A technique to bring changes in the entire organization, rather man focusing attention on individuals to bring changes easily.**  
(a) Organizational development ; (b) Organizational change ; (c) Organizational culture  
(d) Organizational conflicts
- 355. Which of the following is/are OD intervention techniques**  
(a) Sensitivity training ; (b) MBO ; (c) Quality of work life ; (d) All the above
- 356. Which of the following is NOT an important issue relating to goal-setting theory?**  
(a) Goal specificity ; (b) Equity among workers ; (c) Feedback ; (d) Defining the goal
- 357. Behaviour, power, and conflict are central areas of study for \_\_\_\_\_.**  
(a) Sociologist ; (b) Anthropologists ; (c) Social psychologists ; (d) Operations analysts
- 358. The managers of a multinational company are located in France, India, Brazil, and the United States. Which decision-making technique seems most reasonable for this organization?**  
(a) A postal service interaction ; (b) A brainstorming session ; (c) A nominal discussion  
(d) An electronic meeting
- 359. According to Robert Katz, when managers have the mental ability to analyze and diagnose complex situations, they possess \_\_\_\_\_ skills.**  
(a) Technical ; (b) Leadership ; (c) Problem-solving ; (d) Conceptual
- 360. What sort of goals does Management By Objectives (MBO) emphasize?**  
(a) Tangible, verifiable and measurable ; (b) Achievable, controllable and profitable  
(c) Challenging, emotional and constructive ; (d) Hierarchical, attainable and effective
- 361. Today’s managers understand that the success of any effort at improving quality and productivity must include \_\_\_\_.**  
(a) Quality management programs ; (b) Customer service improvements  
(c) Employee’s participation ; (d) Manufacturing simplification
- 362. Which of the following would be least likely to pose a barrier to cross-cultural communications?**

- (a) Tone difference ; (b) Word connotations ; (c) Political correctness ; (d) Differences among perceptions
- 363. Concept of MBO was introduced by:**  
(a) Peter. F.Drucker ; (b) Mary Parker ; (c) Henry Fayol ; (d) Philip Kotler
- 364. People with which type of personality trait commonly make poor decisions because they make them too fast?**  
(a) Type As ; (b) Type Bs ; (c) Self-monitors ; (d) Extroverts
- 365. Which of the following is an environmental force that shapes personality?**  
(a) Gender ; (b) Height ; (c) Experience ; (d) Brain size
- 366. Which of the following leadership behaviours are identified by the path-goal theory?**  
(a) Supportive, employee-oriented, laissez-faire and participative  
(b) Achievement-oriented, supportive, humanistic, and directive  
(c) Participative, achievement-oriented, directive, and supportive  
(d) Directive, participative, supportive, and laissez-faire
- 367. In which stage of the conflict process does conflict become visible?**  
(a) Illumination ; (b) Intentions ; (c) Behaviour ; (d) Cognition
- 368. \_\_\_\_\_ refers to the network of personal and social relations that is developed spontaneously between people associated with each other.**  
(a) Formal organization ; (b) Informal organization ; (c) Business organization  
(d) Government organization
- 369. What sort of actions is most likely to be attributed to external causes?**  
(a) Actions that have high distinctiveness, high consensus and high consistency  
(b) Actions that have high distinctiveness, high consensus and low consistency  
(c) Actions that have high distinctiveness, low consensus and low consistency  
(d) Actions that have low distinctiveness, low consistency and high consensus
- 370. A threatened strike action by a labour union to force the management to accept their demands is an example of which of the following power?**  
(a) Referent power ; (b) legitimate power ; (c) Reward power ; (d) Coercive power
- 371. Which of the following departmentalization can be considered necessary in an organization where the Company's products fall into several categories with very different production methods for each category?**  
(a) Customer ; (b) Production ; (c) Process ; (d) Matrix
- 372. Which of the following is most likely to be a belief held by a successful manager?**  
(a) Technical knowledge is all that is needed for success.  
(b) It is not essential to have sound interpersonal skills.  
(c) Technical skills are necessary, but insufficient alone for success.  
(d) Effectiveness is not impacted by human behavior.
- 373. Which of the following is not one of the four primary management functions?**  
(a) Controlling ; (b) Planning ; (c) Staffing ; (d) Organizing
- 374. Determining how tasks are to be grouped is part of which management function?**  
(a) Planning ; (b) Leading ; (c) Controlling ; (d) Organizing
- 375. \_\_\_\_\_ is discretionary behaviour that is not part of an employee's formal job requirement, but that promotes the effective functioning of the organization.**  
(a) Productivity ; (b) Motivation ; (c) Organizational citizenship ; (d) Organizational behavior
- 376. Individual-level independent variables include all of the following except.**

- (a) Leadership ; (b) Learning ; (c) Perception ; (d) Motivation
- 377. Which of the following is not true of classical conditioning?**  
(a) Classical conditioning is passive.  
(b) Classical conditioning can explain simple reflexive behaviors.  
(c) Learning a conditioned response involves building an association between a conditioned stimulus and an unconditioned stimulus.  
(d) A neutral stimulus takes on the properties of a conditioned stimulus.
- 378. What is the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment?**  
(a) Interpretation ; (b) environmental analysis ; (c) Outlook ; (d) Perception
- 379. Two people see the same thing at the same time yet interpret it differently. Where do the factors that operate to shape their dissimilar perceptions reside?**  
(a) the perceivers ; (b) the target ; (c) the timing ; (d) the context
- 380. ....is the dynamic organization within the individual that determine his unique adjustment to the environment**  
(a) Perception ; (b) Attitude ; (c) Behavior ; (d) Personality
- 381. Which of the following is not an attribute of psychological individual difference?**  
(a) Motivation ; (b) Learning ; (c) Personality ; (d) Complexion
- 382. Select the correct hierarchical order of qualities of an individual**  
(a) Ability-Skills- Aptitude- Competency ; (b) Aptitude-Ability- Skills- Competency  
(c) Skills- Aptitude- Competency- Ability ; (d) Competency-Ability-Skills- Aptitude
- 383. Maslow's "basic needs" are also known as**  
(a) Social needs ; (b) Esteem needs ; (c) Safety needs ; (d) Physiological needs
- 384. In Maslow's Need hierarchy which needs are shown between Esteem needs and Safety needs**  
(a) Social needs ; (b) Esteem needs ; (c) Security needs ; (d) Basic need
- 385. ERG theory of motivation was proposed by**  
(a) Maslow ; (b) F. Herzberg ;(c) Alderfer ; (d) Mc Gregor
- 386. Under ERG theory, "R" stands for-----**  
(a) Rationality ; (b) Responsibility ; (c) Remuneration ; (d) Relatedness
- 387. Dual structure approach of motivation is developed by**  
(a) Maslow ; (b) F. Herzberg ; (c) Alderfer ; (d) Mc Gregor
- 388. Under Herzberg's theory, factors causing dissatisfaction is called**  
(a) Demotivators ; (b) Negative stimuli ; (c) Hygiene factors ; (d) Defectors
- 389. Hygiene factors are**  
(a) Satisfiers ; (b) Maintenance factors ; (c) Defectors ; (d) All of these
- 390. In Two Factor theory, "Salary" coming under -----**  
(a) Satisfiers ; (b) Maintenance factors ; (c) Both of these ; (d) None of above a and b
- 391. Who propounded X and Y theory of motivation**  
(a) Maslow ; (b) F. Herzberg ; (c) Alderfer ; (d) Mc Gregor
- 392. ----- theory believes that employees dislike work**  
(a) X theory ; (b) Y theory ; (c) Z theory ; (d) None of these

- 393. According to -----employees love work as play or rest**  
(a) X theory ; (b) Y theory ; (c) Z theory ; (d) None of these
- 394. Z theory is a Japanese approach of motivation developed by**  
(a) Mc Clelland ; (b) William Ouchi ; (c) Alderfer ; (d) Mc Gregor
- 395. According to ----- the managers and workers should work together as partners and of equal importance for the organizations success**  
(a) X theory (b) Y theory ; (c) Z theory ; (d) 2 Factor theory
- 396. Which one is not a Process Based Theory of motivation?**  
(a) Porter Lawler theory ; (b) Mc Clelland's theory ; (c) Stacy Adams theory ; (d) Vroom's theory
- 397. Who developed Equity theory of motivation?**  
(a) Porter Lawler ; (b) Mc Clelland ; (c) Stacy Adams ; (d) Vroom
- 398. Porter Lawler Model is an extension of**  
(a) Maslow's theory ; (b) Mc Clelland's theory ; (c) Stacy Adams theory ; (d) Vroom's theory
- 399. -----is the attractiveness of the members towards the group or resistance to leave it**  
(a) Group norms ; (b) Group behavior ; (c) Group cohesiveness ; (d) Group structure
- 400. Believes, attitudes, traditions and expectations which are shared by group members is called**  
(a) Group norms ; (b) Group communication ; (c) Group cohesiveness ; (d) Group structure
- 401. -----is the ability of influencing people to strive willingly for mutual objectives**  
(a) Motivation ; (b) Control ; (c) Leadership ; (c) Supervision
- 402. In -----leadership, there is a complete centralization of authority in the leader**  
(a) Democratic ; (b) Autocratic ; (c) Free rein ; (d) Bureaucratic
- 403. In----- in fact "No leadership at all"**  
(a) Democratic ; (b) Autocratic ; (c) Free rein ; (d) Bureaucratic
- 404. Free rein leadership is also known as**  
(a) Democratic ; (b) Autocratic ; (c) Laissez-faire ; (d) Bureaucratic
- 405. -----leadership emphasize on rules and regulation in an organization**  
(a) Democratic ; (b) Autocratic ; (c) Laissez-faire ; (d) Bureaucratic
- 406. ----- leader is self confident and can attract followers by his great influence**  
(a) Charismatic ; (b) Autocratic ; (c) Laissez-faire ; (d) Bureaucratic
- 407. Which one of the following is/are leadership theories?**  
(a) Trait theory ; (b) Behavior theory ; (c) Contingency theory ; (d) All of these
- 408. Least Preferred Co-worker ( LPC) model of leadership was developed by**  
(a) Martin Evans ; (b) Robert House ; (c) Fred Fielder ; (d) Whetton
- 409. Path-goal model of Leadership was introduced by**  
(a) Martin Evans & Robert House ; (b) Fred Fielder ; (c) Whetton ; (d) Cameron
- 410. Which of the following is not a contingency theory of leadership**  
(a) LPC theory ; (b) Path Goal theory ; (c) Vroom-Yetton-Jago theory ;  
(d) Job centered Leadership
- 411. When a group gives some of its leadership positions to the members of other group, it is**  
(a) Contracting ; (b) Co-opting ; (c) Co-alition ; (d) Competition



412. Which one of the following characteristics is part of the definition of a group?  
(a) unstable relationship ; (b) interdependent effort ; (c) personal accountability  
(d) independent behaviour
413. Sharon Moro, office manager at Willow Manufacturing stated, "We'd had manufacturing work cells in place for at least two years, but change didn't really happen until we added teamwork." To effectively integrate teamwork into their corporate strategy, all of the following actions were undertaken by Willow except:  
(a) Old ways were readily discarded. (b) Everyone's input was sought and valued  
(c) Individual employee success was recognized and celebrated.  
(d) Employees believed in what they were doing.
414. While business firms have traditionally been organized around \_\_\_\_\_, athletic groups have long recognized the importance of \_\_\_\_\_.  
(a) work groups; individuals ; (b) management; individuals ; (c) groups; teamwork  
(d) individuals; teamwork
415. All of the following statements help to explain the current popularity of teams except.....  
(a) Teams can quickly assemble, deploy, refocus and disband  
(b) Teams are more flexible and responsive to changing events  
(c) Teams typically outperform individuals when tasks require multiple skills, judgment, and experience ;  
(d) Teams expertly focus on individual performance.
416. You are a member of a work team whose goal is to improve the efficiency of the production process. Your team is best described as:  
(a) Production-oriented. ; (b) Goal-oriented. ; (c) Problem-solving. ; (d) Self-managed.
417. Work groups of employees and supervisors that meet regularly to discuss their quality problems and recommend solutions is a form of participative management called:  
(a) Goal-oriented teams. ; (b) Quality circles. ; (c) Department teams. ; (d) cooperative groups
418. Self-managed work teams are generally:  
(a) Groups of employees who take on the responsibilities of their former supervisors.  
(b) Those who meet weekly to discuss ways of improving quality, efficiency, and work environment.  
(c) From different work areas, but at similar hierarchical levels, who work together to accomplish tasks.  
(d) Employees who take on responsibilities for other employees unable to make decisions.
419. \_\_\_\_\_ teams are employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task.  
(a) Work-related ; (b) Self-managed ; (c) Cross-functional ; (d) Problem-solving
420. \_\_\_\_\_ teams are an effective way to allow people from diverse areas within an organization to exchange information, develop new ideas and solve problems, and coordinate complex project.  
(a) Multifaceted ; (b) Problem-solving ; (c) Quality circle ; (d) Cross-functional
421. Virtual teams are characterized by:  
(a) Employees who are given the authority to implement any of their suggested actions  
(b) Individuals from different work areas who come together to accomplish a task.  
(c) Groups of employees who take on the added responsibilities of their former managers  
(d) Use of computer technology to communicate with individuals at different worksites.
422. Virtual teams generally can perform the same functions and do the same things that other teams have traditionally accomplishe(d) Many times, they can even be more efficient at tasks due to the establishment of systems and procedures, and acceptance of these by team members. Before this can happen, however, virtual teams must set the stage for effective interaction through all of the following except:  
(a) Share some personal information about themselves.  
(b) Assign clear roles for their members.  
(c) Recognize that eagerness and enthusiasm has no impact on team function.

- (d) Be aware of any pessimists who may exist among them.
- 423. Which of the following is not useful in building trust?**  
(a) demonstrate that you're working for others' interests as well as your own  
(b) demonstrate competence ; (c) Maintain confidences.; (d) Keep your feelings to yourself.
- 424. The stages of group development are:**  
(a) initiating, storming, norming, performing, adjourning  
(b) introduction, high productivity, decline  
(c) Initiation, evolution, maturation, and decline.  
(d) Forming, storming, norming, performing, adjourning.
- 425. In the second stage of group development:**  
(a) Close relationships are developed.  
(b) The job task is performed.  
(c) intragroup conflict often occurs.  
(d) Group objectives are clearly formulated.
- 426. After which stage of a group's development has the group formed a common set of expectations of member behaviours?**  
(a) Performing ; (b) planning ; (c) norming ; (d) stormin
- 427. According to the punctuated-equilibrium model, all of the following are true about groups except:**  
(a) *The first meeting sets the group's direction*  
(b) A transition takes place at the end of the first phase which occurs exactly when the group has used up one third of its allotted time.  
(c) The group's last meeting is characterized by markedly accelerated activity.  
(d) *The first phase of group activity is one of inertia*
- 428. In order to reinforce team effort and commitment, managers should consider the use of:**  
(a) *fixed hourly wages. (b) flexible benefits ; (c) rate individual piece plans ; (d) recognition and small financial rewards*
- 429. Successful teams translate their \_\_\_\_\_ into specific, measurable, and realistic performance goals.**  
(a) Roles ; (b) norms ; (c) common purpose ; (d) skills
- 430. \_\_\_\_\_ is reliability, predictability, and good judgment in handling situations.**  
(a) Consistency ; (b) Openness ; (c) Loyalty ; (d) Integrity
- 431. \_\_\_\_\_ is a characteristic of high performance teams where members believe in the integrity, character, and ability of each other**  
(a) Trust ; (b) Openness ; (c) Loyalty ; (d) Worthiness
- 432. All of the following are advantages of diversity except:**  
(a) greater openness to new ideas.  
(b) increased cohesiveness  
(c) increased creativity.  
(d) increased flexibility.
- 433. The strongest case for diversity on work teams centres around:**  
(a) the fact that miscommunication is unlikely to occur.  
(b) eliminating confusion and miscommunication.  
(c) quickly solving problems by eliminating ambiguity.  
(d) bringing multiple perspectives to discussion and thus increasing unique solutions.
- 434. When managing a diverse team, it is important to keep in mind that:**  
(a) it will be easier to reach agreement on specific actions.  
(b) the lack of a common perspective means that more time is spent on discussing issues

- (c) communication should be easier because the group is diverse.  
(d) diverse groups are generally less creative
- 435. The challenge of creating team players will be greatest where the national culture is:**  
(a) competitive ; (b) collectivist ; (c) individualistic ; (d) pluralistic
- 436. The challenge of creating teams is less demanding for management when teams are introduced where employees have strong \_\_\_\_\_ values**  
(a) collectivist ; (b) competitive ; (c) pluralistic ; (d) cooperative
- 437. When designing reward systems for teams, it is best to encourage cooperative efforts rather than \_\_\_\_\_ ones.**  
(a) Collectivist ; (b) competitive ; (c) cooperative ; (d) individualistic
- 438. If companies value teamwork, then promotions, pay raises, and other forms of recognition should be given to individuals for how effectively the work as:**  
(a) individuals ; (b) team members ; (c) group members ; (d) leaders
- 439. In our model of decision making under different conditions, what is the difference between risk and uncertainty?**  
(a) Under risk, there is a well defined problem; under uncertainty, the definition is unclear  
(b) Under risk, choices are clear and the chances of different outcomes can be measured; under uncertainty, neither applies.  
(c) Under risk, probabilities can be measured; under uncertainty, they cannot.  
(d) Under risk, information is reliable; under uncertainty, it is not.
- 440. When a manager knows little about the intended goals of a decision and the outcomes of the options are unclear, what type of situation are they in?**  
(a) Uncertainty ; (b) Risk ; (c) Certainty ; (d) Ambiguity
- 441. Decision making situations can be categorized along a scale which ranges from.....**  
(a) Uncertainty to certainty to risk  
(b) Certainty to uncertainty to risk  
(c) Certainty to risk to uncertainty to ambiguity  
(d) Certainty to risk to uncertainty
- 442. A firm that is involved in two or more distinct businesses is known as:**  
(a) A diversified company  
(b) A ventured company  
(c) A restructured company  
(d) A multinational corporation
- 443. Which of the following describe(s) a global marketplace?**  
(a) The entire world is a marketplace  
(b) National borders are irrelevant  
(c) The potential for organizations to grow expands dramatically  
(d) All of the given options
- 444. The \_\_ of a strategy specifies the range of markets in which an organization will compete**  
(a) Scope  
(b) Distinctive Competency  
(c) Resource deployment  
(d) Effective strategy
- 445. When a manager made a decision and he is uncertain about the outcomes. His decision is likely to be:**  
(a) Of Poor Quality ; (b) Unacceptable ; (c) Successful ; (d) Risky
- 446. Non-programmed decisions are typically made under a condition of which of the following?**  
(a) Certainty ; (b) Low levels of risk ; (c) Uncertainty ; (d) Reliability

- 447. Which of the following is part of the 14 principles of management identified by Henri Fayol?**  
(a) Scalar chain ; (b) Innovation ; (c) Efficiency ; (d) Motivation
- 448. A well-designed goal should be:**  
(a) Short and very specific about expected outcomes  
(b) Written in terms of outcomes rather than actions  
(c) Identifiable to even the first-line supervisors  
(d) Specific and within a manageable time frame
- 449. The threat of new entrants is the extent to which new competitors can easily enter a market. Thus the threat of new entrants for a local restaurant than a automobile company is**  
(a) High ; (b) Low ; (c) Moderate ; (d) Equal
- 450. Which of the following BEST describes directional plans?**  
(a) Flexible plans that set out general guidelines  
(b) Stringent plans that establish specific directions  
(c) Formal plans that provide the directions of how to assemble the product.  
(d) General plans that allow the workers to change the schedule of production
- 451. SWOT analysis divides organizational strengths into two categories; common strength and\_\_.**  
(a) Strategic imitation  
(b) Competitive edge  
(c) Competitive parity  
(d) Distinctive competencies
- 452. Planning is often called the primary management function because it:**  
(a) Offers some basis for future decision making  
(b) Creates the vision for the organizational members  
(c) Establishes the basis for all the other functions  
(d) Sets the tone for the organizational culture
- 453. The organization that has developed the capacity to continuously learn, adapt, and change is called:**  
(a) Virtual organization  
(b) Learning organization  
(c) Traditional organization  
(d) Bureaucratic organization
- 454. Which of the following is important in effectively implementing the chosen alternative in the decision-making process?**  
(a) Getting upper-management support  
(b) Double-checking your analysis for potential errors  
(c) Allowing those impacted by the outcome to participate in the process  
(d) Ignoring criticism concerning your chosen alternative
- 455. Cultivating a learning culture where organizational members systematically gather knowledge and share it with others in the organization so as to achieve better performance is called:**  
(a) Knowledge management  
(b) Technical management  
(c) Software management  
(d) Systems management
- 456. Which one of the following individuals is most closely associated with scientific management?**  
(a) Frederick Taylor ; (b) Mary Parker Follett ; (c) Harold Koontz ; (D) Max Weber
- 457. All of the following are steps in objective setting, EXCEPT.**  
(a) Specify deadlines  
(b) Allow the employee to actively participate  
(c) Link rewards to effort ; (d) Prioritize goals

- 458. Concern for employee motivation is most closely associated with which of the following management approach?**  
a) Bureaucracy ; (b) Organizational behavior ; (c) Scientific management ; (d) Systems
- 459. An appropriate managerial behavior in a given situation that depends on a wide variety of elements, is called:**  
a) Open system ; (b) Contingency perspective ; (c) Entropy ; (d) Quantitative perspective
- 460. A budget is an example of which of the following plan?**  
a) Strategic plan ; (b) Single use plan ; (c) Informal plan ; (d) Standing plan
- 461. Which of the following is best described as doing something differently and has been described as discontinuous or complementary change?**  
a) Entrepreneurship ; (b) Innovation ; (c) Variance ; (d) Enterprise
- 462. First-line managers are responsible to report to:**  
a) Top level managers ; (b) Middle-level managers ; (c) Supervisors ; (d) Operational managers
- 463. Associations of different nations like European Union & NAFTA have been established to:**  
a) Share the armies of each other ; (b) Stabilize the political systems ;  
(c) Promote open trade among nations ; (d) All of the given options
- 464. Discrepancy between existing and a desired state of affairs is called:**  
a) Opportunity ; (b) Solution ; (c) Weakness ; (d) Problem
- 465. Low level management has a complete authority to make decisions in case of:**  
a) Centralization ; (b) Decentralization ; (c) Scalar Chain ; (d) Order
- 466. Ali is a manager in a multinational organization. He believes that the employees of the company are lazy and do not have much ambition. Ali can be classed as\_\_\_\_\_ manager based on the perspectives of Douglas McGregor.**  
a) Theory Y ; (b) Bureaucratic ; (c) Theory X ; (d) Administrative
- 467. Which of the following is called an input to a system?**  
a) Materials ; (b) Products ; (c) Services ; (d) Employee behavior
- 468. When objectives are not written down or rarely verbalized, and the planning is general and lacks continuity, which of the following types of planning is used?**  
a) Environmental planning ; (b) Economic planning ; (c) Informal planning ;  
(d) Formal planning
- 469. Which one of the following is an example of organization?**  
a) Hospitals ; (b) Colleges ; (c) Factories ; (d) All of the given options
- 470. The principle of "Division of Labor" was given by:**  
a) Frederick Taylor ; (b) Joseph Juran ; (c) Adam Smith ; (d) W. Edwards Deming
- 471. Which of the following types of plans is highly interdependent and must take into account the resources and capabilities of the entire organization and its external environments?**  
a) Operational plans ; (b) Strategic plans ; (c) Tactical plans ; (d) Budgetary plans
- 472. In some countries, such as Venezuela, titles, rank, and status carry a lot of weight. These countries have a large:**  
a) Power distance ; (b) Uncertainty avoidance ; (c) Short- versus long-term orientation ;  
(d) Individualism versus collectivism
- 473. Plant managers come under which of following management levels?**  
a) First-line managers ; (b) Non-managerial employees ; (c) Middle managers ;

(d) Top managers

- 474. At the very first stage of establishment, organizations are generally indulged in:**  
a) Planning ; (b) Organizing ; (c) Leading ; (d) Controlling
- 475. Feed Back of \_\_\_\_ is necessary to improve the quality of the product.**  
a) Customers ; (b) Employees ; (c) Investors ; (d) All of the given options
- 476. The process of monitoring performance, comparing it with goals and correcting any significant deviations is known as:**  
a) Planning ; (b) Organizing ; (c) Leading ; (d) Controlling
- 477. Staffing is concerned with providing and maintaining.....resources.**  
(a) Physical ; (b) Technical ; (c) Human ; (d) Financial
- 478. Kets de Vries (1996) identified that most successful leaders perform two roles. What are these roles?**  
(a) Charismatic and architectural ; (b) Tough and supportive ; (c) Directive and mentoring ;  
(d) Intellectual and coaching
- 479. The Action Centred Leadership model was put forward and developed in 1973 by whom?**  
(a) Beer ; (b) Taylor ; (c) Adair ; (d) Fiedler
- 480. It has been identified that there are 6 Pillars of Character that are important to adopting and ethical perspective in leadership development. Can you name four of the six?**  
(a) Trustworthiness, Respect, Responsibility, Fairness, Caring and Citizenship  
(b) Ruthlessness, Drive, Determination, Toughness, Supportive, Action orientated  
(c) Supportive, intelligent, insightful, good communicator, toughness, Fair  
(d) Caring, softness, intelligent, decisive, team player, communicator
- 481. Berg and Chyung use an analogy to distinguish formal and informal learning. In this analogy, formal learning is represented as a journey by bus, whereas informal learning is characterized as what?**  
(a) Like flying an aeroplane ; (b) Like riding a bicycle ; (c) Like driving a car ;  
(d) Like being on a train
- 482. Barner and Higgins identify four theory models of coaching to which all coaches will subscribe, consciously or otherwise, in varying degrees. Which of these models aims primarily to help the individual to gain insights into themselves (as a person and as a manager) and to effect changes based on those insights?**  
(a) Systems model ; (b) Social constructionist model ; (c) Behavioural model ; (d) Clinical model
- 483. The authors suggest the idea of wrappers for a series of related and overlapping concepts that writers and organizations use to define and delineate practices in areas related to leadership and management development. Which three concepts make up these wrappers?**  
(a) Alignment, human resource planning, and skills analysis  
(b) Career planning, talent pipeline, and retention strategies  
(c) Talent management, succession management, and career management  
(d) Career ladders, talent pools, and engagement practices
- 484. The authors take a broad view of leadership and management (L&M) development, including all activities aimed at building ongoing L&M capacity, enabling the organization to meet its objectives, to sustain itself and to what else?**  
(a) Transform itself ; (b) Develop talent ; (c) Agree strategy ; (d) Make money
- 485. Holton (1996) criticised Kirkpatrick's model of levels of evaluation in learning, stating that only three of these levels were causally related to learning and development. Which were the three levels Holton identified?**  
(a) Reactions, learning, organizational results  
(b) Learning, individual performance, organizational results

- (c) Reactions, individual performance, learning  
(d) Learning, Reactions, organizational results
- 486. Stein et al (2008) found that top executives differed significantly from the remainder of the general population in terms of a certain personal characteristic(c) This difference was also found to be linked to effective leadership and organizational effectiveness. What was the identified personal characteristic?**  
a. Greater emotional intelligence ; (b) More ambition ; (c) Greater IQ ; (d) More personality
- 487. What is the Human Capital Perspective argument for diversity management in leadership and management?**  
a. Using human resource planning to identify leaders and managers  
b. Assessing all employees in terms of the money they make  
c. Taking advantage of the talents available in the whole of the workforce  
d. Telling employees that their knowledge and skills will be assessed and used by managers
- 488. Research in the styles of leadership preferred by different generations was completed by Arsenault (2004). What was the style of leadership that Generation X was found to prefer?**  
(a) Directive ; (b) Authoritarian ; (c) Participative ; (d) Egalitarian
- 489. Earley and Mosakowski (2004) developed the concept of cultural intelligence in the context of attitudes and skills. Which of the following did they identify which related to learning strategies whereby people acquire and develop coping strategies?**  
(a) Mind ; (b) Knowledge ; (c) Heart ; (d) Body
- 490. Whilst there is no consensus as to what global leadership competencies are there is agreement as to what according to Neary and O'Grady?**  
(a) Lead change ; (b) Internal and external networking ; (c) Management style ;  
(d) The need to develop managers through such an approach
- 491. Planning to learn from experience is in keeping with which of Mumford's four approaches to learning?**  
(a) Prospective approach ; (b) Intuitive approach ; (c) Incidental approach ;  
(d) Retrospective approach
- 492. Which of Carnall's (2003) four core managerial components essential for the effective management of change involves team building?**  
(a) Decision making ; (b) Coalition building ; (c) Achieving action ; (d) Maintaining momentum
- 493. Which type of decision making process in effect involves no decision per se?**  
(a) simple decision making ; (b) nominal decision making ; (c) extended decision making ;  
(d) automatic decision making
- 494. Nominal decision making is sometimes referred to as \_\_\_\_.**  
(a) habitual decision making ; (b) routine decision making ; (c) simple decision making ;  
(d) automatic decision making
- 495. A(n) \_\_\_\_ is the way an individual perceives his or her feelings and situation to be at the present time.**  
(a) current state ; (b) actual state ; (c) desired state ; (d) self-concept
- 496. The four main approaches to organisations and management are.....**  
(a) contingency, social action, scientific management and classical  
(b) classical, human relations, bureaucracy and social action  
(c) human relations, social action, contingency and scientific management  
(d) classical, human relations, systems and contingency
- 497. The approach to organisations, structure and management which emphasises the formal structure, hierarchy of management, the technical requirements and the assumption of rational behaviour**

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is..

- (a) the contingency theory ; (b) the contingency theory ; (c) the systems approach ;  
 (d) the classical approach

**498. Scientific management focuses on a \_\_\_\_\_ approach to motivation**

- (a) social-economic ; (b) human ; (c) rational-economic ; (d) none of the above

**499. Taylors thoughts were based on studies at \_\_\_\_\_**

- (a) The Arsenal  
 (b) The Watertown Steel Corporation  
 (c) The Bethlehem Steel Corporation  
 (d) The American Steel Arsenal

**500. Taylor put forward the idea of \_\_\_\_\_**

- (a) purposeful foremanship ; (b) motivational foremanship ; (c) functional foremanship ;  
 (d) social foremanship

**Answers**

1	c	2	b	3	d	4	d	5	b	6	a	7	a
8	c	9	a	10	b	11	c	12	a	13	d	14	b
15	b	16	d	17	c	18	d	19	a	20	b	21	b
22	c	23	d	24	c	25	d	26	c	27	d	28	c
29	a	30	a	31	c	32	b	33	a	34	b	35	b
36	a	37	a	38	a	39	a	40	c	41	a	42	b
43	b	44	c	45	a	46	b	47	c	48	b	49	d
50	d	51	d	52	d	53	b	54	c	55	c	56	a
57	d	58	b	59	b	60	a	61	a	62	b	63	c
64	c	65	b	66	d	67	c	68	b	69	d	70	a
71	b	72	b	73	c	74	b	75	d	76	d	77	c
78	d	79	d	80	c	81	b	82	b	83	c	84	a
85	a	86	c	87	a	88	b	89	a	90	c	91	d
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99	a	100	d	101	c	102	c	103	b	104	c	105	a
106	d	107	d	108	b	109	c	110	a	111	b	112	d
113	c	114	c	115	a	116	a	117	b	118	b	119	b
120	a	121	c	122	a	123	d	124	a	125	d	126	a
127	c	128	b	129	d	130	c	131	b	132	a	133	c
134	d	135	a	136	d	137	b	138	b	139	c	140	d
141	a	142	d	143	b	144	b	145	c	146	a	147	a
148	a	149	d	150	c	151	d	152	a	153	d	154	a
155	a	156	b	157	a	158	d	159	d	160	b	161	d
162	c	163	a	164	b	165	a	166	c	167	a	168	c
169	a	170	c	171	a	172	b	173	c	174	c	175	c
176	c	177	c	178	d	179	d	180	c	181	a	182	c
183	a	184	a	185	b	186	b	187	c	188	d	189	d
190	c	191	a	192	c	193	b	194	b	195	b	196	b
197	b	198	b	199	b	200	a	201	c	202	d	203	b
204	a	205	a	206	d	207	d	208	b	209	b	210	a
211	d	212	d	213	d	214	d	215	d	216	a	217	c
218	c	219	c	220	b	221	b	222	d	223	b	224	d
225	b	226	b	227	c	228	a	229	c	230	a	231	c
232	c	233	c	234	d	235	d	236	d	237	a	238	b
239	c	240	d	241	a	242	a	243	d	244	c	245	c



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246	d	247	d	248	b	249	d	250	a	251	c	252	d
253	d	254	c	255	a	256	d	257	b	258	b	259	c
260	c	261	b	262	d	263	a	264	c	265	c	266	d
267	b	268	a	269	b	270	c	271	a	272	b	273	c
274	c	275	b	276	d	277	b	278	a	279	a	280	c
281	b	282	a	283	d	284	c	285	b	286	b	287	b
288	b	289	b	290	a	291	b	292	a	293	d	294	b
295	a	296	d	297	a	298	b	299	a	300	b	301	d
302	c	303	c	304	b	305	b	306	a	307	a	308	a
309	b	310	b	311	b	312	c	313	d	314	d	315	b
316	a	317	a	318	a	319	c	320	d	321	d	322	b
323	a	324	c	325	b	326	b	327	d	328	a	329	c
330	b	331	b	332	b	333	b	334	b	335	a	336	a
337	c	338	a	339	c	340	b	341	a	342	c	343	a
344	b	345	c	346	b	347	a	348	c	349	d	350	a
351	a	352	a	353	d	354	a	355	d	356	b	357	a
358	d	359	d	360	a	361	c	362	c	363	a	364	a
365	c	366	c	367	c	368	b	369	d	370	d	371	c
372	c	373	c	374	d	375	c	376	a	377	d	378	d
379	a	380	d	381	d	382	b	383	d	384	a	385	c
386	d	387	b	388	c	389	b	390	b	391	d	392	a
393	b	394	b	395	c	396	b	397	c	398	d	399	c
400	a	401	c	402	b	403	c	404	c	405	d	406	a
407	d	408	c	409	a	410	d	411	b	412	b	413	c
414	d	415	d	416	c	417	b	418	a	419	c	420	d
421	d	422	c	423	d	424	d	425	c	426	c	427	b
428	d	429	c	430	a	431	a	432	b	433	d	434	b
435	c	436	a	437	b	438	b	439	b	440	d	441	c
442	a	443	a	444	a	445	d	446	c	447	a	448	b
449	d	450	a	451	d	452	c	453	b	454	c	455	a
456	a	457	d	458	b	459	b	460	b	461	b	462	b
463	c	464	d	465	c	466	c	467	d	468	c	469	d
470	c	471	b	472	a	473	c	474	a	475	d	476	d
477	c	478	a	479	c	480	a	481	b	482	d	183	c
484	a	485	b	486	a	487	c	488	d	489	a	490	d
491	a	492	d	493	b	494	a	495	b	496	d	497	d
498	c	499	c	500	c								

## Paper 2 - Fundamentals of Accounting

### Multiple Choice Questions on Cost Accounting

1. **Costs that change in response to alternative courses of action are called:**  
 (a) Relevant costs ; (b) Differential costs ; (c) Target costs ; (d) Sunk costs

2. **The cost data pertaining to Product "X" of XL Ltd. are as follows :**

Maximum capacity	30,000 units
Normal capacity	15,000 units
Increase in inventory	1,880 units
Variable cost per unit	₹ 12
Selling price per unit	₹ 50
Fixed manufacturing overhead costs	₹ 3,60,000

**If the profit under Absorption costing method is ₹ 1,01,000, the profit under Marginal costing method would be**

(a) ₹ 1,46,120 ; (b) ₹ 1,23,560 ; (c) ₹ 55,880 ; (d) ₹ 73,340

[Hint : Fixed cost per unit = ₹ 3,60,000 / 15,000 units = ₹ 24

Profit under absorption costing = ₹ 1,01,000

Adjustment of fixed manufacturing overhead costs of increased inventory = 1,880 units x ₹ 24 = ₹ 45,120

Profit under marginal costing = ₹ 1,01,000 – ₹ 45,120 = ₹ 55,880]

3. **The total cost incurred in the operation of a business undertaking other than the cost of manufacturing and production is known as**

(a) Direct cost ; (b) Variable cost ; (c) Commercial cost ; (d) Conversion cost

4. **Consider the following data for a company during the month of June 2012**

Budgeted hours	4,000
Standard hours for actual production	4,400
Maximum possible hours in the budget period	4,800
Actual hours	3,800

**The activity ratio of the company during the month is**

(a) 111% ; (b) 120% ; (c) 95% ; (d) 117%

[Hint : Activity ratio =  $\frac{\text{Standard hours for actual production}}{\text{Budgeted hours}} \times 100$   
 =  $\frac{4,400 \text{ hours}}{4,000 \text{ hours}} \times 100 = 111\%$ ]

5. **Total unit costs are**

(a) Independent of the cost system, used to generate them  
 (b) Needed for determining product contribution  
 (c) Irrelevant in marginal analysis  
 (d) Relevant for cost-volume-profit analysis

6. **Which of the following bases is not appropriate for apportionment of Transport department's cost ?**

(a) Crane hours ; (b) Crane value ; (c) Truck Mileage ; (d) Truck value

7. **The cost of obsolete inventory acquired several years ago, to be considered in a keep vs. disposal decision is an example of :**

(a) Uncontrollable cost ; (b) Sunk cost ; (c) Avoidable cost ; (d) Opportunity cost

[Hint : Costs of obsolete inventory represent the sunk cost because the costs have already been incurred.]

8. **Budgeted sales for the next year is 5,00,000 units. Desired ending finished goods inventory is 1,50,000 units and equivalent units in ending W-I-P inventory is 60,000 units. The opening finished goods**

inventory for the next year is 80,000 units, with 50,000 equivalent units in beginning W-I-P inventory  
How many equivalent units should be produced?

(a) 5,80,000 ; (b) 5,50,000 ; (c) 5,00,000 ; (d) 5,75,000

[Hint : Using production related budgets, units to produce equals budgeted sales + desired ending finished goods inventory + desired equivalent units in ending W-I-P inventory – beginning finished goods inventory – equivalent units in beginning W-I-P inventory. Therefore, in this case, units to produce is equal to 5,00,000 + 1,50,000 + 60,000 – 80,000 – 50,000 = 5,80,000.

9. If the asset turnover and profit margin of a company are 1.85 and 0.35 respectively, the return on investment is

(a) 0.65 ; (b) 0.35 ; (c) 1.50 ; (d) 5.29

[Hint : Return on investment = Asset turnover x Profit margin = 1.85 x 0.35 = 0.65]

10. A company is currently operating at 80% capacity level. The production under normal capacity level is 1,50,000 units. The variable cost per unit is ₹ 14 and the total fixed costs are ₹ 8,00,000. If the company wants to earn a profit of ₹ 4,00,000, then the price of the product per unit should be

(a) ₹ 37.50

(b) ₹ 38.25

(c) ₹ 24.00

(d) ₹ 35.00

[Hint : Total fixed cost - ₹ 8,00,000  
Expected profit - ₹ 4,00,000  
Variable cost at 80% level  
(80% x 1,50,000 units x ₹ 14) - ₹ 16,80,000  
Total price - ₹ 28,80,000  
Per unit price at 80% level = (₹ 28,80,000 / 1,20,000 units) = ₹ 24.00.]

11. Consider the following data pertaining to the production of a company for a particular month :

Opening stock of raw material ₹ 11,570

Closing stock of raw material ₹ 10,380

Purchase of raw material during the month ₹ 1,28,450

Total manufacturing cost charged to product ₹ 3,39,165

Factory overheads are applied at the rate of 45% of direct labour cost.

The amount of factory overheads applied to production is

(a) ₹ 65,025

(b) ₹ 94,287

(c) ₹ 95,020

(d) ₹ 1,52,624

[Hint : Raw material used = Op. Stock + Purchases – Cl. Stock  
= ₹ 11,570 + ₹ 1,28,450 – ₹ 10,380 = ₹ 1,29,640  
Manufacturing cost = Raw material used + Direct labour + Factory overhead  
₹ 3,39,165 = ₹ 1,29,640 + Direct labour + 45% of Direct labour  
1.45 Direct labour = ₹ 2,09,525  
Direct labour = ₹ 1,44,500  
The amount of factory overhead = 45% of ₹ 1,44,500 = ₹ 65,025.]

12. The budgeted annual sales of a firm is ₹ 80 lakhs and 25% of the same is cash sales. If the average amount of debtors of the firm is ₹ 5 lakhs, the average collection period of credit sales months.

(a) 1.50

(b) 1.00

(c) 0.50

(d) 1.75

[Hint : Total annual sales = ₹ 80 lakhs  
Total cash sales = 25 % of 80 lakhs. = 20 lakhs.  
Total credit sales = 75% of 80 lakhs = 60 lakhs  
Average amount of debtors = 5 lakhs = 1 months average credit sales.  
Therefore, average collection period is 1 month.]

13. If the minimum stock level and average stock level of raw material "A" are 4,000 and 9,000 units respectively, find out its reorder quantity.

- (a) 8,000 units  
 (b) 11,000 units  
 (c) 10,000 units  
 (d) 9,000 units

[Hint : Average stock level = Minimum stock level +  $\frac{1}{2}$  Reorder quantity  
 9,000 units = 4,000 units +  $\frac{1}{2}$  Reorder quantity  
 $\frac{1}{2}$  Reorder quantity = 9,000 units – 4,000 units  
 Reorder level = 5,000 units / 0.5 = 10,000 units]

14. A worker has a time rate of ₹ 15/hr. He makes 720 units of component (standard time : 5 minutes/ unit) in a week of 48 hours. His total wages including Rowan bonus for the week is

- (a) ₹ 792  
 (b) ₹ 820  
 (c) ₹ 840  
 (d) ₹ 864

[Hint : Standard time =  $\frac{5 \text{ times} \times 720 \text{ units}}{60 \text{ minutes}}$  = 60 hours

Time taken = 48 hrs.

Time saved = 12 hrs.

Total earning of a worker under Rowan plan

$$= (48 \text{ hrs.} \times ₹ 15) + \left( \frac{12 \text{ hrs.}}{60 \text{ hrs.}} \times 48 \text{ hrs.} \times ₹ 15 \right)$$

$$= ₹ 720 + ₹ 144 = ₹ 864$$

15. A company maintains a margin of safety of 25% on its current sales and earns a profit of ₹ 30 lakhs per annum. If the company has a profit volume (P/V) ratio of 40%, its current sales amount to

- (a) ₹ 200 lakhs  
 (b) ₹ 300 lakhs  
 (c) ₹ 325 lakhs  
 (d) None of the above

[Hint : Margin of safety = Profit/ P/V Ratio  
 =  $\frac{30}{0.40}$  = ₹ 75 lakhs  
 0.25 of sales = ₹ 75 lakhs  
 Hence, Sales =  $\frac{75}{0.25}$  = ₹ 300 lakhs]

16. Sale for two consecutive months, of a company are ₹ 3,80,000 and ₹ 4,20,000. The company's net profits for these months amounted to ₹ 24,000 and ₹ 40,000 respectively. There is no change in contribution/sales ratio or fixed costs. The contribution/sales ratio of the company is

- (a)  $\frac{1}{3}$   
 (b)  $\frac{2}{5}$   
 (c)  $\frac{1}{4}$   
 (d) None of the above

[Hint : Contribution / sales = Increase in profit / Increase in sales  
 =  $\frac{(40,000 - 24,000)}{(4,20,000 - 3,80,000)}$   
 =  $\frac{16,000}{40,000}$  =  $\frac{2}{5}$ ]

17. A Limited has fixed costs of ₹ 6,00,000 per annum. It manufactures a single product which it sells for ₹ 200 per unit. Its contribution to sales ratio is 40%. A Limited's break-even in units is

- (a) 7,500  
 (b) 8,000  
 (c) 3,000  
 (d) 1,500

[Hint : Break-even units = Fixed cost / contribution per unit  
 = ₹ 6,00,000/ 40% of ₹ 200  
 = 7,500]

18. The current liabilities of Akash Ltd. is ₹ 30,000. If its current ratio is 3:1 and Quick ratio is 1:1, the value of stock-in-trade will be

- (a) ₹ 20,000
- (b) ₹ 30,000
- (c) ₹ 60,000
- (d) Insufficient information

[Hint : Current Ratio =  $\frac{\text{Current Assets}}{\text{Current Liabilities}}$  = 3:1  
 Current Assets = ₹ 30,000 x 3 = ₹ 90,000  
 Quick Ratio =  $\frac{\text{Quick Assets}}{\text{Quick Liabilities}}$  = 1:1  
 Liquid assets = ₹ 30,000 x 1 = ₹ 30,000  
 Hence, value of stock-in-trade : CA – LA = ₹ (90,000 – 30,000) = ₹ 60,000]

19. If the capacity usage ratio of a production department is 90% and activity ratio is 99% then the efficiency ratio of the department is

- (a) 100%
- (b) 120%
- (c) 110%
- (d) 105%

[Hint : Efficiency ratio (ER) =  $\frac{\text{Std. hr. of production}}{\text{Actual hrs.}}$   
 Activity ratio (AR) =  $\frac{\text{Std. hrs. for production}}{\text{Budgeted hrs.}}$   
 Capacity ratio (CR) =  $\frac{\text{Actual hrs.}}{\text{Budgeted hrs.}}$   
 Hence, ER = AR / CR =  $\frac{99\%}{90\%} = 110\%$ ]

20. In two consecutive periods, sales and profit were ₹ 1,60,000 and ₹ 8,000 respectively in the first period and ₹ 1,80,000 and ₹ 14,000 respectively during the second period. If there is no change in fixed cost between the two periods then P-V ratio must be

- (a) 20%
- (b) 25%
- (c) 30%
- (d) 40%

[Hint :  $\frac{\text{Change in profit}}{\text{Change in sales}} = \text{P/V Ratio}$   
 =  $\frac{14,000 - 8,000}{1,80,000 - 1,60,000}$   
 =  $\frac{6,000}{20,000}$   
 = 0.30 or 30%]

21. Horizon Ltd. Manufactures product BM for last 5 years. The company maintains a margin of safety of 37.5% with overall contribution to sales ratio of 40%. If the fixed cost is ₹ 5 lakh, the profit of the company is

- (a) ₹ 24.00 laks
- (b) ₹ 12.50 lakh
- (c) ₹ 3.00 lakh
- (d) None of A, B, C

[Hint : Break even sales = ₹ 5 lakhs ÷ 0.40 = ₹ 12.50 lakhs  
 Total sales =  $\frac{12.50}{(1 - 0.375)}$  = ₹ 20.00 lakhs  
 Hence the profit of the company : ₹ 20 lakh x 0.375 x 0.40 = ₹ 3.00 lakhs]

22. The cost-volume-profit relationship of a company is described by the equation  $y = ₹ 8,00,000 + 0.60x$ , in which  $x$  represents sales revenue and  $y$  is the total cost at the sales volume represented by  $x$ . If the company desires to earn a profit of 20% on sales, the required sales will be.  
 (a) ₹ 40,00,000  
 (b) ₹ 35,50,000  
 (c) ₹ 24,00,000  
 (d) ₹ 20,00,000  
**[Hint :** Variable cost = 60% , therefore, contribution to sales ratio = 40% (P/V ratio)  
 Company's target profit 20% in sales, therefore, revised contribution which covers only fixed cost = 40% - 20% = 20%.  
 Required sales = fixed cost / revised contribution = ₹ 8,00,000/ 20% = ₹ 40,00,000.]
23. ABC Ltd. is having 400 workers at the beginning of the year and 500 workers at the end of the year. During the year 20 workers were discharged and 15 workers left the organization. During the year the company has recruited 65 workers. Of these, 18 workers were recruited in the vacancies of those leaving, while the rest were engaged for an expansion scheme. The labour turnover rate under separation method is :  
 (a) 22.20%  
 (b) 7.78%  
 (c) 4.00%  
 (d) 14.40%  
**[Hint :** Average number of workers =  $(400 + 500)/2 = 450$   
 Separation method  
 $= \frac{\text{No. of separations during the period}}{\text{Average number of workers during the period}} \times 100$   
 $= \frac{20 + 15}{450} \times 100$   
 $= 7.78\%$ ]
24. One of the most important tools in cost planning is:  
 (a) Direct cost ; (b) Cost Sheet ; (c) Budget ; (d) Marginal Costing.
25. Economies and diseconomies of scale explain why the:  
 (a) Short-run average fixed cost curve declines so long as output increases.  
 (b) Marginal cost curve must intersect the minimum point of the firm's average total cost curve.  
 (c) Long-run average total cost curve is typically U-shaped.  
 (d) Short-run average variable cost curve is U-shaped.
26. Which of the following is not a relevant cost?  
 (a) Replacement cost ; (b) Sunk cost ; (c) Marginal cost ; (d) Standard cost.
27. Which of the following is an accounting record?  
 (a) Bill of Material ; (b) Bin Card ; (c) Stores Ledger. ; (d) All of these.
28. The fixed-variable cost classification has a special significance in preparation of :  
 (a) Flexible Budget ; (b) Master Budget ; (c) Cash Budget ; (d) Capital Budget
29. Input in a process is 4000 units and normal loss is 20%. When finished output in the process is only 3240 units, there is an :  
 (a) Abnormal loss of 40 units ; (b) Abnormal gain of 40 units ; (c) Neither abnormal loss nor gain.  
 (d) Abnormal loss of 60 units.
30. Idle capacity of a plant is the difference between:  
 (a) Maximum capacity and practical capacity ; (b) Practical capacity and normal capacity  
 (c) Practical capacity and capacity based on sales expectancy  
 (d) Maximum capacity and actual capacity.
31. When P/V ratio is 40% and sales value is ₹10,000, the variable cost will be  
 (a) ₹ 4000 ; (b) ₹ 6000 ; (c) ₹ 10000 ; (d) Variable Cost cannot be calculated from data given.

32. **The forex component of imported material cost is converted**  
(a) At the rate on the date of settlement ; (b) At the rate on the date of transaction  
(c) At the rate on date of delivery ; (d) None of the above.

33. **Maximum possible productive capacity of a plant when no operating time is lost , is its**  
(a) Practical capacity ; (b) Theoretical capacity ; (c) Normal capacity  
(d) Capacity based on sales expectancy

[Hint : Theoretical capacity is the denominator-level concept that is based on producing at full efficiency all the time.,

Practical capacity is a denominator-level concept that reduces the theoretical capacity by unavoidable operating interruptions such as scheduled maintenance time, shutdowns for holidays and so on.

Normal capacity measures the denominator level in terms of demand for the output of the plant. Normal capacity utilization is a concept based on the level of capacity utilization that specifies the average customer demand over a time period, that includes seasonal, cyclical and trend factors.]

34. **When production is below standard specification or quality and cannot be rectified by incurring additional cost, it is called**  
(a) Defective ; (b) Spoilage ; (c) Waste ; (d) Scrap

[Hint : (1) Spoiled goods-goods that do not meet production standards and are either sold for their salvage value or discarded; (2) Defective units-goods that do not meet standards and are sold at a reduced price or reworked and sold at the regular or a reduced price; (3) Waste-material that is lost in the manufacturing process by shrinkage, evaporation, etc.; and (4) Scrap-by-product of the manufacturing process that has a minor market value.]

35. **CAS 8 requires each type of utility to be treated as**  
(a) Separate cost object ; (b) Not part of cost as not include in material  
(c) Not part of cost as they do not form part of product  
(d) Treated as administrative overheads.

36. **Selling and distribution overhead does not include:**  
(a) Cost of warehousing ; (b) Repacking cost ; (c) Transportation cost ; (d) Demurrage charges.

37. **When overtime is required for meeting urgent orders, overtime premium should be**  
(a) Charged to Costing Profit and Loss A/c ; (b) Charged to overhead costs  
(c) Charged to respective jobs ; (d) None of the above.  
[Hint : When cost is incurred for specified job, the cost should be charged to that job only.]

38. **Exchange losses or gains after purchase transaction is complete is treated as**  
(a) Product cost.; (b) Overhead cost. ; (c) Purchase cost. ; (d) Finance cost

39. **Selling price per unit ₹ 15.00; Direct Materials cost per unit ₹ 3.50; Direct Labour cost per unit ₹ 4.00 Variable Overhead per unit ₹ 2.00; Budgeted fixed production overhead costs are ₹ 60,000 per annum charged evenly across each month of the year. Budgeted production costs are 30,000 units per annum. What is the Net profit per unit under Absorption costing method.**  
(a) ₹ 9.50 ; (b) ₹ 15.00 ; (c) ₹ 11.50 ; (d) ₹ 3.50

40. **Which of the following cost is linked with the calculation of cost of inventories?**  
(a) Product cost ; (b) Period cost ; (c) Both product and period cost ; (d) Historical cost

41. **If, Sales = ₹ 800,000  
Markup rate = 25% of cost  
What would be the value of Gross profit?**  
(a) ₹ 200,000 ; (b) ₹ 160,000 ; (c) ₹ 480,000 ; (d) ₹ 640,000

42. **Which of the following is TRUE when piece rate system is used for wage determination?**  
(a) Under this method of remuneration a worker is paid on the basis of time taken by him to perform the work

- (b) Under this method of remuneration a worker is paid on the basis of production  
(c) The rate is expressed in terms of certain sum of money for total production  
(d) The rate is not expressed in terms of certain sum of money for total production
43. **The salary of factory clerk is treated as:**  
(a) Direct labor cost ; (b) Indirect labor cost ; (c) Conversion cost ; (d) Prime cost
44. **Average consumption x Emergency time is a formula for the calculation of:**  
(a) Lead time ; (b) Re-order level ; (c) Maximum consumption ; (d) Danger level
45. **EOQ is a point where:**  
(a) Ordering cost is equal to carrying cost ; (b) Ordering cost is higher than carrying cost  
(c) Ordering cost is lesser than the carrying cost ; (d) Total cost is maximum
46. **A worker is paid ₹ 0.50 per unit and he produces 18 units in 7 hours. Keeping in view the piece rate system, the total wages of the worker would be:**  
(a)  $18 \times 0.50 = ₹ 9$  ; (b)  $18 \times 7 = ₹ 126$  ; (c)  $7 \times 0.5 = ₹ 3.5$  ; (d)  $18 \times 7 \times 0.50 = ₹ 63$
47. **When closing stock is over valuate, what would its effect on profit?**  
(a) Cannot determined with given statement ; (b) It will increase the profit  
(c) It will decrease the profit ; (d) No effect on profit
48. **A firm sells bags for ₹ 14 each. The variable cost for each unit is ₹ 8. What is the contribution margin per unit?**  
(a) ₹ 6 ; (b) ₹ 12 ; (c) ₹ 14 ; (d) ₹ 8
49. **Which of the following is NOT true? A small company's breakeven point:**  
(a) Occurs where its revenue equals its expenses  
(b) Shows entrepreneurs' minimum level of activity required to keep the company in operation  
(c) Is the point at which a company neither earns a profit nor incurs a loss  
(d) Total contribution margin equals total variable expenses
50. **Keller Co. sells a single product for ₹ 28 per unit. If variable costs are 65% of sales and fixed costs total ₹ 9,800, the break-even point will be:**  
(a) 15,077 units ; (b) 18,200 units ; (c) 539 units ; (d) 1,000 units
51. **If B Limited shows required production of 120 cases of product for the month, direct labor per case is 3 hours at ₹ 12 per hour. Budgeted labor costs for the month should be:**  
(a) ₹ 1,360 ; (b) ₹ 1,440 ; (c) ₹ 4,320 ; (d) ₹ 5,346
52. **Which of the following is a process by which managers analyze options available to set courses of action by the organization?**  
(a) Heuristics method ; (b) Decision making ; (c) The Delphi technique ; (d) Systematic error
53. **Which of the following is not true about differential costs?**  
(a) It is a broader concept than variable cost as it takes into account additional fixed costs caused by management decisions  
(b) With the passage of time and change in situation, differential costs will vary  
(c) The difference in cost between buying them from outside or make them in the company is differential cost, irrelevant for decisions  
(d) They are extra or incremental costs caused by a particular decision
54. **Which one of the following is the Traditional approach for costing?**  
(a) Contribution approach ; (b) Absorption costing approach  
(c) Decision making approach ; (d) Marginal costing approach
55. **What would be the margin of safety ratio based on the following information?**



Sales price = ₹ 100 per unit  
Variable cost = ₹ 25 per unit  
Fixed cost = ₹ 50 per unit

- (a) 25%
- (b) 33.333%
- (c) 66.666%
- (d) 75%

56. If:  
Cost of opening finished goods ₹ 2,000  
Cost of goods to be produced ₹ 6,000  
Operating expenses ₹ 1,000.  
Which of the following is the cost of goods available for sale?  
(a) ₹ 8,000 ; (b) ₹ 4,000 ; (c) ₹ 7,000 ; (d) ₹ 9,000
57. Ahmed Corporation has sales of ₹ 500,000 for the period. The selling expenses are estimated as 12% of sales. The gross profit for the period is amounting to ₹ 150,000.  
Calculate the amount of selling expenses for the period?  
(a) ₹ 60,000 ; (b) ₹ 45,000 ; (c) ₹ 90,000 ; (d) ₹ 210,000
58. Which of the following would be considered to be an investment centre?  
(a) Managers have control over marketing  
(b) Managers have a sales team  
(c) Managers have a sales team and are given a credit control function  
(d) Managers can purchase capital assets and are given a credit control function
59. Which of the following would NOT lead to an increase in net cash flow?  
(a) Larger sales volume ; (b) Higher selling price ; (c) Reduced material cost  
(d) Charging of lower depreciation
60. All of the following are features of a relevant cost EXCEPT:  
(a) They affect the future cost ; (b) They cause an increment in cost  
(c) Relevant cost is a sunk cost ; (d) They affect the future cash flows
61. Which of the following statement is TRUE about the relevant cost?  
(a) It is a sunk cost ; (b) It is an opportunity cost  
(c) It do not affect the decision making process ; (d) All costs are relevant
62. In decision making all costs already incurred in past should always be:  
(a) Ignored ; (b) Considered ; (c) Partially ignored ; (d) Partially considered
63. Which of the following statement is TRUE about historical cost?  
(a) It is always relevant to decision making  
(b) It is always irrelevant to decision making  
(c) It is always an opportunity cost ; (d) It is always realizable value
64. In cost accounting, unavoidable loss is charged to which of the following?  
(a) Factory over head control account ; (b) Work in process control account  
(c) Marketing overhead control account ; (d) Administration overhead control account
65. Merrick Differential Piece Rate Plan based on \_\_\_\_\_ piece rates is fixed.  
(a) Two ; (b) Three ; (c) Four ; (d) Five
66. Which of the given is (are) the method(s) of measurement of Labor Turnover?  
(a) Separation method ; (b) Flux method ; (c) Replacement method ;  
(d) All of the given options
67. What will be the impact of normal loss on the overall per unit cost ?  
(a) Per unit cost will increase ; (b) Per unit cost will decrease  
(c) Per unit cost remain unchanged ; (d) Normal loss has no relation to unit cost

**68. Which of the given units can never become part of first department of Cost of Production Report?**

- (a) Units received from preceding department
- (b) Units transferred to subsequent department
- (c) Lost units ; (d) Units still in process

**69. Details of the process for the last period are as follows:**

Put into process	5,000 kg
Materials	₹ 2,500
Labor	₹700
Production overheads	200% of labor

Normal losses are 10% of input in the process. The output for the period was 4,200 Kg from the process. There was no opening and closing Work- in- process. What were the units of abnormal loss?

- (a) 500 units ; (b) 300 units ; (c) 200 units ; (d) 100 units

**70. ABC Company makes a single product which it sells for ₹ 20 per unit. Fixed costs are ₹ 75,000 per month and product has a profit/volume ratio of 40%. In that period actual sales were ₹ 225,000.**

**Required: Calculate ABC Company Break Even point in ₹**

- (a) ₹187, 500 ; (b) ₹562, 500 ; (c) ₹ 1,500,000 ; (d) None of the given options

**71. All of the following are the features of fixed costs EXCEPT:**

- (a) Although fixed within a relevant range of activity level but are relevant to a decision making when it is avoidable.
- (b) Although fixed within a relevant range of activity level but are relevant to a decision making when it is incremental.
- (c) Generally it is irrelevant
- (d) It is relevant to decision making under any circumstances

**72. A typical factory overhead cost is:**

- (a) Distribution ; (b) Internal audit ; (c) Compensation of plant manager ; (d) Design

**73. An average cost is also known as:**

- (a) Variable cost ; (b) Unit cost ; (c) Total cost ; (d) Fixed cost

**74. Period costs are:**

- (a) Expensed when the product is sold ; (b) Included in the cost of goods sold
- (c) Related to specific period ; (d) Not expensed

**75. While calculating the EOQ, number of orders is calculated by:**

- (a) Dividing required unit by ordered quantity
- (b) Multiplying the required units with ordered quantity
- (c) Multiplying the ordered quantity with cost per order
- (d) Multiplying the required units with cost per order

**76. Which of the following best describe piece rate system?**

- (a) The increased volume of production results in decreased cost of production
- (b) The increased volume of production in minimum time
- (c) Establishment of fair standard rates ; (d) Higher output is a result of efficient management

**77. The term Cost apportionment is referred to:**

- (a) The costs that can not be identified with specific cost centers.
- (b) The total cost of factory overhead needs to be distributed among specific cost centers but must be divided among the concerned department/cost centers.
- (c) The total cost of factory overhead needs to be distributed among specific cost centers.
- (d) None of the given options

78. Which of the following loss is not included as part of the cost of transferred or finished goods, but rather treated as a period cost?  
 (a) Operating loss ; (b) Abnormal loss ; (c) Normal loss ; (d) Non-operating loss

79. Hyde Park Company produces sprockets that are used in wheels. Each sprocket sells for ₹ 50 and the company sells approximately 400,000 sprockets each year. Unit cost data for the year follows:

Direct material	₹ 15	
Direct labor	₹ 10	
Other cost:	Fixed	Variable
Manufacturing	₹ 5	₹ 7
Distribution	₹ 4	₹ 3

Required: Identify the unit cost of sprockets under direct costing

(a) ₹ 44 ; (b) ₹ 37 ; (c) ₹ 32 ; (d) ₹ 35

80. When production is equal to sales, which of the following is TRUE?

- (a) No change occurs to inventories for either use absorption costing or variable costing methods
- (b) The use of absorption costing produces a higher net income than the use of variable costing
- (c) The use of absorption costing produces a lower net income than the use of variable costing
- (d) The use of absorption costing causes inventory value to increase more than they would though the use of variable costing

81. Selling price per unit is ₹ 15, total variable cost per unit is ₹ 9, and total fixed costs are ₹ 15,000 of "XIT". What is the breakeven point in units for "XIT"?

(a) 3,000 units ; (b) 1,000 units ; (c) 1,667 units ; (d) 2,500 units

82. While constructing a Break even chart, the gap between sales line and variable cost line shows which of the following?

(a) Fixed cost ; (b) Break even point ; (c) Contribution margin ; (d) Variable cost

83. All of the following compose cost of goods sold EXCEPT:

(a) Raw material ; (b) Labor ; (c) Capital ; (d) Factory overhead

84. Amount of Depreciation on fixed assets will be fixed in nature if calculated under which of the following method?

(a) Straight line method ; (b) Reducing balance method ; (c) Some of year's digits method  
 (d) Double declining method

85. Which of the following is NOT a relevant cost to decision making?

(a) Opportunity costs ; (b) Relevant benefits ; (c) Avoidable costs ; (d) Sunk costs

86. What would be the attitude of the management in treating Sunk costs in decision making?

- (a) A periodic investment of cash resources that has been made and should be relevant for decision making
- (b) It is a past cost which is not directly relevant in decision making
- (c) Management will treat it as variable cost each time in decision making
- (d) None of the given options

87. Mr. Aslam is running his own personal Financial services business. He has been offered a job for a salary of ₹ 45,000 per month which he does not availed. ₹ 45,000 will be considered as:

(a) Sunk Cost ; (b) Opportunity cost ; (c) Avoidable cost ; (d) Historical cost

88. Which of the given cost does not become the part of cost unit?

(a) Advertising expenses ; (b) Direct labor cost ; (c) Factory overhead cost ;  
 (c) Cost of raw material

89. Budgeted Factory overhead at two activity levels is as follows for the period.

	Activity level	Budgeted factory overhead
Low	10,000 Hours	₹ 40,000
High	50,000 Hours	₹ 80,000

**Required: Identify variable rate with the help of above mentioned data.**

(a) ₹ 4.00 per hour ; (b) ₹ 1.60 per hour ; (c) ₹ 1.00 per hour ; (d) ₹ 2.00 per hour

**90. Which of the given cost is NOT required to prepare Cost of Production Report?**

(a) Period cost ; (b) Material cost ; (c) Labour cost ; (d) Factory overhead cost

**91. Identify the FOH rate on the basis of machine hour?**

<b>Budgeted production overheads</b>	<b>₹2,80,000</b>
<b>Actual machine hours</b>	<b>70,000 hours</b>
<b>Actual production overheads</b>	<b>₹2,95,000</b>

(a) ₹ 4.00 ; (b) ₹ 4.08 ; (c) ₹ 4.210 ; (d) ₹ 4.35

**92. Which of the given will NOT be included for the calculation of equivalent units of material under weighted average costing method?**

(a) Opening work in process units ; (b) Closing work in process units  
(c) Unit completed and transferred out ; (d) None of the given options

**93. The basic assumption made in direct costing with respect to fixed costs is that**

(a) Fixed cost is a controllable cost ; (b) Fixed cost is a product cost  
(c) Fixed cost is an irrelevant cost ; (d) Fixed cost is a period cost

**94. The little Rock Company shows Break even sales is ₹ 40, 500 and Budgeted Sales is ₹ 50,000. Identify the Margin of safety ratio?**

(a) 19% ; (b) 81% ; (c) 1.81% ; (d) Required more data to calculate

**95. A machine cost ₹ 60,000 five years ago. It is expected that the machine will generate future revenue of 40,000. Alternatively, the machine could be scrapped for ₹ 35,000. An equivalent machine in the same condition cost 38,000 to buy now.**

**Required: Identify the realizable value with the help of given data.**

(a) ₹ 60,000 ; (b) ₹ 40,000 ; (c) ₹ 35, 000 ; (d) ₹ 38,000

**96. Cost of finished goods inventory is calculated by:**

(a) Deducting total cost from finished goods inventory  
(b) Multiplying units of finished goods inventory with the cost per unit  
(c) Dividing units of finished goods inventory with the cost per unit  
(d) Multiplying total cost with finished goods inventory

**97. Assuming no returns outwards or carriage inwards, the cost of goods sold will be equal to:**

(a) Opening stock Less purchases plus closing stock  
(b) Closing stock plus purchases plus opening stock  
(c) Sales less gross profit  
(d) Purchases plus closing stock plus opening stock plus direct labor

**98. All of the following are essential requirements of a good wage system EXCEPT:**

(a) Reduced labor and overhead costs ; (b) Reduced per unit variable costs  
(c) Increased production ; (d) Increased operating costs

**99. Profit under absorption costing will be higher than under marginal costing if :**

(a) Produced units > Units sold ; (b) Produced units < Units sold  
(c) Produced units = Units sold ; (d) Profit cannot be determined with given statement

**100. Good Job Plc makes one product which sells for ₹ 80 per unit. Fixed costs are ₹ 28,000 per month and marginal costs are ₹ 42 per unit. What sales level in units will provide a profit of ₹ 10,000?**

(a) 350 units ; (b) 667 units ; (c) 1,000 units ; (d) 1,350 units

**101. Cost volume Profit analysis (CVP) is a behavior of how many variables?**

(a) 2 ; (b) 3 ; (c) 4 ; (d) 5

102. **If the selling price and the variable cost per unit both decrease at 10% and fixed costs do not change, what is the effect on the contribution margin per unit and the contribution margin ratio?**  
(a) Contribution margin per unit and the contribution margin ratio both remain unchanged  
(b) Contribution margin per unit and the contribution margin ratio both increase  
(c) Contribution margin per unit decreases and the contribution margin ratio remains unchanged  
(d) Contribution margin per unit increases and the contribution margin ratio remains unchanged
103. **All of the following are true EXCEPT:**  
(a) Profit + Fixed cost + Variable cost = Sales  
(b) Profit + Fixed cost = Sales – Variable cost  
(c) Contribution margin – Fixed cost = Profit  
(d) Profit + Fixed cost = Sales + Variable cost
104. **A job needs 3,000 actual labor hours to be completed. It is expected there will be 25% idle time. If the wage rate is ₹ 12.50 per hour, what is budgeted labor cost for the job?**  
(a) ₹ 26,000 ; (b) ₹ 37,500 ; (c) ₹ 50,000 ; (d) ₹ 42,000
105. **A company has budgeted sales of ₹ 48,000, breakeven sales of ₹ 35,000 and actual sales of ₹ 40,000 during a particular period. What will be the margin of safety?**  
(a) ₹ 8,000 ; (b) ₹ 13,000 ; (c) ₹ 5,000 ; (d) ₹ 21,000
106. **Which of the following product cost is included in prime cost and conversion cost?**  
(a) Direct labor ; (b) Manufacturing overhead ; (c) Direct material ; (d) Work in Process
107. **Machine lubricant used on processing equipment in a manufacturing plant would be classified as a**  
(a) Period cost (manufacturing overhead) ; (b) Period cost (Selling, General & Admin)  
(c) Product cost (manufacturing overhead) ; (d) Product cost (Selling, General & Admin)
108. **Which of the following costs would NOT be a period cost?**  
(a) Indirect materials ; (b) Administrative salaries ; (c) Advertising costs ; (d) Selling costs
109. **Which of the following is CORRECT to calculate cost of goods manufactured?**  
(a) Direct labor costs plus total manufacturing costs  
(b) The beginning work in process inventory plus total manufacturing costs and subtract the ending work in process inventory  
(c) Beginning raw materials inventory plus direct labor plus factory overhead  
(d) Conversion costs and work in process inventory adjustments result in cost of goods manufactured
110. **While calculating the EOQ, carrying cost is taken as the:**  
(a) %age of unit cost ; (b) %age of ordering cost ; (c) %age of annual required units  
(d) Total unit cost
111. **If, Wage rate ₹ 100/hr  
Working hours 8 hours  
Shift allowance ₹ 500  
Total pay will be:**  
(a) ₹ 800 ; (b) ₹ 500 ; (c) ₹ 1,300 ; (d) ₹ 300
112. **Which costs will change with an increase in activity within the relevant range ?**  
(a) Unit fixed cost and total fixed cost  
(b) Unit variable cost and total variable cost  
(c) Unit fixed cost and total variable cost  
(d) Unit fixed cost and unit fixed cost
113. **The term cost allocation is described as:**  
(a) The costs that can be identified with specific cost centers.  
(b) The costs that cannot be identified with specific cost centers.  
(c) The total cost of factory overhead needs to be distributed among specific cost centers.  
(d) None of the given options

114. **Over applied FOH will always result when a predetermined FOH rate is applied and:**  
 (a) Production is greater than defined capacity  
 (b) Actual overhead costs are less than budgeted  
 (c) Budgeted capacity is less than normal capacity  
 (d) Actual overhead incurred is less than applied Overhead
115. **The difference over the period of time between actual and applied FOH will usually be minimal when the predetermined overhead rate is based on:**  
 (a) Normal capacity ; (b) Designed capacity ; (c) Direct Labor hours ; (d) Machine hours
116. **The cost that is subject to actual payment or will be paid for in future is called:**  
 (a) Fixed cost ; (b) Step cost ; (c) Explicit cost ; (d) Imputed cost
117. **Under perpetual inventory system the inventory is treated as:**  
 (a) Assets ; (b) Liability ; (c) Income ; (d) Expense
118. **During the year 60,000 units put in to process. 55,000 units were completed. Closing WIP were 25,000 units, 40% completed. How much the equivalent units of output would be produced?**  
 (a) 25,000 units ; (b) 10,000 units ; (c) 65,000 units ; (d) 80,000 units
119. **The components of total factory cost are:**  
 (a) Direct Material + Direct Labor ; (b) Direct Labor + FOH ; (c) Prime Cost only  
 (d) Prime Cost + FOH
120. **The FIFO inventory costing method (when using a perpetual inventory system) assumes that the cost of the earliest units purchased is allocated in which of the following ways?**  
 (a) First to be allocated to the ending inventory  
 (b) Last to be allocated to the cost of goods sold  
 (c) Last to be allocated to the ending inventory  
 (d) First to be allocated to the cost of goods sold
121. **Which of the following is considered as basic systems of remunerating labour ?**  
 (a) Time rate system ; (b) Piece rate system ; (c) Halsey premium plan ;  
 (d) Both time rate and piece rate system
122. **You are required to calculate number of units sold of ABC Fans Company for the first quarter of the year with the help of given information.**
- |                                  |            |
|----------------------------------|------------|
| <b>Inventory opening</b>         |            |
| <b>Finished goods (100 fans)</b> | ₹ 43,000   |
| <b>Direct material</b>           | ₹ 2,68,000 |
| <b>Inventory closing</b>         |            |
| <b>Finished goods (200 fans)</b> | Not known  |
| <b>Direct material</b>           | ₹ 1,67,000 |
| <b>No of units manufactured</b>  | 567 units  |
- (a) 300 units  
 (b) 767 units  
 (c) 467 units  
 (d) 667 units
123. **Cost of material consumed under LIFO costing method is ₹ 6,000. Conversion Cost is ₹ 16,500. 1,000 units of the product were manufactured out of which 800 @ ₹ 30 units sold. There were no beginning and ending inventories of work in process and finished goods. Required: Calculate per unit cost with the help of given information.**  
 (a) ₹ 22.50 ; (b) ₹ 16.50 ; (c) ₹ 6.00 ; (d) ₹ 28.13
124. **Overtime premium which is paid to direct labor is charged to which of the following head in case of normal circumstances?**  
 (a) Work in process account ; (b) Entire production ; (c) Factory over head Cost account  
 (d) Selling control account

125. Which of the following functions are fulfilled by Goods Received Note?  
 i. Provides information to update the inventory records on receipt of goods  
 ii. Provides information to check the quantity on the supplier's invoice  
 iii. Provides information to check the price on the supplier's invoice  
 (a) (i) only  
 (b) (i) and (ii) only  
 (c) (i) and (iii) only  
 (d) (ii) and (iii) only
126. Calculate total salary received with the given data.  

Salary	₹5000
Per Piece commission	10 % per piece
Unit sold	700 pieces
Price per piece	₹ 10

 (a) ₹ 5,100  
 (b) ₹ 5,000  
 (c) ₹ 5,600  
 (d) ₹ 5,700
127. Which of the given statement is CORRECT for Indirect Labor?  
 (a) It is charged to factory over head account  
 (b) It is charged to work in process  
 (c) It is entire production  
 (d) It is charged to administrative expenses
128. A production worker paid salary of ₹ 700 per month plus an extra ₹ 5 for each unit produced during the month. This labor cost is best described as:  
 (a) A fixed cost ; (b) A variable cost ; (c) A semi variable cost ; (d) A step fixed cost
129. Given data that:  

Work – in – Process Opening Inventory	Rs. 20,000
Work – in – Process Closing Inventory	Rs. 10,000
Finished goods Opening Inventory	Rs. 30,000
Finished goods Closing Inventory	Rs. 50,000
Cost of goods sold	Rs. 1,90,000

 What will be the value of cost of goods manufactured?  
 (a) ₹ 200,000 ; (b) ₹ 210,000 ; (c) ₹ 220,000 ; (d) ₹ 240,000
130. Closing balance of work In Process (WIP) is part of:  
 (a) Assets a/c ; (b) Expenses a/c ; (c) Liability a/c ; (d) Owner's equity a/c
131. Which of the given is CORRECT for accounting entry of closing balance of Work In Process (WIP)?  
 (a) WIP a/c Dr and Inventory a/c Cr ; (b) Inventory a/c Dr and WIP a/c Cr  
 (c) WIP a/c Dr and payroll a/c Cr ; (d) There is no accounting entry for closing balance of WIP
132. Accounting entry of closing balance can be recorded for:  
 (a) Income a/c and Expenses a/c ; (b) Liability a/c and Owner's equity a/c  
 (c) Asset a/c and Liability a/c ; (d) Liability a/c and Expenses a/c
133. Identify units transferred out with the help of given data:  

Units still in process (100%material, 75% conversion )	4,000	Units
Lost units		2,000
Units started in process		50,000

 (a) 6,000 units  
 (b) 44,000 units  
 (c) 52,000 units  
 (d) 56,000 units

134. You are required to identify how many good units were outputs from the process.

	Units
Units put in process	4,000
Lost units	500
Units in process	200

- (a) 3,300 units
- (b) 4,000 units
- (c) 4,200 units
- (d) 4,500 units

135. The measurable value of an alternative use of resources is referred to as:

- (a) An opportunity cost ; (b) An imputed cost ; (c) A sunk cost ; (d) None of these

136. A quantitative expression of management objectives is an:

- (a) Organizational chart ; (b) Management chart ; (c) Budget ; (d) None of these

137. A cost center is:

- (a) A unit of production in relation to which costs are ascertained
- (b) A location which is responsible for controlling direct costs
- (c) Any location or department which incurs cost ; (d) None of these

138. At break-even point of 400 units sold the variable costs were ₹ 400 and the fixed costs were ₹200. What will be the 401 units sold contributing to profit before income tax?

- (a) ₹ 0.50 ; (b) ₹ 1.00 ; (c) ₹ 1.50 ; (d) None of these

139. In considering a special order situation that will enable a company to make use of currently idle capacity, which of the following cost will be irrelevant:

- (a) Depreciation ; (b) Direct labour ; (c) Variable factory overhead ; (d) None of these

140. A fixed cost:

- (a) May change in total when such change is not related to changes in production
- (b) Will not change in total because it is not related to changes in production
- (c) Is constant per unit for each unit of change in production
- (d) May change in total, depending on production with the relevant range

141. All the given statements regarding job cost sheets are incorrect EXCEPT:

- (a) Job cost sheet shows only direct materials cost on that specific job
- (b) Job cost sheet must show the selling costs associated with a specific job
- (c) Job cost sheet must show the administrative costs associated with a specific job
- (d) Job cost sheet shows direct materials cost, direct labour cost and factory overhead costs associated with a specific job

142. What would be the effect on the cost of a department in case of normal Loss

- (a) Decreased ; (b) Increased ; (c) No effect ; (d) Increase to the %age of loss

143. Expenses such as rent and depreciation of a building are shared by several departments these are:

- (a) Indirect expenses ; (b) Direct expenses ; (c) Joint expenses ; (d) All of the above

144. If under applied FOH is closed to cost of goods sold, the journal entry is:

- (a) DR Cost of goods sold ..... CR FOH control
- (b) DR FOH control ..... CR Cost of goods sold
- (c) DR FOH control ..... CR Profit % loss account
- (d) None of these

145. Re-order quantity ..... 3600 units  
 Maximum consumption ..... 900 units per week  
 Minimum consumption .....300 units per week  
 Re-order period .....5 weeks  
 Based on this data Re-order level is:



- (a) 4500 units ; (b) 3900 units ; (c) 1200 units ; (d) None of these
146. **The time lag between indenting and receiving material is called:**  
(a) Lead time ; (b) Idle time ; (c) Stock out time ; (d) None of these
147. **A credit balance remaining in FOH Control account is called:**  
(a) Over-applied overhead ; (b) Under-applied overhead ; (c) Actual overhead  
(d) None of these
148. **Direct material cost plus direct labour cost is called:**  
(a) Prime cost ; (b) Conversion cost ; (c) Product cost ; (d) All of these
149. **Productivity means:**  
(a) The ability to produce ; (b) All units produced ; (c) Good units produced  
(d) None of these
150. **A segment of the business that generates both revenue and cost is called:**  
(a) Profit Center ; (b) Cost Center ; (c) Cost driver ; (d) All of these
151. **Prime cost is calculated as under:**  
(a) Manufacturing Cost/Cost of Goods Sold ; (b) Direct Method plus factory overheads  
(c) Direct labour + Direct Material ; (d) None of these
152. **Process Cost is very much applicable in:**  
(a) Construction Industry ; (b) Pharmaceutical Industry ; (c) Air line company ; (d) None of these
153. **Which of the following is not a function of Cost Accounting ?**  
(a) Cost ascertainment ; (b) Planning and control ; (c) Decision-making  
(d) External reporting
154. **A cost is :**  
(a) A sacrifice ; (b) Release of something ; (c) Measure of consumption of resources  
(d) All of the above
155. **Cost information facilitates many important decisions except :**  
(a) Introduction of a product ; (b) Whether to make or buy ; (c) Retention of profit  
(d) Exploration of an additional market
156. **Management Accounting seeks to serve the purpose of management to run a business more efficiently and thus uses the techniques of :**  
(a) Financial Accounting ; (b) Cost Accounting ; (c) Mathematics and Statistics  
(d) All of the above
157. **In process costing, each producing department is a:**  
(a) Cost unit ; (b) Cost centre ; (c) Investment centre ; (d) Sales centre
158. **Marketing involves the following except :**  
(a) Designing ; (b) Selling ; (c) Publicity ; (d) Distribution
159. **Administration span across all the upstream, mainstream and downstream activities of a firm, such as :**  
(a) Design, research and development ; (b) Production ; (c) Marketing ; (d) All of the above
160. **When 10,000 ending units of work-in-process are 30% completed as to conversion, it means:**  
(a) 30% of the units are completed ; (b) 70% of the units are completed  
(c) Each unit has been completed to 70% of its final stage  
(d) Each of the units is 30% completed
161. **Which of the following is not a method of costing ?**  
(a) Marginal costing ; (b) Job costing ; (c) Process costing ; (d) Operating costing
162. **Which of the following is not a technique of costing ?**

- (a) Absorption costing ; (b) Standard costing ; (c) Multiple costing ; (d) Marginal costing
- 163. Cost can be classified according to :**  
 (a) Elements ; (b) Functions ; (c) Behavior ; (d) All of the above
- 164. Which of the following is TRUE regarding the use of blanket rate?**  
 (a) The use of a single blanket rate makes the apportionment of overhead costs unnecessary  
 (b) The use of a single blanket rate makes the apportionment of overhead costs necessary  
 (c) The use of a single blanket rate makes the apportionment of overhead costs uniform  
 (d) None of the given options
- 165. The functional classification of costs include the following except :**  
 (a) Prime cost ; (b) Production cost ; (c) Administration cost ; (d) Marketing cost
- 166. Which of the following is not included in the administration cost ?**  
 (a) Salaries of general office staff ; (b) Salaries of foremen  
 (c) Office supplies and expenses ; (d) Postage, stationary, telephone etc.
- 167. A cost unit is :**  
 (a) The cost per machine hour ; (b) Cost per labour hour  
 (c) A unit of production or service in relation to which costs are ascertained  
 (d) A measure of work output in a standard hour
- 168. Prime cost is :**  
 (a) The total of direct costs ; (b) All costs incurred in manufacturing a product  
 (c) The material cost of a product ; (d) The cost of operating a department
- 169. Cost of sales is :**  
 (a) Total costs incurred in production, administration and marketing functions  
 (b) Works cost plus administration overheads  
 (c) Aggregate of works, administration and marketing overheads  
 (d) Prime costs plus marketing overheads
- 170. Variable costs are conventionally deemed to :**  
 (a) Be constant per unit of output  
 (b) Vary per unit of output as production volume changes  
 (c) Be constant in total when production volume changes  
 (d) Vary, in total, from period to period when production is constant
- 171. Fixed costs :**  
 (a) Vary in total as production volume changes within a given range  
 (b) Remain constant in total but vary per unit when production volume changes  
 (c) Remain constant per unit as production volume changes  
 (d) Vary in total when production volume does not change
- 172. Costs which do not fluctuate as the level of activity changes within a given range are :**  
 (a) Relevant costs ; (b) Opportunity costs ; (c) Mixed costs ; (d) Fixed costs
- 173. Which of the following is not an example of semi-variable costs ?**  
 (a) Telephone expenses ; (b) Maintenance expenses of machines  
 (c) Salary of the works manager ; (d) Depreciation expenses
- 174. The following information was taken from Smart Company's accounting records for the year ended March 31, 2013 :**

	₹
Increase in raw materials inventory	15,000
Decrease in finished goods inventory	35,000
Raw materials purchased	4,30,000
Direct labour payroll	2,00,000
Factory overhead	3,00,000

Freight 45,000  
 There was no work in process inventory at the beginning or end of the year. Smart's 2,000 cost of goods sold is :  
 (a) ₹ 9,50,000 ; (b) ₹ 9,65,000 ; (c) ₹ 9,75,000 ; (d) ₹ 9,95,000

Question 175-177 are based on the following information pertaining to ABC Company's manufacturing operations :

Inventories	3/1/2013 ₹	3/31/2013 ₹
Direct materials	36,000	30,000
Work-in-process	18,000	12,000
Finished goods	54,000	72,000
Additional information for the month of March 2013		₹
Direct materials purchased		84,000
Direct labour payroll		60,000
Direct labour rate per hour		7.50
Factory overhead rate per direct labour hour		10.00

175. For the month of March 2013, prime cost was :  
 (a) ₹ 90,000 ; (b) ₹ 1,20,000 ; (c) ₹ 1,44,000 ; (d) ₹ 1,50,000
176. For the month of March 2013, conversion cost was :  
 (a) ₹ 90,000 ; (b) ₹ 1,40,000 ; (c) ₹ 1,44,000 ; (d) ₹ 1,70,000
177. For the month of March 2013, cost of goods manufactured was :  
 (a) ₹ 2,18,000 ; (b) ₹ 2,24,000 ; (c) ₹ 2,30,000 ; (d) ₹ 2,36,000
178. The cost of rent for a manufacturing plant is a :
- |     |            |              |
|-----|------------|--------------|
|     | Prime cost | Product cost |
| (a) | No         | Yes          |
| (b) | No         | No           |
| (c) | Yes        | No           |
| (d) | Yes        | Yes          |
179. Property taxes on a manufacturing plant are an element of :
- |     |                 |             |
|-----|-----------------|-------------|
|     | Conversion cost | Period cost |
| (a) | Yes             | No          |
| (b) | Yes             | Yes         |
| (c) | No              | Yes         |
| (d) | No              | No          |
180. The fixed portion of the semi-variable cost of electricity of a manufacturing plant is a :
- |     |             |              |
|-----|-------------|--------------|
|     | Period cost | Product cost |
| (a) | Yes         | No           |
| (b) | Yes         | Yes          |
| (c) | No          | Yes          |
| (d) | No          | No           |
181. Various methods are used for pricing materials used. Cost price methods are :  
 (a) Specific price ; (b) First in first out ; (c) Last in first out ; (d) All of the above
182. Average price methods of pricing materials issues are derived from cost prices. They include the following except :  
 (a) Simple average ; (b) Base stock ; (c) Weighted average ; (d) Moving average
183. In case of rise in price levels, the most suitable method for valuing materials issued is :  
 (a) LIFO ; (b) FIFO ; (c) Simple average ; (d) Weighted average
184. The FIFO assumption of cost flow when applied in a period of rising prices :  
 (a) Overstates profit and closing stock

- (b) Overstates profit and understates closing stock
- (c) Overstates profit and shows closing stock at current prices
- (d) Understates profit and overstates closing stock

185. In a repeated distribution method:

- (a) Each service department in turn does not re-allocate its costs to all departments
- (b) Each service department in turn and re-allocates its costs to all departments
- (c) Each service department in turn and allocates its costs to all departments
- (d) Only one service department in turn and re-allocates its costs to all departments.

[Hint : Repeated distribution method: This method takes each service department in turn and re-allocates its costs to all departments which benefit.]

186. The cost of goods sold was ₹ 2,40,000. Beginning and ending inventory balances were ₹ 20,000 and ₹ 30,000, respectively. What was the inventory turnover ratio?

- (a) 8.0 times
- (b) 12.0 times
- (c) 7.0 times
- (d) 9.6 times

[Hint : Inventory turnover ratio = CGS/Average inventory  
inventory turnover ratio =  $240000/25000 = 9.6$ times  
average inventory = opening inventory + closing inventory / 2]

187. Where----- is equal, that point is called Economic order quantity.

- (a) Ordering cost ; (b) Carrying cost ; (c) Ordering and carrying cost ; (d) Per unit order cost

188. Loss by fire is an example of:

- (a) Normal Loss ; (b) Abnormal Loss ; (c) Incremental Loss ; (d) Cannot be determined

189. The main purpose of cost accounting is to :

- (a) Maximize profits ; (b) Help in inventory valuation
- (c) Provide information to management for decision making
- (d) Aid in the fixation of selling price

190. Where the applied FOH cost is less than the actual FOH cost it is:

- (a) Unfavorable variance ; (b) Favorable variance ; (c) Normal variance
- (d) Budgeted variance

[Hint : When the applied cost is lesser than the actual cost it is unfavorable variance.]

191. Which of the following is correct?

- (a) Units sold=Opening finished goods units + Units produced – Closing finished goods units
- (b) Units Sold = Units produced + Closing finished goods units - Opening finished goods units
- (c) Units sold = Sales + Average units of finished goods inventory
- (d) Units sold = Sales - Average units of finished goods inventory

192. Which of the following items of expense are to be add in FOH cost ?

- (a) Rent of factory + Head office rent + salaries to factory watchman
- (b) Rent of factory + factory lighting bill + Directors salaries
- (c) Rent of factory + factory lighting bill + Factory employees salaries
- (d) Head office rent + Factory property tax + Factory small tools

193. If, Gross profit = ₹ 40,000 GP Margin = 20% of sales What will be the value of cost of goods sold?

- (a) ₹ 1,60,000 ; (b) ₹ 1,20,000 ; (c) ₹ 40,000 ; (d) ₹ 90,000

[Hint : Cost of goods sold = Gross profit (absolute amount) x 80%/20%]

194. Taking steps for the fresh purchase of those stocks which have been exhausted and for which requisitions are to be honored in future" is an easy explanation of:

- (a) Overstocking ; (b) Under stocking ; (c) Replenishment of stock ; (d) Acquisition of stock

195. Net Income before Interest and tax is also called:

(a) Operating Income/Profit ; (b) Gross Profit ; (c) Marginal Income ; (d) Other Income

196. Which of the following is indirect cost?

- (a) The depreciation of machinery
- (b) The overtime premium incurred at the specific request of a customer
- (c) The hire of tools for a specific job ; (d) All of the given options

197. In which of the following center FOH cost NOT incurred ?

- (a) Production Center ; (b) Service Center ; (c) General Cost Center ; (d) Head Office

198. Which of the following is considered as basic systems of remunerating labor?

- (a) Time rate system ; (b) Piece rate system ; (c) Halsey Premium plan ; (d) Both time rate and piece rate system

199. Net sales = Sales less:

- (a) Sales returns ; (b) Sales discounts ; (c) Sales returns & allowances
- (d) Sales returns & allowances and sales discounts

200. An organisation sold 4000 units and have closing finished goods 3500 units and opening finished goods units were 1000. The quantity of units produced would be:

- (a) 7500 units
- (b) 6500 units
- (c) 4500 units
- (d) 8500 units

[Hint : Number of units manufactured/produced = units sold + closing balance of finished goods units - opening balance of finished goods units

number of units produced/manufactured = 4000 + 3500 - 1000 = 6500]

201. A store ledger card is similar to the \_\_\_\_\_ .

- (a) Stock ledger ; (b) Bin card ; (c) Material card ; (d) Purchase requisition card

202. Which of the following element must be taken into account while calculating total earnings of a worker under different incentive wage schemes?

- (a) Rate per unit ; (b) Units of production ;
- (c) Extra time taken by employee to complete the production
- (d) Number of workers employed

203. The journal entry of purchase of stock under periodic inventory system would be?

- (a) Inventory to Cash ; (b) Cash to Purchases ; (c) Purchases to Inventory
- (d) None of the given options

204. Closing work in process Inventory of last year:

- (a) Is treated as Opening inventory for current year ; (b) Is not carried forward to next year
- (c) Become expense in the next year ; (d) Charge to Profit & Loss account

205. Sales are ₹ 4,50,000. Beginning finished goods were ₹ 23,000. Ending finished goods are ₹ 30,000. The cost of goods sold is ₹ 3,00,000. What is the cost of goods manufactured?

- (a) ₹ 323,000 ; (b) ₹ 330,000 ; (c) ₹ 293,000 ; (d) None of the given options

206. While transporting petrol, a little quantity will be evaporated; such kind of loss is termed as:

- (a) Normal Loss ; (b) Abnormal Loss ; (c) It is incremental loss ; (d) It cannot be abnormal loss

207. The cost of electricity bill of the factory is treated as:

- (a) Fixed cost
- (b) Variable cost
- (c) Step cost
- (d) Semi variable cost

[Hint : Semi Variable Cost : It is also known as mixed cost. It is the cost which is part fixed and part variable. It is in fact the mixture of both behaviors.

Examples include: Utility bills – there is a fixed line rent plus charges for units consumed.

Salesman's salary – there is a fixed monthly salary plus commission per units sold.]

208. **A cost centre is :**  
(a) A unit of product or service in relation to which costs are ascertained  
(b) An amount of expenditure attributable to an activity  
(c) A production or service location, function, activity or item of equipment for which costs are accumulated  
(d) A centre for which an individual budget is drawn up
209. **Cost accounting department prepares \_\_\_\_\_ that helps them in preparing final accounts.**  
(a) Cost sheets ; (b) Cost of goods sold statement ; (c) Cost of production Report  
(d) Material requisition form
210. **When FOH is under applied and charged to Net Profit , the treatment would be:**  
(a) Under applied Add net profit ; (b) Under applied Less net profit  
(c) Under applied Less operating expense ; (d) None of the given options
211. **Weighted average cost per unit is calculated by which of the following formula?**  
(a) Cost of goods issued/number of units issued ; (b) Total Cost/Total Units  
(c) Cost of goods manufactured/closing units ; (d) Cost of goods sold/total units
212. **Buyer produced 20,000 units and their total factory cost was ₹ 450,000, other cost like property tax on factory building was ₹ 10,000 included in that cost fill year ended the cost of per unit would be:**  
(a) ₹ 22.5  
(b) ₹ 23.5  
(c) ₹.24.5  
(d) ₹ 26.5  
[Hint : Cost per unit = Cost of goods manufactured / Number of units manufactured]
213. **A standard rate is paid to the employee when he completed his job:**  
(a) In time less than the standard ; (b) In standard time ; (c) In time more than standard  
(d) Both in standard time and more than the standard time
214. **Store incharge after receiving the material as per the goods received note, places the material at its location and makes an entry in\_\_\_\_\_ .**  
(a) Bin Card ; (b) Store Ledger Card ; (c) Stock Ledger ; (d) None of the given options
215. **If opening inventory of material is ₹ 20,000 and closing inventory is ₹ 40,000.the Average inventory amount will be:**  
(a) ₹ 40,000  
(b) ₹ 30,000  
(c) ₹ 20,000  
(d) ₹ 10,000  
[Hint : Average Inventory= Opening Inventory + Closing Inventory/2]
216. **PVC Company has ordering quantity 10,000 units. They have storage capacity 20,000 units, the average inventory would be:**  
(a) 20,000  
(b) 5,000  
(c) 10,000  
(d) 25,000  
[Hint : Average ordering quantity= Ordering Quantity/2]
217. **All Indirect cost is charged/record in the head of**  
(a) Prime cost ; (b) FOH cost ; (c) Direct labor cost ; (d) None of the given options
218. **Under/Over applied FOH cost can be adjusted in which of the following:**  
(a) Entire Production ; (b) Cost of Goods Sold ; (c) Net Profit ; (d) All of given options
219. **The danger Level can be calculated?**

- (a) Average consumption x Lead time to get urgent supplies
  - (b) Normal consumption x Lead time to get urgent supplies
  - (c) Maximum consumption x Lead time to get urgent supplies
  - (d) Minimum consumption x Lead time to get urgent supplies
- [Hint: Danger Level = Average consumption x Emergency time]

**220. Nelson Company has following FOH detail.**

	Budgeted (₹)	Actual (₹)
<b>Production Fixed overheads</b>	<b>36,000</b>	<b>39,000</b>
<b>Production Variable overheads</b>	<b>9,000</b>	<b>12,000</b>
<b>Direct labor hours</b>	<b>18,000</b>	<b>20,000</b>

- (a) Under applied by ₹1,000 ; (b) Over applied by ₹ 1,000 ; (c) Under applied by ₹ 11,000
- (d) Over applied by ₹ 38,000

**221. Factory Over head cost includes :**

- (a) Factory Rent ; (b) Property Tax ; (c) Salaries of Factory Clerk ; (d) All of the given

**222. Which of the following cannot be used as a base for the determination of overhead absorption rate?**

- (a) Number of units produced ; (b) Prime cost ; (c) Conversion cost ; (d) Discount Allowed

**223. Cost of goods sold ₹ 30,000, opening Inventory ₹ 9,000, Closing inventory ₹ 7,800. What was the inventory turnover ratio?**

- (a) 3.57 times
- (b) 3.67 times
- (c) 3.85 times
- (d) 5.36 times

[Hint : Inventory turnover ratio = Cost of goods sold/Average inventory]

**224. FOH applied rate of Rs. 5.60 per machine hour. During the year the FOH to Rs. 275,000 and 48,000 machine hours were used. Which one of following statement is correct?**

- (a) Overhead was under-applied by Rs.6,200
- (b) Overhead was over-applied by Rs.6,200
- (c) Overhead was under-applied by Rs.7,200
- (d) Overhead was over-applied by Rs.7,200

**225. Cost accounting concepts include all of the following EXCEPT:**

- (a) Planning ; (b) Controlling ; (c) Sharing ; (d) Costing

**226. \_\_\_ are future costs that effect the current management decision.**

- (a) Sunk Cost
- (b) Standard Cost
- (c) Relevant Cost
- (d) Irrelevant Cost

[Hint : Relevant cost is which changes with a change in decision. These are future costs that effect the current management decision.]

**227. Which of the following costs is part of the prime cost for manufacturing company?**

- (a) Cost of transporting raw materials from the suppliers premises
- (b) Wages of factory workers engaged in machine maintenance
- (c) Depreciation of truck used for deliveries to customers
- (d) Cost of indirect production materials

**228. Direct material opening inventory add net purchases is called**

- (a) Material consumed ; (b) Material available for use ; (c) Total material purchased
- (d) Material ending inventory

**229. Which of the following is to be called product cost ?**

- (a) Material cost ; (b) Labor cost ; (c) FOH cost ; (d) All of the given options

230. **A Blanket Rate is:**  
(a) A single rate which used throughout the organization departments  
(b) A double rates which used throughout the organization departments  
(c) A single rates which used in different departments of the organization  
(d) None of the given options  
[Hint : A blanket absorption rate is a single rate of absorption used throughout an organization's production facility and based upon its total production costs and activity.]
231. **All of the following are characteristics of Group Bonus Scheme EXCEPT:**  
(a) A standard time is set for the completion of a job  
(b) If the time taken is greater than the time allowed, the workers in the group receive time wages  
(c) If the time taken is less than the time allowed, the group receives a bonus on time saved  
(d) If the time taken is greater than the time allowed, the workers in the group receive time deductions for extra hours
232. Which of the following best describes the manufacturing costs?  
(a) Direct materials, direct labor and factory overhead  
(b) Direct materials and direct labor  
(c) Direct materials, direct labor, factory overhead, and administrative overhead  
(d) Direct labor and factory overhead
233. **High labor turnover is NOT desirable because:**  
(a) It denotes the instability of the labor force  
(b) It is an indication of high labor cost  
(c) It shows frequent changes in the labor force ; (d) All of the given options
234. **Manufacturing entities classified the inventory in which of three kinds?**  
(a) Material inventory, WIP inventory, Finished goods inventory  
(b) Material inventory, purchased good inventory, WIP inventory  
(c) Material inventory, purchased good inventory, Finished goods inventory  
(d) WIP inventory, Finished goods inventory, purchased good inventory
235. **Which of the following is correct for maximum level?**  
(a) Reorder level – (Minimum consumption x Lead time) + EOQ  
(b) (Maximum consumption x Lead time) – (Minimum consumption x Lead time) + EOQ  
(c) [(Maximum consumption - Minimum consumption) Lead time]+ EOQ  
(d) All of the given options
236. **Inventory turnover ratio can be calculated as follow?**  
(a) Cost of goods sold/Average inventory ; (b) Gross profit/Average inventory  
(c) Cost of goods sold/sale ; (d) Cost of goods sold/Gross profit
237. **The component of Factory overhead are as follow**  
(a) Direct material + Indirect material + Direct expenses  
(b) Indirect material + Indirect labor + Others indirect cost  
(c) Direct material + Indirect expenses + Indirect labor  
(d) Direct labor + Indirect labor + Indirect expenses
238. **Overtime that is necessary in order to fulfill customer orders is called:**  
(a) Avoidable overtime ; (b) Unavoidable overtime ; (c) Premium Overtime ; (d) Flex time
239. **The Process of cost apportionment is carried out so that:**  
(a) Cost may be controlled  
(b) Cost unit gather overheads as they pass through cost centers  
(c) Whole items of cost can be charged to cost centers  
(d) Common costs are shared among cost centers
240. **Taylor's Differential Piece Rate Plan uses-----piece rates.**  
(a) Three ; (b) Two ; (c) Four ; (d) Five



241. **Under Halsey premium plan, if the employee completes his job in less than the standard time fixed for the job, he is given:**  
(a) Only wages for the actual hours taken  
(b) Wages for the actual hours taken plus bonus equal to one half of the wage of the time saved  
(c) Wages for the actual hours taken plus bonus equal to one third of the wage of the time saved ;  
(d) Only the bonus equal to one half of the time saved
242. **Increase in material Inventory means:**  
(a) The ending inventory is greater than opening inventory  
(b) The ending inventory is less than opening inventory  
(c) Both ending and opening inventories are equal ; (d) Cannot be determined
243. **Working hours of labor can be calculated with the help of all except:**  
(a) Smart card ; (b) Time sheet ; (c) Clock card ; (d) Store card
244. **Amount of net purchase can be calculated as follow**  
(a) Purchase of direct material add trade discount less purchase return add carriage inward less other material handling cost  
(b) Purchase of direct material less trade discount I add purchase return add carriage inward less other material handling cost  
(c) Purchase of direct material less trade discount less purchase return less carriage inward add other material handling cost  
(d) Purchase of direct material less trade discount less purchase return add carriage inward add other material handling cost
245. **All of the following are terms used to denote Factory Overheads EXCEPT:**  
(a) Factory burden ; (b) Factory expenses ; (c) Manufacturing overhead ;  
(d) Conversion costs
246. **Reduction of labor turnover, accidents, spoilage, waste and absenteeism are the results of which of the following wage plan?**  
(a) Piece rate plan ; (b) Time rate plan ; (c) Differential plan ; (d) Group bonus system
247. **Costs which are constant for a relevant range of activity and rise to new constant level once that range exceeded is called:**  
(a) A fixed cost ; (b) A variable cost ; (c) A mixed cost ; (d) A step cost
248. **Cost of goods sold can be calculated as follow**  
(a) Cost of goods manufactured Add Opening finished goods inventory Less Closing finished goods inventory  
(b) Cost of goods manufactured Less Opening finished goods inventory Less Closing finished goods inventory  
(c) Cost of goods manufactured Less Opening finished goods inventory Add Closing finished goods inventory  
(d) Cost of goods manufactured Add Opening finished goods inventory Add Closing finished goods inventory
249. **If, COGS = ₹ 70,000 GP Margin = 30% of sales What will be the value of Sales?**  
(a) ₹ 200,000  
(b) ₹ 66,667  
(c) ₹ 100,000  
(d) ₹ 62,500  
[Hint : Sales = 30000 \* 100% / 30% = ₹ 100,000]
250. **Annual requirement is 7800 units; consumption per week is 150 units. Unit price ₹ 5, order cost ₹ 10 per order. Carrying cost ₹ 1 per unit and lead time is 3 week, The Economic order quantity would be.**  
(a) 395 units ; (b) 300 units ; (c) 250 units ; (d) 150 units
251. **What will be the impact of normal loss on the overall per unit cost ?**

- (a) Per unit cost will increase ; (b) Per unit cost will decrease  
(c) Per unit cost remain unchanged ; (d) Normal loss has no relation to unit cost
252. **Alpha company purchased a machine worth Rs 200,000 in the last year. Now that machine can be use in a new project which company has received this year. Now the cost of that machine is to be called:**  
(a) Project cost ; (b) Sunk cost ; (c) Opportunity cost ; (d) Relevant cost
253. **FOH absorption rate is calculated by the way of :**  
(a) Estimated FOH Cost/Direct labor hours ; (b) Estimated FOH Cost/No of units produced  
(c) Estimated FOH Cost/Prime Cost ; (d) All of the given options
254. **Which of the following is/are not associated with ordering costs?**  
(a) Interest ; (b) Insurance ; (c) Opportunity costs ; (d) All of the given options
255. **Under perpetual inventory system at the end of the year:**  
(a) No closing entry passed ; (b) Closing entry passed  
(c) Closing value find through closing entry only ; (d) None of the above.
256. **The Hino Corporation has a breakeven point when sales are ₹ 160,000 and variable costs at that level of sales are ₹ 100,000. How much would contribution margin increase or decrease, if variable expenses dropped by ₹ 20,000?**  
(a) 37.5%.  
(b) 60%.  
(c) 12.5%.  
(d) 26%  
[Hint : Sales=160,000; VC=100,000; CM=60,000  
Contribution to sales ratio (C/S ratio) =Contribution Margin in ₹/Sales in ₹  
 $60,000/160,000=0.375$   
 $0.375*100=37\%$   
New VC=80,000,  
Sales=160,000  
CM=80,000  
Contribution to sales ratio (C/S ratio) =Contribution Margin in ₹/Sales in ₹  
 $80,000/160,000=0.5=50\%$   
Rise in CM=(37.5-50)=12.5]
257. **The short run is a time period in which:**  
(a) All resources are fixed. ; (b) The level of output is fixed. ;  
(c) The size of the production plant is variable.  
(d) Some resources are fixed and others are variable
258. **Opportunity cost is the best example of:**  
(a) Sunk Cost ; (b) Standard Cost ; (c) Relevant Cost ; (d) Irrelevant Cost
259. **The components of factory overhead are as follows:**  
(a) Direct material + Indirect material + Direct expenses  
(b) Indirect material + Indirect labor + Others indirect cost  
(c) Direct material + Indirect expenses + Indirect labor  
(d) Direct labor + Indirect labor + Indirect expenses
260. **The term Maximum level represents:**  
(a) The maximum stock level indicates the maximum quantity of an item of material which can be held in stock at any time.  
(b) The maximum stock level indicates the maximum quantity of an item of material which cannot be held in stock at any time.  
(c) The average stock level indicates the maximum quantity of an item of material which can be held in stock at any time.  
(d) The available stock level indicates the maximum quantity of an item of material which can be held in stock at any time.

261. **The FIFO inventory costing method (when using a perpetual inventory system) assumes that the cost of the earliest units purchased is allocated in which of the following ways?**  
(a) First to be allocated to the ending inventory  
(b) Last to be allocated to the cost of goods sold  
(c) Last to be allocated to the ending inventory  
(d) First to be allocated to the cost of good sold
262. **A firm Uses its own capital or Uses its owner's time and/or financial resources both are examples of**  
(a) Implicit Cost  
(b) Explicit Cost  
(c) Sunk Cost  
(d) Relevant Cost  
**[Hint :** A cost that is represented by lost opportunity in the use of a company's own resources, excluding cash  
These are intangible costs that are not easily accounted for. For example, the time and effort that an owner puts into the maintenance of the company rather than working on expansion]
263. **If Direct Material = 12,000; Direct Labor = 8000 and other Direct Cost = 2000 then what will be the Prime Cost?**  
(a) 12000 ; (b) 14000 ; (c) 20000 ; (d) 22000
264. **Wage, Rent & Materials are examples of :**  
(a) Implicit Cost  
(b) Explicit Cost  
(c) Direct Cost  
(d) Manufacturing Cost  
**[Hint :** A business expense that is easily identified and accounted for. Explicit costs represent clear, obvious cash outflows from a business that reduce its bottom-line profitability. This contrasts with less-tangible expenses such as goodwill amortization, which are not as clear cut regarding their effects on a business's bottom-line value  
Good examples of explicit costs would be items such as wage expense, rent or lease costs, and the cost of materials that go into the production of goods. With these expenses, it is easy to see the source of the cash outflow and the business activities to which the expense is attributed]
265. **An investor invests in stock exchange he foregoes the opportunity to invest further in his hotel. The profit which the investor will be getting from the hotel is \_\_\_\_\_.**  
(a) Opportunity cost  
(b) Period Cost  
(c) Product Cost  
(d) Historical Cost  
**[Hint :** 1. The cost of an alternative that must be forgone in order to pursue a certain action. Put another way, the benefits you could have received by taking an alternative action.  
2. The difference in return between a chosen investment and one that is necessarily passed up. Say you invest in a stock and it returns a paltry 2% over the year. In placing your money in the stock, you gave up the opportunity of another investment - say, a risk-free government bond yielding 6%. In this situation, your opportunity costs are 4% (6% - 2%)]
266. **It is possible for an item of overhead expenditure to be shared amongst many departments. It is also possible that this same item may relate to just one specific department. If the item was not charged specifically to a single department this would be an example of:**  
(a) Apportionment ; (b) Allocation ; (c) Re-apportionment ; (d) Absorption
267. **Generally, the danger level of stock is fixed \_\_\_\_\_ the minimum level**  
(a) Below ; (b) Above ; (c) Equal ; (d) Danger level has no relation to minimum level
268. **Which of the following is / are time based incentive wage plan?**  
(a) Hasley Premium Plan ; (b) Hasley Weir Premium Plan  
(c) Rowan Premium Plan ; (d) All of the given options
269. **Which of the following is/are reported in production cost report?**

- (a) The costs charged to the department  
(b) How the costs were assigned to the output?  
(c) The equivalent units of production by the department ; (d) All of the given options
270. **Direct materials cost is ₹ 80,000. Direct labor cost is ₹ 60,000. Factory overhead is ₹ 90,000. Beginning goods in process were ₹ 15,000. The cost of goods manufactured is ₹ 245,000. What is the cost assigned to the ending goods in process?**  
(a) ₹ 45,000  
(b) ₹ 15,000  
(c) ₹ 30,000  
(d) There will be no ending Inventory  
[Hint : Direct Material ---- 80,000 (Given)  
Direct labor ----- 60,000 (Given)  
FOH ----- 90,000 (Given)  
Open WIP----- 15,000  
Total 245000 (cost of goods manufactured is also 245000 so balance is zero)]
271. **Sales are ₹ 450,000. Beginning finished goods were ₹ 23,000. Ending finished goods are ₹ 30,000. The cost of goods sold is ₹ 300,000. What is the cost of goods manufactured?**  
(a) ₹ 323,000 ; (b) ₹ 330,000 ; (c) ₹ 293,000 ; (d) None of the given options
272. **Under Periodic Inventory system Purchase of inventory is treated as:**  
(a) Assets ; (b) Expense ; (c) Income ; (d) Liability
273. **When prices are rising over time, which of the following inventory costing methods will result in the lowest gross margin/profits?**  
(a) FIFO ; (b) LIFO ; (c) Weighted Average ; (d) Cannot be determined
274. **The main difference between the profit center and investment center is:**  
(a) Decision making ; (b) Revenue generation ; (c) Cost incurrence ; (d) Investment
275. **The Inventory Turnover ratio is 5 times and numbers of days in a year is 365. Inventory holding period in days would be**  
(a) 100 days ; (b) 73 days ; (c) 50 days ; (d) 10 days
276. **Over applied FOH will always result when a predetermined FOH rate is applied and:**  
(a) Production is greater than defined capacity  
(b) Actual overhead costs are less than budgeted overhead  
(c) Budgeted capacity is less than normal capacity  
(d) Actual overhead incurred is less than applied Overhead
277. **The flux method of labor turnover denotes:**  
(a) Workers appointed against the vacancy caused due to discharge or quitting of the organization  
(b) Workers appointed in replacement of existing employees  
(c) Workers employed under the expansion schemes of the company  
(d) The total change in the composition of labor force  
[Hint : The flux method of labor turnover denotes the total change in the composition of labor force. While replacement method takes into account only workers appointed against the vacancy caused due to discharge or quitting of the organisation.]
278. **Which of the following statement is TRUE about FOH applied rates?**  
(a) They are used to control overhead costs  
(b) They are based on actual data for each period  
(c) They are predetermined in advance for each period ; (d) None of the given
279. **Cost of Goods Manufactured can be calculated as follow**  
(a) Total factory Cost Add Opening Work in process inventory Less Closing Work in process inventory  
(b) Total factory Cost Less Opening Work in process inventory Add Closing Work in process inventory  
(c) Total factory Cost Less Opening Work in process inventory Less Closing Work in process inventory  
(d) Total factory Cost Add Opening Work in process inventory Add Closing Work in process inventory

280. \_\_\_\_\_ is the time worked over and above the employee's basic working week.  
(a) Flex time ; (b) Overtime ; (c) Shift allowance ; (d) Commission
281. In furniture manufacturing use of nail, pins, glue, and polish which use to increase its esteem value that cost is treated as:  
(a) Direct material cost ; (b) Indirect material cost ; (c) FOH cost ; (d) Prime cost
282. If labor is satisfied with high wages it may ultimately lead to:  
(a) Increased production and productivity ; (b) Increased efficiency  
(c) Reduced labor and overhead costs ; (d) All of the given options
283. Which of the following is a mechanical device to record the exact time of the workers?  
(a) Clock Card ; (b) Store Card ; (c) Token System ; (d) Attendance Register
284. Which of the following is / are element / s of production payroll?  
(a) Direct labor force wages ; (b) Administrative wages ; (c) Selling wages  
(d) All of the given options
285. If a predetermined FOH rate is not applied and the volume of production is reduced from the planned capacity level, the cost per unit expected to:  
(a) Remain unchanged for fixed cost and increase for variable cost  
(b) Increase for fixed cost and remain unchanged for variable cost  
(c) Increase for fixed cost and decrease for variable cost  
(d) Decrease for both fixed and variable costs
286. Which of the following is NOT an assumption of the basic economic-order quantity model?  
(a) Annual demand is known ; (b) Ordering cost is known ; (c) Carrying cost is known  
(d) Quantity discounts are available
287. In order to ensure efficient functioning of the stores department and steady flow of materials to the production departments, the restocking of stores is duty of:  
(a) Managers ; (b) Storekeeper ; (c) Production In charge ; (d) Sales supervisor
288. In cost Accounting, abnormal loss is charged to:  
(a) Factory overhead control account ; (b) Work in process account ; (c) Income Statement  
(d) Entire production
289. A high inventory turnover may indicate:  
(a) An efficient use of the investment in inventory ; (b) A high risk of stock-outs  
(c) Stock position of store room ; (d) All of the given options
290. Which of the following cost is used in the calculation of cost per unit?  
(a) Total production cost ; (b) Cost of goods available for sales  
(c) Cost of goods manufactured ; (d) Cost of goods Sold
291. If, COGS = ₹ 50,000 GP Margin = 25% of sales What will be the value of Sales?  
(a) ₹ 200,000 ; (b) ₹ 66,667 ; (c) ₹ 62,500 ; (d) None of the given options
292. When a manufacturing Company has highly automated manufacturing plant producing many different products, the most appropriate basis for applying FOH cost to work in process is:  
(a) Direct labor hours ; (b) Direct labor costs ; (c) Machine hours ; (d) Cost of material used
293. All of the following are cases of labor turnover EXCEPT:  
(a) Workers appointed against the vacancy caused due to discharge or quitting of the organization ;  
(b) Workers employed under the expansion schemes of the company  
(c) The total change in the composition of labor force ; (d) Workers retrenched
294. The Term Minimum Level Represents.

- (a) The quantity below which the stock of any item should not be allowed to fall
- (b) The quantity below which the stock of any item should be allowed to fall
- (c) The estimated time period in number of days or in weeks or in months.
- (d) The Lead time period in number of days or in weeks or in months.

**295. Which of the following would be considered a major aim of a job order costing system?**

- (a) To determine the costs of producing each job or lot
- (b) To compute the cost per unit
- (c) To include separate records for each job to track the costs ; (d) All of the given option.

**296. The Economic order quantity can be calculated by**

- (a) Formula Method ; (b) Table Method ; (c) Graph Method ; (d) All of the given

**297. A chemical process has normal wastage of 10% of input. In a period, 2,500 Kg of material were input and there was abnormal loss of 75 Kg. What quantity of good production was achieved?**

- (a) 2,175 kg ; (b) 2,250 kg ; (c) 2,425 kg ; (d) 2,500 kg

**298. Which of the following is likely to be classified as a direct material cost of a motor car wheel?**

- (a) The metal used to manufacture it.
- (b) The metal used to manufacture one of the tools used in the car wheel factory.
- (c) The cost of operating the raw material stores in the factory.
- (d) The cost of the quality operation on the finished car wheels.

[Hint : (b) is part of the cost of either a fixed asset or an indirect cost depending upon the amount involved; (c) and (d) are factory indirect costs.]

**299. The first in, first out method of pricing raw material issues, exhibits which one of the following features?**

- (a) The issue price is recalculated each time new deliveries are made into stock.
- (b) The issue price is always at the latest price.
- (c) The goods are always issued strictly in the physical order in which they are received.
- (d) The issue price is always at the earliest price.

[Hint : (a) refers to the continuous weighted average price method. (b) this method is known as the last in, first out method. Under (c) it will rarely be possible to issue goods to correspond with the physical order of receipt unless there is a stock control system dealing with, for example perishable items.]

**300. Which of the following is not a method of pricing raw material issues from stock?**

- (a) Standard costing. ; (b) Unit cost. ; (c) Marginal cost. ; (d) Continuous weighted average.

**301. Which of the following is a direct labour cost?**

- (a) Supervisors' salaries in the factory. ; (b) Costs of the payroll accounting section.
- (c) A bonus paid to the storeman. ; (d) The wages of an operative paid on the basis of output achieved.

**302. Production overheads are absorbed into production units by the use of an overhead absorption rate. Which one of the following best describes how the absorption rate is calculated?**

- (a) Total number of units produced divided by the total cost centre overheads.
- (b) Total number of units produced multiplied by the unit overhead cost.
- (c) Total cost centre overheads divided by the cost centre activity level.
- (d) Total indirect costs for the business divided by the total number of units produced.

[Hint : (d) would produce an overhead absorption rate, but it would be far too generalised to be of any practical use to the business ]

**303. Sales commissions are classified as**

- (a) Prime costs ; (b) Period costs ; (c) Product costs ; (d) Indirect labour

**304. XYZ Ltd has the following data relating to its assembly plant in the year ended 31 December 2012:**

	₹'000	
<b>Direct material costs</b>	500	
<b>Direct labour cost</b>	250	
<b>Assembly plant indirect costs</b>		100

In addition, the stores department has total costs of ₹ 30,000 and spends 50% of its time servicing the assembly plant. There were 50,000 labour hours worked and 25,000 machine hours run in the assembly plant in 2012.

The overhead cost per direct labour hour was:

- (a) ₹ 2.0
- (b) ₹ 4.0
- (c) ₹ 2.3
- (d) ₹ 4.6

[Hint : The overhead cost per labour hour is ₹ 1,00,000 plus 50% of the stores costs ₹15,000, = ₹1,15,000 divided by 50,000 hours.]

305. If a company uses predetermined overhead recovery rates and at the end of a period finds that there has been an under-recovery of overhead, which of the following best explains how the under-recovery has occurred?

- (a) Actual overhead cost has exceeded the amount used as a basis for the establishment of the predetermined rate.
- (b) Actual overhead cost has been less than the amount used as a basis for the establishment of the predetermined rate.
- (c) Actual activity levels were higher than planned due to an increase in demand.
- (d) An expected price increase in the overhead costs which was built into the overhead recovery rate did not take place.

[Hint : (b), (c) and (d) would lead to over-recovery of overheads.]

306. If there has been an over recovery of overheads, at the end of the accounting period the amount concerned should be?

- (a) Debited to the company profit and loss account.
- (b) Credited to the company profit and loss account.
- (c) Carried forward to the next accounting period as a cost saving.
- (d) Used to reduce next period's overhead recovery rate.

[Hint : Variances should always be dealt with in the profit and loss account for the period they relate to.]

307. A variable cost is?

- (a) One which varies in proportion to the level of fixed cost incurred.
- (b) One which tends to vary with the level of activity.
- (c) One which changes over time.
- (d) One which cannot be estimated with any great degree of accuracy.

308. The term 'contribution' refers to?

- (a) The actual amount of profit made per unit.
- (b) The budgeted profit per unit.
- (c) The amount of profit which goes towards meeting the overheads of the business.
- (d) The difference between sales revenue and variable costs per unit.

[Hint : Contribution only becomes profit when fixed costs have been covered in full.]

309. The break-even point is that at which:

- (a) The level of activity at which the business operates most economically.
- (b) The level of activity at which the business makes neither a profit nor a loss.
- (c) The fixed costs are lowest.
- (d) The variable cost per unit is minimized.

310. When a business is faced with a limiting factor (one which limits the activity of an entity) and there is a choice to be made between options to follow, which of the following statements describes the optimal course of action?

- (a) Choose the option which gives the highest unit profit.
- (b) Choose the option which gives the highest unit contribution.
- (c) Aim to achieve a balance of activities covering all of the options.
- (d) Choose the option which gives highest contribution per unit of limiting factor.

[Hint : (d) would give the optimal course of action in financial terms. Sometimes, where resource constraints operate in 'not for profit organizations', other non-financial factors may mean that a sub-optimal course of action is followed.]

311. XYZ Ltd has the following alternative planned activity levels:

	Level A	Level B	Level C
Total costs	₹ 1,00,000	₹ 1,50,000	₹
2,00,000			
Number of units produced	5,000	10,000	15,000

(Fixed overhead remains constant over the activity range shown.)

The fixed overhead cost per unit is:

- (a) ₹ 20.00
- (b) ₹ 15.00
- (c) ₹ 13.33
- (d) ₹ 10.00

[Hint : The total cost increased by ₹ 1,00,000 in moving from Level A to Level C, therefore if fixed overheads are constant, variable costs are ₹ 1,00,000 for 10,000 units, which = ₹10/unit. At Level A, total cost is ₹ 20/unit so fixed overheads absorbed on a unit basis are ₹10.]

312. Which of the following statements regarding marginal costing is incorrect?

- (a) It is a useful long-term planning technique.
- (b) It assumes that fixed costs remain fixed over relevant activity ranges.
- (c) It assumes that other costs vary in proportion to activity.
- (d) It assumes that costs can be classified as variable or fixed.

[Hint : (b), (c) and (d) are characteristics of the marginal costing approach which render it less than useful as a long-term decision-making technique, hence (a) is correct.]

313. Which phrase best describes the current role of the managerial accountant?

- (a) Managerial accountants prepare the financial statements for an organization.
- (b) Managerial accountants facilitate the decision-making process within an organization.
- (c) Managerial accountants make the key decisions within an organization.
- (d) Managerial accountants are primarily information collectors.

314. LG has incurred cost of ₹ 60,000 for material. Further it incurred ₹ 35,000 for labor and ₹ 70,000 for factory overhead. There was no beginning and ending work in process. 7,500 units were completed and transferred out. What would be the unit cost for material?

- (a) ₹ 22 ; (b) ₹ 16 ; (c) ₹ 14 ; (d) ₹ 8

315. Manufacturing costs typically consist of

- (a) Direct materials, direct labor, and manufacturing overhead.
- (b) Production and shipping costs.
- (c) Production and marketing costs.
- (d) Direct materials, direct labor, marketing and administrative costs.

316. In comparison to the traditional manufacturing environment, overhead costs in a JIT environment all the following are true except:

- (a) Are more easily tracked to products. ; (b) Are frequently direct in nature.
- (c) Include rent, insurance and utilities.
- (d) Most of the costs are likely to be indirect in nature.

317. As production increases within the relevant range

- (a) Variable costs will vary on a per unit basis. ; (b) Variable costs will vary in total.
- (c) Fixed costs will vary in total. ; (d) Fixed and variable cost stay the same in total.

318. You are given the cost and volume information below:

Volume	Cost
1 unit	₹ 15
10 units	₹150
100 units	₹1500

What type of a cost is given?



- (a) Fixed cost ; (b) Variable cost ; (c) Step cost ; (d) Mixed cost
319. Which of the following statements regarding graphs of fixed and variable costs is true?
- (a) Variable costs can be represented by a straight line where costs are the same for each data point.
- (b) Fixed costs can be represented by a straight line starting at the origin and continuing through each data point.
- (c) Fixed costs are zero when production is equal to zero.
- (d) Variable costs are zero when production is equal to zero.
320. ABC Ltd. has three product lines - A, B, and C.
- |                     | A       | B       | C      | Total  |
|---------------------|---------|---------|--------|--------|
| Total Sales         | ₹10,000 | 9,000   | 12,000 | 31,000 |
| Variable costs      | 4,500   | 7,000   | 6,000  | 17,500 |
| Contribution Margin | 5,500   | 2,000   | 6,000  | 13,500 |
| Fixed costs         | 3,500   | 6,000   | 3,000  | 12,500 |
| Net income          | 2,000   | (4,000) | 3,000  | 1,000  |
- Product line B appears unprofitable, and management is considering discontinuing the line. How would the discontinuation of Product line B affect net income?
- (a) Increase by \$4,000 ; (b) Decrease by \$4,000 ; (c) Increase by \$2,000 ; (d) Decrease by \$2,000
321. Coed Novellies manufactures key chains for college bookstores. During 2012, the company had the following costs:  
 Direct materials used ₹ 31,000; Direct labor ₹ 18,000; Factory rent ₹ 12,000; Equipment depreciation – factory ₹ 2,000; Equipment depreciation – office ₹ 750; Marketing expense ₹ 2,500; Administrative expenses ₹ 40,000  
 35,000 units produced were in 2003.  
 What is the product cost per unit?
- (a) Approximately ₹1.24 ; (b) ₹1.80 ; (c) Approximately ₹ 3.04 ; (d) ₹1.40
322. The Cape Cod Cotton Candy Company had the following information available regarding last year's operations:  
 Sales (100,000 units) ₹ 2,00,000 ; Variable costs ₹ 1,00,000; Contribution margin ₹ 1,00,000; Fixed costs ₹ 50,000; Net Income ₹ 50,000  
 If sales were to increase by 200 units, what would be the effect on net income?
- (a) ₹400 increase ; (b) ₹200 increase ; (c) ₹150 increase ; (d) ₹ 200 loss
323. If B Limited shows required production of 120 cases of product for the month, direct labor per case is 3 hours at Rs. 12 per hour. Budgeted labor costs for the month should be:
- (a) ₹ 360 ; (b) ₹ 1,440 ; (c) ₹ 4,320 ; (d) ₹ 5,346
324. A firm, which makes yachts, has fixed costs of ₹ 260,000 per month. The product sells for ₹ 35,000 per boat, and the variable costs of production are ₹ 15,000 per boat. The boatyard can manufacture 20 boats each month. What is the firms' margin of safety at the moment?
- (a) 20% ; (b) 35% ; (c) 54% ; (d) 57%
325. Janet sells a product for ₹ 6.25. The variable costs are ₹ 3.75. Janet's break-even units are 35,000. What is the amount of fixed costs?
- (a) ₹ 87,500 ; (b) ₹ 35,000 ; (c) ₹ 131,250 ; (d) ₹ 104,750
326. Good Job Plc makes one product which sells for ₹ 80 per unit. Fixed costs are ₹ 28,000 per month and marginal costs are ₹ 42 a unit. What sales level in units will provide a profit of ₹ 10,000?
- (a) 350 units ; (b) 667 units ; (c) 1,000 units ; (d) 1,350 units
327. If computational and record-keeping costs are about the same under both FIFO and weighted average, which of the following method will generally be preferred?
- (a) Weighted Average ; (b) FIFO ; (c) They offer the same degree of information  
 (d) Cannot be determined with so little information

328. A business always absorbs its overheads on labor hours. In the 8th period, 18,000 hours were worked, actual overheads were ₹ 279,000 and there was ₹ 36,000 over-absorption. The overhead absorption rate per hours was:  
(a) ₹ 15.50 ; (b) ₹ 17.50 ; (c) ₹ 18.00 ; (d) ₹ 13.50
329. Bharat Ltd estimated that during the year 75,000 machine hours would be used and it has been using an overhead absorption rate of ₹ 6.40 per machine hour in its machining department. During the year the overhead expenditure amounted to ₹ 472,560 and 72,600 machine hours were used. Which one of the following statements is correct?  
(a) Overhead was under-absorbed by ₹ 7,440  
(b) Overhead was under-absorbed by ₹ 7,920  
(c) Overhead was over-absorbed by ₹ 7,440  
(d) Overhead was over-absorbed by ₹ 7,920
330. Inventory of ₹ 96,000 was purchased during the year. The cost of goods sold was ₹ 90,000 and the ending inventory was ₹ 18,000. What was the inventory turnover ratio for the year?  
(a) 5.0 ; (b) 5.3 ; (c) 6.0 ; (d) 6.4
331. The FIFO inventory costing method (when using under perpetual inventory system) assumes that the cost of the earliest units purchased is allocated in which of the following ways?  
(a) First to be allocated to the ending inventory  
(b) Last to be allocated to the cost of goods sold  
(c) Last to be allocated to the ending inventory  
(d) First to be allocated to the cost of good sold
332. High Class Interiors had beginning merchandise inventory of ₹ 75,000. It made purchases of ₹160,000 and recorded sales of ₹ 220,000 during January. Its estimated gross profit on sales was 30%. On January 31, the store was destroyed by fire. What was the value of the merchandise inventory loss?  
(a) ₹ 154,000 ; (b) ₹ 160,000 ; (c) ₹. 235,000 ; (d) ₹ 81,000
333. Where there is mass production of homogeneous units or where few products are produced in batches, which of the following cost driver would be regarded as best base for the determination of Factory overhead absorption rate?  
(a) Number of units produced ; (b) Labor hours ; (c) Prime cost ; (d) Machine hours
334. Which of the following is a factor that should be taken into account for fixing re-order level?  
(a) Average consumption ; (b) Economic Order Quantity ; (c) Emergency lead time  
(d) Danger level
335. The contribution margin increases when sales volume and price remain the same and:  
(a) Variable cost per unit decreases ; (b) Variable cost per unit increases  
(c) Fixed costs per unit increase ; (d) All of the given options
336. Opening work in process inventory can be calculated under which of the following method?  
(a) FIFO and Average costing ; (b) LIFO and Average costing ; (c) FIFO and LIFO costing  
(d) None of given options
337. \_\_\_\_\_ is a part of cost of production report that explains the cost incurred during the process.  
(a) Quantity schedule ; (b) Cost accounted for as follow ;  
(d) Cost charged to the department ; (d) None of the given options
338. A company makes one product, which has variable manufacturing costs of ₹ 3.25 per unit and variable selling and administrative costs of ₹ 1.17 per unit. Fixed manufacturing costs are ₹ 42,300 per month and fixed selling and administrative costs are ₹ 29,900 per month. The company wants to earn an average monthly profit of ₹ 15,000 and they expect to produce and sell an average of 40,000 units of the product per month. What is the minimum selling price management can be expected to set to meet their profitability goals?  
(a) ₹ 4.69 ; (b) ₹ 4.42 ; (c) ₹ 6.60 ; (d) ₹ 6.23

339. A cost that remains unchanged across the relevant range of units produced is what kind of cost?  
 (a) Fixed cost ; (b) Product cost ; (c) Mixed cost ; (d) Period cost
340. A company has the following cost data for the month:  
 Conversion cost: ₹. 78,900; Prime Cost: ₹ 115,700; Beginning Work in Process Inventory: ₹ 4,700; Ending Work in Process Inventory: ₹ 2,800; Beginning Finished Goods Inventory: ₹ 27,600; Ending Finished Goods Inventory: ₹ 29,200; Manufacturing Overhead Costs: ₹ 14,500.  
 What is the Cost of Goods Sold for the month?  
 (a) ₹ 132,100 ; (b) ₹ 116,000 ; (c) ₹ 130,200 ; (d) ₹ 130,500
341. Material cost = ₹ 4.00 per unit; Labor cost = Re. 0.60 per unit; Factory overhead cost = ₹ 1.00 per unit; Administrative cost = ₹ 1.20 per unit; Selling cost = 15% of sales; Profit = ₹ 1.02 per unit.  
 What will be the sales price per unit?  
 (a) 6.0 ; (b) 9.2 ; (c) 7.0 ; (d) None of the given option
342. ABC & Company has maintained the following data of inventory control Under the periodic inventory system:
- | Date   | Units      | Total  |
|--------|------------|--------|
| Jan 01 | 100 @ ₹ 10 | ₹ 1000 |
| Jan 05 | 100 @ ₹ 11 | ₹ 1100 |
| Jan 10 | 150 @ ₹ 12 | ₹ 1600 |
- During the period 300 units were sold.  
 Calculate the cost of ending inventory under FIFO method.  
 (a) 600 ; (b) 500 ; (c) 400 ; (d) 300
343. National chains of tyre fitters stock a popular tyre for which the following information is available:  
 Average usage = 140 tyres per day  
 Minimum usage = 90 tyres per day  
 Maximum usage = 175 tyres per day  
 Lead time = 10 to 16 days  
 Re-order quantity = 3000 tyres  
 Based on the above data calculate the maximum level of stock possible:  
 (a) 2800 ; (b) 3000 ; (c) 4900 ; (d) 5800
344. The total labor cost incurred by a manufacturing entity includes which one of the following elements:  
 (a) Direct labor cost ; (b) Indirect labor cost ; (c) Abnormal labor cost ;  
 (d) All of the given options
345. If, Opening stock 1,000 units; Material Purchase 7,000 units; Closing Stock 500 units; Material consumed ₹ 7,500.  
 What will be the inventory turnover ratio?  
 (a) 10 Times ; (b) 12 times ; (c) 14.5 times ; (d) 9.5 times
346. If Units sold = 10,000; Closing finished goods = 2,000; Opening finished goods = 1,500;  
 What will be the value of units manufactured?  
 (a) 9,500 ; (b) 10,500 ; (c) 13,500 ; (d) 6,500
347. Calculate the amount of direct labor if:  
 Direct material = 15,000; Direct labor = 70% of prime cost  
 (a) 6,429 ; (b) 30,000 ; (c) 10,500 ; (d) 35,000
348. In increasing production volume situation, the behavior of Fixed cost & Variable cost will be:  
 (a) Increases, constant ; (b) Constant, increases ; (c) Increases, decreases  
 (d) Decreases, increases
349. While calculating the finished goods ending inventory, what would be the formula to calculate per unit cost?  
 (a) Cost of goods sold / number of units sold  
 (b) Cost of goods to be manufactured/ number of units manufactured  
 (c) Cost of goods manufactured / number of units manufactured

(d) Total manufacturing cost / number of units manufactured

350. If the direct labor is Rs. 42,000 and FOH is 40% of conversion cost. What will be the amount of FOH?  
 (a) 63,000 ; (b) 30,000 ; (c) 28,000 ; (d) 16,800

351. Which one of the following centers is responsible to earn sales revenue?  
 (a) Cost center ; (b) Investment center ; (c) Revenue center ; (d) Profit center

352. While preparing the Cost of Goods Sold and Income Statement, the over applied FOH is;  
 (a) Add back, subtracted ; (d) Subtracted, add back ; (c) Add back, add back  
 (d) Subtracted, subtracted

353. Which of the following ratios expressed that how many times the inventory is turning over towards the cost of goods sold?  
 (a) Net profit ratio ; (b) Gross profit ratio ; (c) Inventory turnover ratio ;  
 (d) Inventory holding period

MCQ # 354, 355, 356 and 357 are based on the following data:

The following is the Income Statement of a Company for last month:

Particulars	₹
Sales	4,000,000
Less: variable expenses	1,800,000
Contribution margin	2,200,000
Less: fixed expenses	720,000
Net income	1480,000

The company has no beginning or ending inventories. A total of 80,000 units were produced and sold last month.

354. What is the company's contribution margin ratio?  
 (a) 30% ; (b) 50% ; (c) 150% ; (d) None of given options

355. What is the company's break-even in units?  
 (a) 48,000 units ; (b) 72,000 units ; (c) 80,000 units ; (d) None of the given options

356. How many units would the company have to sell to attain target profits of ₹ 600,000?  
 (a) 48,000 units ; (b) 88,000 units ; (c) 106,668 units ; (d) None of given options

357. What is the company's margin of safety in ₹?  
 (a) ₹ 1,600,000 ; (b) ₹ 2,400,000 ; (c) ₹ 25,60,000 ; (d) None of the given options

358. The margin of safety can be defined as:  
 (a) The excess of budgeted or actual sales over budgeted or actual variable expenses  
 (b) The excess of budgeted or actual sales over budgeted or actual fixed expenses  
 (c) The excess of budgeted sales over the break-even volume of sales  
 (d) The excess of budgeted net income over actual net income

359. The contribution margin ratio is calculated by using which one of the given formula?  
 (a) (Sales - Fixed Expenses)/Sales ; (b) (Sales - Variable Expenses)/Sales  
 (c) (Sales - Total Expenses)/Sales ; (d) None of the given options

360. Data of a company XYZ is given below

Particulars	₹
Sales	15,00,000
Variable cost	9,00,000
Fixed Cost	4,00,000

Break Even Sales in ₹ \_\_\_\_\_  
 (a) ₹ 1, 00,000 ; (b) ₹. 2, 00,000 ; (c) ₹13, 00,000 ; (d) None of the given options

361. The break-even point is the point where:

- (a) Total sales revenue equals total expenses (variable and fixed)  
(b) Total contribution margin equals total fixed expenses  
(c) Total sales revenue equals to variable expenses only ; (d) Both a & b
362. **The break-even point in units is calculated using \_\_\_\_\_**  
(a) Fixed expenses and the contribution margin ratio  
(b) Variable expenses and the contribution margin ratio  
(c) Fixed expenses and the unit contribution margin  
(d) Variable expenses and the unit contribution margin
363. **Marginal costing is also known as:**  
(a) Indirect costing ; (b) Direct costing ; (c) Variable costing ; (d) Both (b) and (c)
364. **The difference between total revenues and total variable costs is known as:**  
(a) Contribution margin ; (b) Gross margin ; (c) Operating income ; (d) Fixed costs
365. **Percentage of Margin of Safety can be calculated in which one of the following ways?**  
(a) Based on budgeted Sales ; (b) Using budget profit ; (c) Using profit & Contribution ratio  
(d) All of the given options
366. **Which of the following represents a CVP equation?**  
(a) Sales = Contribution margin (Rs.) + Fixed expenses + Profits  
(b) Sales = Contribution margin ratio + Fixed expenses + Profits  
(c) Sales = Variable expenses + Fixed expenses + profits  
(d) Sales = Variable expenses – Fixed expenses + profits
367. **If 120 units produced, 100 units were sold @ ₹ 200 per unit. Variable cost related to production & selling is ₹ 150 per unit and fixed cost is ₹ 5,000. If the management wants to decrease sales price by 10%, what will be the effect of decreasing unit sales price on profitability of company?**  
(a) Remains constant ; (b) Profits will increased ; (c) Company will have to face losses  
(d) None of the given options
368. **A disadvantage of an hourly wage plan is that it:**  
(a) Provides no incentive for employees to achieve and maintain a high level of production.  
(b) Is hardly ever used and is difficult to apply.  
(c) Establishes a definite rate per hour for each employee.  
(d) Encourages employees to sacrifice quality in order to maximize earnings.
369. **The cost expended in the past that cannot be retrieved on product or service**  
(a) Relevant Cost ; (b) Sunk Cost ; (c) Product Cost ; (d) Irrelevant Cost
370. **When a manufacturing process requires mostly human labor and there are widely varying wage rates among workers, what is probably the most appropriate basis of applying factory costs to work in process?**  
(a) Machine hours ; (b) Cost of materials used ; (c) Direct labor hours ; (d) Direct labor dollars
371. **The main purpose of cost accounting is to:**  
(a) Maximize profits. ; (b) Help in inventory valuation  
(c) Provide information to management for decision making ;  
(d) Aid in the fixation of selling price
372. **The combination of direct material and direct labor is**  
(a) Total production Cost ; (b) Prime Cost ; (c) Conversion Cost ;  
(d) Total manufacturing Cost
373. \_\_\_\_\_ **method assumes that the goods received most recently in the stores or produced recently are the first ones to be delivered to the requisitioning department.**  
(a) FIFO ; (b) Weighted average method ; (c) Most recent price method ; (d) LIFO
374. **Fixed cost per unit decreases when:**

- (a) Production volume increases. ; (b) Production volume decreases.  
(c) Variable cost per unit decreases. ; (d) Variable cost per unit increases.
375. **Prime cost + Factory overhead cost is:**  
(a) Conversion cost. ; (b) Production cost. ; (c) Total cost. ; (d) None of given option.
376. **Find the value of purchases if Raw material consumed ₹ 90,000; Opening and closing stock of raw material is ₹ 50,000 and 30,000 respectively.**  
(a) ₹ 10,000 ; (b) ₹ 20,000 ; (c) ₹ 70,000 ; (d) ₹ 1,60,000
377. **If Cost of goods sold = ₹ 40,000; GP Margin = 20% of sales Calculate the Gross profit margin.**  
(a) ₹ 32,000 ; (b) ₹ 48,000 ; (c) ₹ 8,000 ; (d) ₹ 10,000
378. **Annual requirement is 7800 units; consumption per week is 150 units. Unit price ₹ 5, order cost ₹ 10 per order. Carrying cost ₹ 1 per unit and lead time is 3 week, The Economic order quantity would be:**  
(a) 395 units ; (b) 300 units ; (c) 250 units ; (d) 150 units
379. **Juniper Limited's budgeted overhead in the last period was ₹ 170,000. Its overhead absorbed and incurred for the same period were ₹180,000 and ₹195,000 respectively. What is its amount of over- or under-absorption of overhead?**  
(a) Under-absorption of ₹ 15,000 ; (b) Under-absorption of ₹ 25,000  
(c) Over-absorption of ₹ 15,000 ; (d) Over-absorption of ₹ 25,000
380. **Which of the following are the characteristics of management accounting?**  
**(1) It must follow generally accepted accounting principles.**  
**(2) It is concerned with information for the internal use of management.**  
**(3) It emphasises relevance and flexibility of data.**  
(a) (1) and (2) ; (b) (1) and (3) ; (c) (2) and (3) ; (d) (1), (2) and (3)
381. **Remuneration based on piece work is not suitable when:**  
**(1) the amount of output cannot be accurately measured.**  
**(2) the nature of work is repetitive.**  
**(3) the quantity of work is more important than quality.**  
(a) (1) only ; (b) (3) only ; (c) (1) and (3) ; (d) (2) and (3)
382. **The distinction between direct and indirect labour helps to :**  
(a) Measure efficiency of performance  
(b) Determine product cost more accurately  
(c) Ensure better cost analysis for decisions and control ; (d) All of the above
383. **Which would be an implicit cost for a firm? The cost:**  
(a) Of worker wages and salaries for the firm.  
(b) Paid for leasing a building for the firm.  
(c) Paid for production supplies for the firm. ; (d) Of wages foregone by the owner of the firm.
384. **The difference between gate time and time booked for jobs in respect of a worker in due to the following reasons except :**  
(a) Change-over time ; (b) Illness ; (c) Waiting for materials, instructions, etc.  
(d) Breakdown of machine
385. **The period of time for which a work station is available for production but is not utilized due to shortage of tooling, materials, operators, etc. is known as :**  
(a) Down time ; (b) Operation time ; (c) Idle time ; (d) Set-up time
386. **The objective of work study are :**  
(a) Material conservation ; (b) Time saving ; (c) Quality improvement and cost reduction  
(d) All of the above
387. **Time study serves the following purposes except :**

- (a) Standardizing jobs, operation etc. ; (b) Assessing labour time ;  
(c) Fixation of factory overhead rate ; (d) Fixation of wage rates and introduction of incentive schemes
388. **The methods of job evaluation include :**  
(a) Grading ; (b) Ranking ; (c) Points value ; (d) All of the above
389. **Merit rating helps the following except :**  
(a) Determining right worker for the right job/work ; (b) Delinking rewards with merits  
(c) Simplifying wage structure ; (d) Improving labour relations and reducing labour turnover
390. **The factors to be taken into consideration in formulating incentive schemes include :**  
(a) Quantity and quality of output ; (b) Incidence of overhead, and effect upon workers  
(c) Simplicity and legal provisions ; (d) All of the above
391. **Contribution margin contributes to meet which one of the following options ?**  
(a) Variable cost ; (b) Fixed cost ; (c) Operating cost ; (d) Net profit
392. **Favourable conditions for the operation of piece rates include :**  
(a) Homogeneous products ; (b) Long, uninterrupted run of production  
(c) Inspection ; (d) High proportion of indirect labour
393. **If time allowed for a job is 10 hours, time taken for the job is 8 hours and rate of pay is ₹ 2 per hour, the bonus to the worker is :**  
(a) ₹ 1.20 ; (b) ₹ 2.00 ; (c) ₹ 3.20 ; (d) None of the above
394. **Group bonus schemes are generally suitable where :**  
(a) Output depends on individual efforts  
(b) Output of individual workers can be measured easily  
(c) It is necessary to create a collective interest in the work ; (d) Normal loss rate is high
395. **In a profit sharing scheme the available surplus is shared by the following except :**  
(a) Government ; (b) Shareholders ; (c) Employees ; (d) Firm
396. **Non-monetary incentives may include the following except :**  
(a) Health and safety ; (b) Housing facilities ; (c) Education and training ;  
(d) Dearness allowance
397. **The purposes served by preparation of payroll or wages sheet include :**  
(a) Spreading the volume of work to be done  
(b) Computation of labour rate for each department  
(c) Comparing actual wages with budgeted wages for control ; (d) All of the above
398. **The authorized heads of deduction from wages payable include the following except :**  
(a) Car allowance ; (b) Income tax ; (c) Provident fund ; (d) Employees' state insurance
399. **Wages analysis include :**  
(a) Gross wages per product ; (b) Gross wages per operation or department  
(c) Gross wages per labour classification ; (d) Analysis of constituent of gross wages – direct/ lost time
400. **In account ting for labour cost :**  
(a) A. direct labour cost and indirect labour cost are charged to prime cost  
(b) Direct labour cost and indirect labour cost are charged to overheads  
(c) Direct labour cost is charged to prime cost and indirect labour cost is charged to overheads ; (d) All of the above
401. **Productive causes of idle time include the following except :**  
(a) Power failure ; (b) Fall in demand ; (c) Machine breakdown  
(d) Waiting for materials, tools, instructions, etc.

402. **The treatment of idle time in cost include the following :**  
(a) Cost of normal and controllable idle time is charged to factory overheads  
(b) Cost of normal but uncontrollable idle time is treated as prime cost  
(c) Cost of abnormal and uncontrollable idle time is charged to costing profit and loss account ; (d) All of the above
403. **Overtime premium may be treated, depending on the circumstances, as :**  
(a) Part of direct wages ; (b) Part of production overheads ;  
(c) Part of capital order ; (d) All of the above
404. **A manufacturing firm is very busy and is working overtime. The amount of overtime premium contained in direct wages would normally be classed as :**  
(a) Part of prime cost ; (b) Factory overheads ; (c) Direct labour cost ;  
(d) Administrative overheads
405. **Fringe benefits are those for which efforts of the workers are not necessary and may include the following except :**  
(a) Holiday pay ; (b) Attendance bonus ; (c) Production bonus ;  
(d) Employer's contribution to P.F.
406. **Avoidable causes of labour turnover include the following except :**  
(a) Redundancy ; (b) Low wages ; (c) Bad working conditions ; (d) Marriage
407. **The unavoidable causes of labour turnover include the following except :**  
(a) Personal betterment ; (b) Dissatisfaction with the job ; (c) Illness ; (d) Retirement
408. **Labour turnover can be measured by the following methods except :**  
(a) Attrition method ; (b) Separation method ; (c) Replacement method ; (d) Flux method
409. **At the start of the quarter there were 14,630 workers. 750 employees left during the quarter while 600 joined the organization during the same period. Using the flux method, the labour turnover was:**  
(a) 5.13% ; (b) 9.23% ; (c) 9.32% ; (d) 9.28%
410. **Which of the following is not a cost implication of labour turnover :**  
(a) Training ; (b) Recruiting ; (c) Ageing labour force ; (d) Damage of machine
411. **Preventive costs of labour turnover include the following except :**  
(a) Cost of recruitment and training ; (b) Medical services ; (c) Welfare ;  
(d) Gratuity and pension
412. **Replacement costs of labour turnover include the following except :**  
(a) Loss of output ; (b) Cost of personnel administration ;  
(c) Cost of tool and machine breakage ; (d) Cost of scrap and defective work
413. **Cost of labour turnover may be treated as :**  
(a) Direct wages ; (b) Prime cost ; (c) Overhead ; (d) None of the above
414. **(1) Labour cost control leads to minimization of cost of labour per unit of output. (2) When labour cost is fixed nature, any reduction in total labour cost may not result in lower cost per unit. True or false?**  
(a) (1) True; (2) False ; (b) (1) False; (2) True ; (c) (1) and (2) False ; (d) (1) and (2) True
415. **Labour cost control embraces the following activities except :**  
(a) Recruitment and promotion  
(b) Formulation of wage policy and payment and accounting for wages  
(c) Allocation of cost ; (b) Preparation of financial statement
416. **(1) Payment of higher wages does not necessarily mean that labour cost per unit is high. (2) Control over payment of wages aims at reducing or eliminating irregularities during actual disbursements. True or False?**  
(a) (1) and (2) True ; (b) (1) and (2) False ; (c) (1) False; (2) True ; (d) (1) True; (2) False



- 417. Which of the following techniques is not meant for labour cost control?**  
(a) Budgetary control ; (b) Standard costing ; (c) ABC analysis ; (d) Ratio analysis
- 418. Ratios which may be used for comparing labour cost over time include the following except :**  
(a) Gross profit ratio ; (b) Efficiency ratio ; (c) Illness ratio ; (d) Absenteeism ratio
- 419. Cost of production is equal to**  
(a) Prime costs+ other manufacturing costs.  
(b) Production costs + Administration expenses.  
(c) Prime costs + Manufacturing costs + Opening W.I.P – Closing W.I.P.  
(d) None of the above.  
[Hint : Cost of production = Prime cost+ Manufacturing cost+ Opening W.I.P-Closing W.I.P+ Administrative expenses.]
- 420. The cost of goods sold is equal to**  
(a) Total Purchases - Total Sales. ; (b) Opening stock + Total Purchase.  
(c) Opening stock - Total Purchases +Closing Stock+ Direct Costs.  
(d) Opening stock + Total Purchases – Closing Stock + Direct Costs.
- 421. Which of the following is false regarding the LIFO method of inventory valuation?**  
(a) The material issue will be priced at the price of the material that is purchased last.  
(b) The pattern of cash flow does not necessarily coincide with the actual flow pattern of materials.  
(c) It permits management to influence net income by timing the purchases.  
(d) LIFO determines closing inventory at recent costs.  
[Hint : Under LIFO the most recently purchased are assumed to be the first units sold. This method seldom accords a physical flow of goods rather than cost of flow of goods. This method permits management to influence net income by timing the purchases, LIFO results in higher cost of goods sold during the inflationary conditions, and lowest inventory value this results in lowest income provided. Under LIFO since the most recently purchased are assumed to be first units sold, the inventory comprises of oldest units and oldest cost. Hence option (e) is false. All other statements are true.]
- 422. Which of the following is NOT a reason for carrying inventory?**  
(a) To maintain independence of operations  
(b) To take advantage of economic purchase-order size  
(c) To make the system less productive  
(d) To meet variation in product demand
- 423. Which of the following is TRUE regarding Departmental Rates.**  
(a) A departmental absorption rate is a rate of absorption based upon the particular department's overhead cost and activity level  
(b) A departmental absorption rate is a rate of absorption not based upon the particular department's overhead cost and activity level  
(c) A single rate of absorption used throughout an organization's production facility and based upon its total production costs and activity  
(d) None of the given options
- 424. Inventory of ₹ 96,000 was purchased during the year. The cost of goods sold was ₹ 90,000 and the ending inventory was ₹ 18,000. What was the inventory turnover ratio for the year?**  
(a) 5.0 times ; (b) 5.3 times ; (c) 6.0 times ; (d) 6.4 times
- 425. In a perpetual inventory system, an inventory flow assumption (i.e. LIFO or FIFO) is used primarily for determining costs which are used in**  
(a) Forecasts of future sale.  
(b) Recording the cost of goods sold.

- (c) Recording Sales Revenue.
- (d) Forecasts of future operating results.

[Hint : The various methods of inventory valuation such as FIFO,LIFO etc. are basically done to arrive at the cost of goods sold and closing inventory value and not for forecast of sales, or recording purchases, recording sales revenue and not for forecasting operating results.]

**426. The inventory method where the cost per unit is recomputed after every addition in the inventory is known as.**

- (a) Specific identification method.
- (b) Moving average method.
- (c) Last-in- First – Out method.
- (d) First-in-First-Out method.

[Hint : The moving average method of inventory valuation assumes that costs are charged against revenue based on an average of the number of units acquired at each price level. The resulting average price is applied to the ending inventory to find the total ending inventory value. The moving average is determined by dividing the total cost of the inventory available including any beginning inventory by the total number of units. Under this method the cost per unit is recomputed after every addition.]

**427. Which of the following inventory valuation methods shows higher profits during the period of rising prices?**

- (a) FIFO method. ; (b) LIFO method. ; (c) Weighted average method.;
- (d) Simple average method.

**428. Which of the following systems of inventory valuation computes cost of goods sold as a residual amount?**

- (a) Weighted Average. ; (b) Last-in-First-out. ; (c) Periodic Inventory System.;
- (d) Specific Identification.

**429. Which of the following is calculated by a formula that uses net sales as denominator?**

- (a) Inventory turnover ratio ; (b) Gross profit rate ; (c) Return on Investment ;
- (d) None of the given options

**430. Overhead expenses can be classified according to :**

- (a) Functions ; (b) Elements ; (c) Behavior ; (d) All of the above

**431. Which of the following is not included in functional classification of overheads ?**

- (a) Repairs and maintenance ; (b) Lubricating oil ; (c) Consumable stores;
- (d) Chargeable expenses

**432. Which of the following is not an example of marketing overheads ?**

- (a) Salary of the foreman ; (b) Publicity expenses ; (c) Salaries of sales staff;
- (d) Secondary packing charges

**433. Some overhead charges tend to vary almost directly, some tend to remain constant while some again vary in part with the volume and in part remain constant. This statement describes sequentially the following:**

- (a) Variable, fixed and semi-variable overheads
- (b) Fixed, semi-variable and variable overheads
- (c) Semi-variable, variable and fixed overheads
- (d) Variable, semi-variable and fixed overheads

**434. Suppose a firm sells its product at a price lower than the opportunity cost of the inputs used to produce it. Which is true?**

- (a) The firm will earn accounting and economic profits.
- (b) The firm will face accounting and economic losses.
- (c) The firm will face an accounting loss, but earn economic profits.
- (d) The firm may earn accounting profits, but will face economic losses.

435. **Example of semi-variable items include the following except :**  
(a) Telephone ; (b) Repairs and maintenance ; (c) Depreciation of plant and machinery  
(d) Insurance of plant and building
436. **Direct Labor is an element of:**  
(a) Prime cost ; (b) Conversion cost ; (c) Total production cost ; (d) All of the given options
437. **Which of the following is not a production department?**  
(a) Power department ; (b) Machining department ; (c) Refining department;  
(d) Finishing department
438. **Which of the following does not match?**
- |                            |                             |
|----------------------------|-----------------------------|
| Item of cost               | Basis of cost allocation    |
| a. Power                   | H.P. of machine             |
| b. Supervision of building | value of materials consumed |
| c. Insurance of building   | area occupied               |
| d. Time-keeping            | number of employees         |
439. **(1) Departmentalization of items of costs is known as primary distribution.  
(2) Redistribution of service departments, costs is known as secondary distribution. True or false?**  
(a) (1) and (2) true ; (b) (1) and (2) false ; (c) (1) False; (2) True ; (d) (1) True; (2) False
440. **Which of the following costs is not a factory overhead expense?**  
(a) Depreciation of equipment used in the research department  
(b) Salary of quality control inspector  
(c) Overtime premium paid to direct labour  
(d) Machine maintenance labour cost
441. **Which of the following bases would be most appropriate to apportion the cost of electric power to factory departments?**  
(a) Number of outlet points ; (b) Amount metered out ; (c) Cubic capacity of premises;  
(d) Kilowatt capacity of machines in department
442. **A method of dealing with overheads involves spreading common costs over cost centres on the basis of benefit received. This is known as :**  
(a) Overhead absorption ; (b) Overhead apportionment ; (c) Overhead identification;  
(d) Overhead analysis
443. **The process of cost apportionment is carried out so that :**  
(a) Costs may be controlled  
(b) Cost units gather overheads as they pass through cost centres  
(c) Whole items of cost can be charged to cost centres  
(d) Common costs are shared among cost centres
444. **An overhead absorption rate is used to :**  
(a) Share out common costs over benefiting cost centres  
(b) Find the total overheads for a cost centre  
(c) Charge overheads to products  
(d) Control overheads
445. **Which of the following is not a means whereby factory overheads can be charged out to production?**  
(a) Direct labour rate ; (b) Overtime rate ; (c) Machine hour rate ; (d) Blanket rate
446. **A management consultancy recovers overheads on chargeable consulting hours. Budgeted overheads were ₹ 6,15,000 and actual consulting hours were 32,150. Overheads, were under-recovered by ₹ 35,000. If actual overheads, were ₹ 6,94,075, what was the budgeted overhead absorption rate per hour ?**  
(a) ₹ 19.13 ; (b) ₹ 20.50 ; (c) ₹ 21.59 ; (d) ₹ 22.68

447. **Idle capacity of a plant is defined as the difference between :**  
(a) Practical capacity and normal capacity  
(b) Practical capacity and capacity based on sale expectancy  
(c) Maximum capacity and actual capacity  
(d) Maximum capacity and practical capacity
448. **The capacity which is based on the long-term average of sales expectancy is known as :**  
(a) Theoretical capacity ; (b) Operating capacity ; (c) Normal capacity ;  
(d) Derated capacity
449. **Maximum capacity of a plant refers to its:**  
(a) Theoretical capacity ; (b) Normal capacity ; (c) Practical capacity ;  
(d) Capacity based on sales expectancy
450. **Which of the following is not a production cause of idle capacity ?**  
(a) Set-up and change-over time ; (b) Lack of supervision and instruction ;  
(c) Lack of materials and tools ; (d) Strike
451. **Functionally, administration expenses may comprise expenses of the following activities :**  
(a) Secretarial and board of directors ; (b) Accounting, financing, tax and legal ;  
(c) Audit and personnel ; (d) All of these
452. **Which of the following is not a possible method of accounting for administration overheads ?**  
(a) Include as part of production overheads  
(b) Apportion to production, selling and distribution functions  
(c) Treat administration as a separate entity and treat the costs as such  
(d) Transfer to costing profit and loss account
453. **Which of the following is not used as a base for apportionment of administration overheads ?**  
(a) Direct wages ; (b) Works cost ; (c) Conversion cost ; (d) Sales value
454. **Which of the following is/are the basic object/s of job analysis?**  
(a) Determination of wage rates ; (b) Ascertain the relative worth of each job ;  
(c) Breaking up job into its basic elements ; (d) All of the given options
455. **Analysis of selling and distribution overheads is done by :**  
(a) Nature of expenses and functions ; (b) Areas, products and salesmen ;  
(c) Types of customers and channels of distribution ; (d) All of the above
456. **For exercising control over selling and distribution overheads, the following techniques may be used :**  
(a) Comparison with past results ; (b) Budgetary control ; (c) Standard costing ;  
(d) All of the above
457. **Depreciation is a :**  
(a) Measure of consumption of assets ; (b) Process of allocation and not of valuation ;  
(c) Wear and tear due to use and/or lapse of time ; (d) All of the above
458. **Which of the following does not influence the useful life of an asset ?**  
(a) Expected physical wear and tear ; (b) Cost of the asset ; (c) Obsolescence ;  
(d) Legal or other limits on the use of the asset
459. **For computing depreciation of an asset, the factors that are taken into consideration include the following except :**  
(a) Historical cost ; (b) Expected useful life ; (c) Insurance premium ;  
(d) Estimated residual value
460. **Depreciation on plant and machinery is :**  
(a) Not a cash cost, so is ignored in the cost accounts ; (b) Part of manufacturing overheads ;  
(c) Part of prime cost ; (d) Always calculated using the straight-line method

461. Which of the following methods of depreciation results in fixed per unit cost of depreciation ?  
(a) Straight line ; (b) Reducing balance ; (c) Sinking fund ; (d) Production unit
462. Types of maintenance include the following except :  
(a) Routine ; (b) Overhaul ; (c) Emergency ; (d) Periodic
463. Which of the following is not included in the objectives of maintenance of plant and machinery ?  
(a) Reducing idle time ; (b) Reducing breakdown ; (c) Maintaining efficiency ;  
(d) Increasing life
464. Regular maintenance expenses are :  
(a) Capitalized ; (b) Part of manufacturing overheads ;  
(c) Written-off to costing profit and loss account ; (d) Part of prime cost
465. Obsolescence is the measure of the loss of value of an asset due to :  
(a) Technological innovation ; (b) Changes in market conditions ;  
(c) Both (a) and (b) above ; (d) None of the above
466. Interest on own capital is a:  
(a) Cash cost ; (b) Notional cost ; (c) Sunk cost ; (d) Part of prime cost
467. Objectives of research and development costs include :  
(a) Maintaining present competitive position ; (b) Improving enterprise's competitive position ;  
(c) Exploring new market/products ; (d) All of the above
468. Normal stores losses are :  
(a) Part of prime cost ; (b) Part of production overheads ; (c) Part of selling and distribution ;  
overheads ; (d) Written-off to costing and profit and loss account
469. Secondary packing expenses are :  
(a) Part of prime cost ; (b) Part of production overheads ; (c) Part of distribution overheads ;  
(d) Written-off to costing profit and loss account
470. If you know that with 8 units of output, average fixed cost is ₹12.50 and average variable cost is ₹ 81.25, then total cost at this output level is:  
(a) ₹ 93.75. ; (b) ₹ 97.78. ; (c) ₹ 750. ; (d) ₹ 880.
471. The methods of treating cost of small tools in cost accounts include :  
(a) Charging to expense ; (b) Charging to stores ; (c) Capitalizing in a small tools account ;  
(d) All of the above
472. Under marginal costing :  
(a) All costs are classified into two groups – variable and fixed  
(b) Variable costs form part of the product cost and inventory valuation  
(c) Fixed costs are treated as period costs ; (d) All of the above
473. Which of the following definitions describe marginal cost ?  
(a) The variable cost of one unit of product or service  
(b) A principle whereby variable costs are charged to cost units and the fixed costs attributable to the relevant period are written-off in full against the contribution for that period  
(c) Costs appropriate to aiding the making of specific management decisions  
(d) The price at which material identical to that which is used up could be replaced on the date of usage
474. According to Rowan premium plan, which of the following formula is used to calculate the bonus rate?  
(a)  $(\text{Time saved}/\text{time allowed}) \times 100$   
(b)  $(\text{Time allowed}/\text{time saved}) \times 100$   
(c)  $(\text{Actual time taken}/\text{time allowed}) \times 100$   
(d)  $(\text{Time allowed}/\text{actual time taken}) \times 100$

475. Which of the following is not an assumption underlying the accountant's break-even chart ?  
 (a) Fixed costs remain fixed throughout the range charted  
 (b) Selling prices do not change  
 (c) Variable costs fluctuate inversely with volume  
 (d) Unit variable costs remain constant throughout the range charted
476. With regard to break –even charts and break-even analysis, which of the following is true ?  
 (a) It is assumed that variable cost fluctuates in direct proportion to output  
 (b) The break the break-even point is at the intersection of the sales line and the variable cost line  
 (c) A break-even chart shown the maximum profit possible  
 (d) A break-even chart is capable of dealing with any change of product mix
477. The following data relate to two output levels of a department :
- |               |          |          |
|---------------|----------|----------|
| Machine hours | 17,000   | 18,500   |
| Overheads (₹) | 2,46,500 | 2,51,750 |
- The variable overhead rate per hour is ₹ 3.50. The amount of fixed overheads is:  
 (a) ₹ 5,250 ; (b) ₹ 59,500 ; (c) ₹ 1,87,000 ; (d) ₹ 2,46,500
478. The following data relate to two activity levels of an out-patients' department in a hospital :
- |                                  |            |            |
|----------------------------------|------------|------------|
| No. of consultations per patient | 4,500      | 5,750      |
| Overheads                        | ₹ 2,69,750 | ₹ 2,89,125 |
- Fixed overheads are ₹ 2,00,000 per period. The variable cost per consultation is :  
 (a) ₹ 15.50 ; (b) ₹ 44.44 ; (c) ₹ 59.94 ; (d) ₹ none of the above
479. Break-even analysis assumes that over the relevant range :  
 (a) Total costs are unchanged ; (b) Unit variable costs are unchanged ;  
 (c) Variable costs are non-linear ; (d) Unit fixed costs are unchanged
480. ABC Ltd. Has fixed costs of ₹ 60,000 p.a.. It manufactures a single product, which it sells for ₹ 20 per unit. Its contribution to sales ratio is 40%. ABC Ltd's break-even point in units is :  
 (a) 1,800 ; (b) 3,000 ; (c) 5,000 ; (d) 7,500
481. Sun Ltd. Makes a single product which it sells for ₹ 10 per unit. Fixed costs are ₹ 48,000 per month and the product has a contribution to sales ratio of 40%. In a period when actual sales were ₹ 1,40,000. Sun Ltd.'s margin of safety in units was :  
 (a) 2,000 ; (b) 6,000 ; (c) 8,000 ; (d) 12,000
482. A company produced 500 units of a product and incurred the following costs :
- |                       |        |
|-----------------------|--------|
|                       | ₹      |
| Direct materials      | 8,000  |
| Direct wages          | 10,000 |
| Overheads (20% fixed) | 45,000 |
- If the sales value of 500 units was ₹ 1,02,000, what is contribution margin ?  
 (a) 44%  
 (b) 47%  
 (c) 53%  
 (d) 74%
- Use the following data for questions 483 and 484:  
 Budget data for the Happy Ltd.
- |                        |             |
|------------------------|-------------|
| Sales (1,00,000 units) | ₹ 10,00,000 |
| Costs :                |             |
| Variable               | ₹ 7,00,000  |
| Fixed                  | ₹ 2,10,000  |
| Operating profit       | ₹ 90,000    |
483. If fixed costs increased by ₹ 31,500 with no other cost or revenue factors changing, the break-even sales in units would be :  
 (a) 34,500 ; (b) 80,500 ; (c) 69,000 ; (d) 94,500

484. If Happy Ltd. is subject to an effective income tax rate of 40%, the number of units Happy Ltd. would have to sell to earn an after-tax profit of ₹ 90,000 is :  
(a) 1,00,000 units ; (b) 1,20,000 units ; (c) 1,12,000 units ; (d) 1,45,000 units
485. Selling a product at a price equivalent to or below marginal cost is recommended for a short period in certain special circumstances, such as :  
(a) Introducing a new product ; (b) Exploring foreign market ;  
(c) Driving out a weaker competitor ; (d) All of the above
486. Which of the following is not a relevant cost information in a make or buy decision ?  
(a) Variable cost of making ; (b) General fixed cost ; (c) Purchase price ;  
(d) Loss of contribution to make the product
487. Which of the following factors are not qualitative factors in a make or buy decision ?  
(a) Doubt as to the ability of the subcontractor to meet delivery dates  
(b) Doubt as to ability of the subcontractor to maintain quality  
(c) The ease with which improvements can be made to the product  
(d) The effect of redundancy on labour relations
488. Raymond Corporation estimates factory overhead of ₹ 345,000 for next fiscal year. It is estimated that 60,000 units will be produced at a material cost of ₹575,000. Conversion will require 34,500 direct labor hours at a cost of ₹ 10 per hour, with 25,875 machine hours. FOH rate on the bases on Budgeted Production would be?  
(a) ₹ 5.75 per unit ; (b) ₹ 6.65 per unit ; (c) ₹ 6.0 per unit ; (d) ₹ 1 per unit
489. In a shutdown decision, one has to consider :  
(a) Contribution ; (b) Identifiable fixed cost, if any ;  
(c) Impact of shutdown on other products, if any ; (d) All of the above
490. When a firm doubles its inputs and finds that its output has more than doubled, this is known as:  
(a) Economies of scale. ; (b) Constant returns to scale. ; (c) Diseconomies of scale. ;  
(d) A violation of the law of diminishing returns.
491. The firm's monthly cost of production is ₹ 1,46,000 at an output level of 8,000 units. If it achieves an output level of 12,000 units it will incur production cost of ₹ 1,94,000 cost of production for 15,000 units is :  
(a) ₹ 1,80,000 ; (b) ₹ 2,00,000 ; (c) ₹ 50,000 ; (d) ₹ 2,30,000
492. The basic research cost should be treated as :  
(a) Product cost ; (b) Production cost ; (c) Production overhead ; (d) Period cost
493. A firm requires 16,000 nos. of a certain component, which it buys at ₹ 60 each. The cost of placing an order and following it up is ₹ 120 and the annual storage charges work out to 10% of the cost of the item. To get maximum benefit the firm should place order for ..... Units at a time.  
(a) 1,000 ; (b) 900 ; (c) 800 ; (d) 600
494. About 50 items are required every day for a machine. A fixed cost of ₹ 50 per order is incurred for placing an order. The inventory carrying cost per item amounts to Re. 0.02 per day. The lead period is 32 days. Compute reorder level.  
(a) 1,200 items ; (b) 1,400 items ; (c) 1,600 items ; (d) 1,800 items
495. The standard time required per unit of a product is 20 minutes. In a day of 8 working hours a worker given an output of 30 units. If he gets a time rate of ₹ 20/hr., his total earnings under Halsey bonus scheme was :  
(a) ₹ 200 ; (b) ₹ 192 ; (c) ₹ 180 ; (d) ₹ 160
496. A material loss during production or storage due to evaporation or shrinkage is called :  
(a) Scrap ; (b) Waste ; (c) Spoilage ; (d) Material loss

**PAPER 2: FUNDAMENTALS OF ACCOUNTING (SYLLABUS 2012)\_MCQ**

497. The process of distribution of overheads allotted to a particular department or cost centre over the units produced is called :  
 (a) Allocation ; (b) Apportionment ; (c) Absorption ; (d) Departmentalization
498. Angle of incidence defines :  
 (a) Systematic risk in CAPM model ; (b) Post BEP relationship between total cost and total revenue ;  
 (c) Incidental factors in investments ; (d) Marginal cost of production
499. A Ltd. Has sales of ₹ 2,200, total fixed cost of ₹ 570, variable cost of ₹ 1,540, raw material consumed of ₹ 1,100, number of units sold 22,000. What shall be the BEP 9in units) if raw material price is reduced by 2%?  
 (a) 18,387 ; (b) 18,560 ; (c) 18,750 ; (d) 19,000
500. If an item of overhead expenditure is charged specifically to a single department this would be an example of:  
 (a) Apportionment ; (b) Allocation ; (c) Re-apportionment ; (d) Absorption

**Answers  
COSTING**

1	b	2	c	3	c	4	a	5	c	6	b	7	b
8	a	9	a	10	c	11	a	12	b	13	c	14	d
15	b	16	b	17	a	18	c	19	3	20	3	21	c
22	a	23	b	24	c	25	c	26	b	27	c	28	a
29	b	30	d	31	b	32	b	33	c	34	b	35	a
36	d	37	c	38	d	39	d	40	a	41	b	42	b
43	b	44	d	45	a	46	a	47	b	48	a	49	d
50	d	51	c	52	b	53	c	54	b	55	b	56	a
57	a	58	d	59	d	60	c	61	b	62	a	63	b
64	a	65	b	66	d	67	a	68	a	69	b	70	d
71	d	72	c	73	b	74	c	75	a	76	b	77	c
78	b	79	d	80	a	81	d	82	c	83	c	84	a
85	d	86	b	87	b	88	a	89	c	90	a	91	a
92	d	93	d	94	a	95	c	96	b	97	c	98	d
99	a	100	c	101	c	102	c	103	d	104	b	105	b
106	a	107	c	108	a	109	b	110	a	111	c	112	a
113	a	114	d	115	a	116	c	117	a	118	c	119	d
120	d	121	d	122	c	123	a	124	b	125	d	126	d
127	a	128	c	129	b	130	a	131	d	132	a	133	b
134	a	135	a	136	c	137	c	138	a	139	a	140	b
141	d	142	c	143	a	144	a	145	a	146	a	147	a
148	a	149	a	150	a	151	c	152	a	153	d	154	d
155	c	156	d	157	b	158	a	159	d	160	a	161	a
162	c	163	d	164	a	165	a	166	b	167	c	168	a
169	a	170	a	171	b	172	d	173	c	174	d	175	d
176	b	177	d	178	a	179	c	180	a	181	d	182	b
183	a	184	c	185	b	186	d	187	c	188	a	189	c
190	a	191	a	192	c	193	a	194	c	195	a	196	d
197	d	198	d	199	d	200	b	201	b	202	b	203	d
204	a	205	d	206	a	207	d	208	a	209	b	210	a
211	b	212	a	213	b	214	a	215	b	216	b	217	b
218	d	219	a	220	a	221	d	222	d	223	a	224	b
225	c	226	c	227	a	228	b	229	d	230	a	231	d



**PAPER 2: FUNDAMENTALS OF ACCOUNTING (SYLLABUS 2012)\_MCQ**

232	a	233	d	234	c	235	a	236	a	237	b	238	b
239	d	240	b	241	b	242	a	243	d	244	a	245	a
246	d	247	d	248	a	249	c	250	a	251	a	252	d
253	d	254	d	255	a	256	c	257	d	258	c	259	b
260	a	261	d	262	a	263	d	264	b	265	a	266	a
267	b	268	d	269	d	270	d	271	d	272	b	273	b
274	a	275	b	276	d	277	d	278	c	279	a	280	b
281	b	282	d	283	a	284	d	285	b	286	d	287	b
288	b	289	a	290	c	291	b	292	b	293	d	294	a
295	d	296	d	297	a	298	a	299	d	300	c	301	d
302	c	303	b	304	c	305	a	306	b	307	b	308	d
309	b	310	d	311	d	312	a	313	b	314	d	315	a
316	d	317	b	318	b	319	d	320	d	321	b	322	b
323	c	324	b	325	a	326	c	327	b	328	b	329	a
330	c	331	d	332	d	333	a	334	b	335	a	336	a
337	c	338	c	339	a	340	d	341	b	342	a	343	c
344	d	345	a	346	b	347	d	348	b	349	c	350	c
351	c	352	b	353	c	354	b	355	d	356	a	357	c
358	c	359	b	360	d	361	d	362	c	363	d	364	a
365	d	366	c	367	c	368	a	369	b	370	c	371	c
372	b	373	d	374	a	375	b	376	c	377	d	378	b
379	a	380	c	381	a	382	d	383	d	384	b	385	b
386	d	387	c	388	d	389	b	390	d	391	b	392	b
393	c	394	c	395	a	396	d	397	d	398	a	399	a
400	c	401	b	402	d	403	d	404	b	405	c	406	d
407	b	408	a	409	d	410	c	411	a	412	b	413	c
414	a	415	d	416	a	417	c	418	a	419	d	420	d
421	d	422	c	423	a	424	d	425	b	426	b	427	a
428	c	429	d	430	d	431	d	432	a	433	a	434	d
435	d	436	d	437	a	438	b	439	a	440	a	441	b
442	b	443	d	444	c	445	b	446	b	447	b	448	c
449	a	450	d	451	d	452	a	453	a	454	b	455	d
456	d	457	d	458	b	459	c	460	b	461	d	462	b
463	d	464	b	465	c	466	b	467	d	468	b	469	c
470	c	471	d	472	d	473	a	474	a	475	c	476	a
477	c	478	a	479	b	480	d	481	a	482	b	483	b
484	b	485	d	486	b	487	d	488	a	489	d	490	a
491	d	492	c	493	c	494	c	495	c	496	b	497	c
498	b	499	a	500	b								

## MCQ FOR FINANCIAL ACCOUNTING

1. **Which English alphabet is similar to the shape of an account?**

- (a) I ; (b) T ; (c) H ; (d) None

2. **Gross Profit is the difference between**

- (a) Net Sales and Cost of goods sold ; (b) PAT and Dividends ;  
(c) Net Sales and Cost of production ; (d) Net Sales and Direct costs of productions

[Hints: (a) Trading account is prepared to find out the Gross Profit due to the operations of a business. It is the difference between the Net Sales (i.e., Sales less sales return) and the Cost of goods sold. Cost of goods sold= Opening Stock+ Net Purchases – Closing Stock + Direct expenses. Hence option (a) is the right option. Option (c) is incorrect because cost of production does not consider the opening stock and closing stock adjustment. Similarly option (d) ignores stock balance adjustment.]

3. **Recording of Capital contributed by the owner as liability ensures the adherence of principle of**

- (a) Double Entry  
(b) Going Concern  
(c) Separate Entry  
(d) Materiality

[Hints: (c) Recording of capital contributed by the owner as liability ensures the adherence of principle of the "Separate entity or Business entity concept". The concept requires the business to be treated as distinct from the persons who own it; then it becomes possible to record transactions of the business with the proprietor also. Without such a distinction, the affairs of the firm will be mixed up with the private affairs of the proprietor and the true picture of the firm will not be available.

Under the Going Concern Concept, it is assumed that the business will exit for a long time and transactions are recorded from this point of view. It is this that necessitates distinction between expenditure that will render benefit over a long period and that whose benefit will be exhausted quickly.

Under Double-entry or Dual aspect concept, each transaction has two aspects, if a business has acquired an asset, it must have resulted in one of the following:

- ❖ Some other asset has been given up.
- ❖ The obligation to pay for it has arisen.
- ❖ There has been a profit, leading to an increase in the amount that the business owes to the proprietor.
- ❖ The proprietor has contributed money for the acquisition of the asset.
- ❖ The concept of Materiality requires all the material items to be recorded and disclosed separately.]

**4. The basic concepts related to Balance Sheet are**

- (a) Cost Concept
- (b) Business Entity Concept
- (c) Accounting Period Concept
- (d) Both (a) and (b) above

[Hints: (d) Cost concept requires the transactions to be recorded in the books of accounts at the amounts actually involved. Suppose a firm purchases a piece of land for ₹ 1,50,000 but considers its worth ₹ 3,00,000. The purchase will be recorded at ₹ 1,50,000. Business entity concept requires the business to be treated as distinct from the persons who own it; then it becomes possible to record transactions of the business with the proprietor also. Without such a distinction, the affairs of the firm will be mixed up with the private affairs of the proprietor and the true picture of the firm will not be available. Accounting period concept is applicable to the Profit & Loss Account which is prepared for the year ending and cannot be applied to Balance Sheet as it is a statement prepared as on a particular date. Therefore, cost and entity concepts are related to Balance Sheet.]

**5. The basic concepts related to P & L Account are**

- (a) Realization Concept
- (b) Matching Concept
- (c) Cost Concept
- (d) Both (a) and (b) above

[Hints: (d) Under Realization concept, accounting is a historical record of transactions and unless money has been realized – either cash has been received or a legal obligation to pay has been assumed by the customer- no sale can be said to have taken place and no profit can be said to have arisen. Matching concept requires that all the revenues must be matched with the expenses. Therefore, the above concepts are related to the Profit & Loss Account.]

**6. Which of the following is (are) characteristic(s) of Bad Debt?**

- (a) It is a definite loss to the business ;
- (b) It must be shown in Profit & loss account ;
- (c) No provision is necessary for it ;
- (d) All of the given options

**7. Only the significant events which affect the business must be recorded as per the principle of**

- (a) Separate Entity
- (b) Accrual
- (c) Materiality
- (d) Going Concern

[Hints: (c) The concept of materiality requires that only the significant events that affect the business must be recorded.]

**8. P & L Account is prepared for a period of one year by following**

- (a) Consistency Concept
- (b) Conservatism Concept
- (c) Accounting Period Concept
- (d) Cost Concept

[Hints: (c) P&L A/C is prepared for a period of one year by following the concept of Accounting Period.]

9. **If the Going Concern concept is no longer valid, which of the following is true?**

- (a) All prepaid assets would be completely written-off immediately
- (b) Total contributed Capital and Retained Earnings would remain unchanged
- (c) Intangible Assets would continue to be carried at net Amortized historical cost
- (d) Land held as an Investment would be valued at its realizable value

[Hints: (d) Under the Going Concern Concept, it is assumed that the business will exit for a long time and transactions are recorded from this point of view. It is this that necessitates distinction between expenditure that will render benefit over a long period and that whose benefit will be exhausted quickly. If the concept ceases to be valid, then land held as an investment would be valued at its realizable value.]

10. **Under which of the following concepts are shareholders treated as creditors for the amount they paid on the shares they subscribed to?**

- (a) Cost Concept
- (b) Duality Concept
- (c) Business Entity Concept
- (d) Since the shareholders own the business, they are not treated as creditors

[Hints: (c) Under business entity concept, the shareholders are treated as creditors of the company. It is also known as separate entity concept.]

11. **The underlying accounting principle(s) necessitating amortization of intangible asset(s) is/are**

- (a) Cost Concept
- (b) Realization Concept
- (c) Matching Concept
- (d) Both (a) and (c) above

[Hints: (c) The matching concept requires that all the revenues must be matched with the expenses incurred during the accounting period. The expenses relating to intangible assets are amortized over the periods in which the benefit from intangible assets accrue and therefore the underlying principle is the matching concept.]

12. **Which of the following practices is not in consonance with the convention of conservatism?**

- (a) Creating Provision for Bad debts
- (b) Creating Provision for Discount on Creditors
- (c) Creating Provision for Discount on Debtors
- (d) Creating Provision for tax

[Hints: (b) The principle of conservatism seeks provisions for all the probable losses. Creating provision for discount on creditors tantamount to recognition of probable gain in the form of discount and hence it is not in consonance with conservatism.]

13. **The accounting measurement that is not consistent with the Going Concern concept is**

- (a) Historical Cost
- (b) Realization
- (c) The Transaction Approach
- (d) Liquidation Value

[Hints: (d) Liquidation value is the value of the business when the business is wound up and is under liquidation whereas the going concern concept assumes that the business will continue over a long time and therefore the accounting measurement "Liquidation Value" is inconsistent with going concern concept.]

14. **Recording of Fixed Assets at cost ensures adherence of**

- (a) Conservatism Concept
- (b) Going Concern Concept
- (c) Cost Concept
- (d) Both (a) and (b) above

[Hints: (c) Cost concept requires the transactions to be recorded in the books of accounts at the amounts actually involved. Suppose a firm purchases a piece of land for ₹ 1,50,000 but considers its worth ₹ 3,00,000. The purchase will be recorded at ₹ 1,50,000. Therefore, recording of fixed assets at cost ensures the adherence of cost concept.]

15. **Omission of pause and showing the round figures in financial statements is based on**

- (a) Conservatism Concept
- (b) Consistency Concept
- (c) Materiality Concept
- (d) Realization Concept

[Hints: (c) Omission of pause and showing the round figure in financial statements is based on the concept of materiality.]

16. **X Ltd., purchased goods for ₹ 5 lakh and sold 9/10<sup>th</sup> of the value of goods for ₹ 6 lakh. Net expenses during the year were ₹ 25, 000. The company reported its net profit as ₹ 75,000. Which of the following concept is violated by the company?**

- (a) Realization
- (b) Conservation
- (c) Matching
- (d) Accrual

[Hints: (c) Matching concept requires the expenses must relate to the goods and services sold during that period to arrive at the net profits of the enterprise. Hence matching concept requires the recognition of revenue and expenses on a comparable basis. In the above question that amount of ₹ 75,000 as net profit was arrived at by deducting ₹ 5,00,000 ( being cost of purchases ) + ₹ 25,000 expenses from the sale proceeds of ₹ 6,00,000. This does not follow matching concept since the cost of goods sold is to be deducted and not the cost of purchases, since some purchases have been left in stock. So the net profit using matching concept is ₹ 6,00,000 less cost of goods ₹ 4,50,000 (i.e. ₹ 5,00,000 x 9/10) less expenses of ₹ 25,000 = ₹ 1,25,000.]

17. **Accounting does not record non- financial transactions because of**

- (a) Entity Concept
- (b) Accrual Concept
- (c) Cost Concept
- (d) Money Measurement Concept

[Hints: (d) The money measurement concept: Accounting records only those transactions which are expressed in monetary value, though quantitative records are kept. Hence, accounting does not record non – financial transactions.]

18. **Mr. Rohit, owner of Rohit Furniture Ltd., owns a personal residence that cost ₹ 6,00,000, but has a market value of ₹ 9,00,000. During preparation of the financial statement for the business, the entire value of property was ignored and was not shown in the financial statements. The principle that was followed was**

- (a) The concept of the Business Entity
- (b) The concept of the Cost Principle
- (c) The concept of Going Concern Principle
- (d) The concept of Duality Principle

[Hints: (a) Business entity concept requires the business to be treated as a separate entity.]

19. **Provision for bad debt is made as per the**

- (a) Entity Concept
- (b) Conservatism Concept
- (c) Cost Concept
- (d) Going Concern Concept

[Hints: (b) Provision for bad debts is made as per the concept of conservatism.]

20. **Fixed Assets and Current Assets are categorized as per concept of**

- (a) Separate Entity
- (b) Going Concern
- (c) Consistency
- (d) Time period

[Hints: (b) Going Concern Concept implies that the resources of the concern would continue to be used for the purposes for which they are meant to be used. For instance, in a manufacturing concern, the land, building, machinery etc. are primarily required for carrying out the production and selling of certain products. Going Concern Concept implies that these land, building, machinery, etc. would continue to be used for this purpose. In fact, it is because these assets are expected to be with the concern for a long period of time for production and selling of end products that these assets are termed as 'Fixed Assets'. Going Concern Concept is the basis of the conventional classification for instance as Fixed Asset/ Current Asset, Long term/ Current Liabilities.]

**21. Which of the following is NOT a revenue expenditure?**

- (a) Petrol consumed in motor vehicles ; (b) Cost of saleable goods ; (c) Bad debts ;
- (d) Premium given on lease

**22. Which of the following statements is true?**

- (a) Going Concern Concept assumes that business will be carried on for a definite period
- (b) The Capital Losses need not be deducted to ascertain net income
- (c) Provision for bad and doubtful debts is created in recognition of conservatism concept
- (d) Materiality concept states that all business transactions are to be recorded however insignificant they may be

[Hints: (c) According to the conservatism concept, 'anticipate no profit and provide for all possible losses'. Thus, in recognition of conservatism concept, provision for bad and doubtful debts is created in anticipation of actual bad debts. The statements in other alternatives are incorrect because going concern concept assumes that business will be carried on for an indefinite period and not for definite period (a). The capital losses are to be deducted to ascertain net income (b). Materiality concept states that insignificant events need not be recorded and the statement in alternative (d) is incorrect. Thus, the correct answer is (d).]

**23. The expenses and incomes pertaining to full trading period are taken to the Profit and Loss Account of a business, irrespective of their payment or receipt. This is in recognition of**

- (a) Time period Concept
- (b) Going Concern Concept
- (c) Accrual Concept
- (d) Duality Concept

[Hints: (c) The expenses and incomes for the full trading period are taken to the Profit & Loss Account of a business, irrespective of their payment or receipt is in recognition of accrual concept. The concepts in other alternatives are incorrect because according to the Time Period concept (a) the income or loss of a business is measured periodically for a specified interval of time usually one year and it does not speak about how expenses and incomes are accounted for the entire period irrespective of the cash involvement. The Going concern concept (b), which necessitates distinction between expenditure that will render benefit over a long period and that whose benefit will be exhausted within the accounting period. The Duality concept (d) says that every transaction has dual aspect and explains that Capital + Outside liability = Assets. This is the basis for fundamental equation. Thus, the correct answer is (c).]

**24. Which of the following is an example of Capital Expenditure?**

- (a) Insurance Premium
- (b) Taxes and Legal expenses
- (c) Discount allowed
- (d) Customs duty on Import of Machinery

[Hints: (d) Customs duty on import of machinery is a Capital Expenditure and is to be capitalized along with the cost of the asset. The other expenditures stated in alternatives (a) Insurance Premium

(b) Taxes and legal expenses and (c) Discount allowed are of revenue nature whose benefit expires within the financial year and are not the correct answers. Thus, the correct answer is (d).]

**25. In the creditors control account, all of the below exist except:**

(a) Credit purchases ; (b) Purchase returns ; (c) Cash purchases ; (d) Cash/cheques paid

**26. Ledger contains various \_\_\_\_\_ in it**

(a) Transactions ; (b) Entries ; (c) Accounts ; (d) None of these

**27. Which of the following concepts assumes that a business will last indefinitely?**

(a) Business Entity  
(b) Going Concern  
(c) Periodicity  
(d) Consistency

[Hints: (b) According to Going Concern Concept (b), a business entity is assumed to carry on its operations forever. Seemingly inconsequential, this is a fundamental concept, which has far reaching consequences. The other concepts, Business Entity Concept (a) treats business distinct from the entity of its owners. According to the concept of periodicity (c ) the income or loss of the business is measured periodically, one year is the usual accounting period. The consistency concept (d) requires that once an entity has decided on one method of treating an event in recording it in books of accounts, it will treat all subsequent events of the same character in the same fashion. Thus, the alternative (b) is the correct answer.]

**28. Which of the following is an example of Personal Account?**

(a) Machinery  
(b) Rent  
(c) Cash  
(d) Creditor

[Hints: (d) Machinery, cash are real accounts, Rent is a nominal account. Only Creditors is a personal account.]

**29. Payment received from Debtor**

(a) Decreases the Total Assets  
(b) Increases the Total Assets  
(c) Results in no change in the Total Assets  
(d) Increases the Total Liabilities

[Hints: (c) Payments received from debtors results in decrease of debtors and increase in cash. It does not result in any change in the total assets as decrease in one asset is compensated by increase in the other asset.]

**30. The \_\_\_\_\_ in a ledger helps in locating the accounts contained in it**

(a) Folio ; (b) Pages ; (c) Serial Number ; (d) None of these

**31. Cash Purchases**

(a) Increases Assets  
(b) Results in no change in the Total Assets  
(c) Decreases Assets  
(d) Decrease Liability

[Hints: (b) Cash purchases result in decrease in cash and increase in stock. Thus there is no change in the total assets.]

**32. In which of the following statement opening stock is shown?**

(a) Profit and loss account (Right Answer) ; (b) Balance sheet ; (c) Cash flow statement ;  
(d) Owner's equity

**33. The process of transfer of entries from day book to ledgers is called \_\_\_\_\_**

(a) Simple posting ; (b) Journal posting ; (c) Transaction ; (d) Ledger posting

**34. Goods returned from X is entered as**

- (a) Debit X A/c; Credit Purchase Return A/c
- (b) Debit X A/c; Credit Cash A/c
- (c) Debit Sales Return A/c; Credit X A/c
- (d) Debit X A/c; Credit Sales A/c

[Hints: (c) Sales Returns A/c will be debited and X A/c will be credited following the principle of debit the receiver and credit the giver.]

**35. When Fixed Assets are sold**

- (a) The Total Assets will increase
- (b) The Total Liabilities will increase
- (c) The Total Assets will decrease
- (d) There is no change in the Total Assets

[Hints: (d) When fixed assets are sold for book value, there will be no change in the total assets.]

**36. Withdrawal of goods from stock by the owner of the business for personal use should be recorded by**

- (a) Debiting Stock Account and crediting Capital Account
- (b) Debiting Capital Account and crediting Drawings Account
- (c) Debiting Drawings Account and Crediting Stock Account
- (d) Debiting Stock Account and Crediting Drawings Account

[Hints: (c) Withdrawal of goods from stock by the owner of the business for personal use should be recorded by debiting Drawings Account and crediting Stock Account]

**37. Which of the following transactions would cause a change in "owners' equity"?**

- (a) Repayment of a Bank Loan
- (b) Payment of Dividends and Unprofitable Operations
- (c) Sale of Land on Credit
- (d) Purchase of Assets and incurrence of Liabilities

[Hints: (b) Accounting Equation is

Assets = Liabilities+ Owners' equity.

Repayment of bank loan results in reduction in both assets and a liability with the same amount and hence does not affect owners' equity.

Owners equity is directly increased by introduction of further capital or incurrence of profits, similarly a dividend payment and an operating loss reduces the owners' equity. Hence option (b) results in change in the owners' equity.

Sale of land on credit results in decrease in fixed assets (on the left side of the equation) and increase in current assets (i.e., debtors), as a result the owners' equity is not affected. Hence option (c ) results in no change in owners' equity.

Purchase of assets and incurrence of liabilities results in increase in assets and increase in liabilities, hence does not result in change in owners' equity.

So option (b) is the right option.]

**38. Withdrawals by proprietor would**

- (a) Reduce both Assets and Owner's Equity
- (b) Reduce Assets and increase Liabilities
- (c) Reduce Owner's Equity and increase Liabilities
- (d) Have no affect on the Balance Sheet

[Hints: (a) Withdrawals by proprietor would reduce both assets and owner's equity.]

**39. Which of the following is true?**

- (a) The payment of a Liability causes an increase in Owner's Equity
- (b) The collection of an Account Receivable will cause Total Assets to increase
- (c) The accounting equation may be stated as: Assets+Liabilities = Owners' equity



(d) The purchase of an asset such as office equipment, either for cash or on credit, does not change the Owners' Equity

[Hints: (d) The purchase of an asset such as office equipment, either for cash or on credit does not result in any change in the owner's equity as decrease in one asset is compensated by increase in the other asset.]

40. Which of the following statements is/are true?

- (i) Cash Book records all cash receipts and cash payments
- (ii) Cash Book records all sale and purchase transactions of goods both in cash and on credit
- (iii) Cash Book records discount on Cash Payments

- (a) Only (i) above
- (b) Only (ii) above
- (c) Only (iii) above
- (d) Both (i) and (iii) above

[Hints: (d) A cash book records only cash transactions and a three-columnar cash book also records bank and discount transactions. A cash book does not record the credit transactions]

41. Trade discount allowed at the time of Sale of goods.

- (a) Is recorded in Sales Book
- (b) Is recorded in Cash Book
- (c) Is recorded in Journal
- (d) Is not recorded in Books of Accounts

[Hints: (d) Trade discount is offered to customers at fixed percentage of list price to promote sales, it is generally based on the quantity of goods purchased. No entry is made for trade discount in accounting records. Only it is recorded in the invoice and sale and purchase transactions are recorded at net invoice price (list price less trade discount).]

42. The Periodical total of the Sales Return Book is posted to the

- (a) Debit of Sales Account
- (b) Debit of Sales Return Account
- (c) Credit of Sales Return Account
- (d) Debit of Debtors Account

[Hints: (b) Sales Account is a credit balance and therefore Sales Returns Account is a debit balance and the total of Sales Returns Book will be posted to the debit side of the Sales Return Account.]

43. If the Petty Cash fund is not reimbursed just prior to year end and an appropriate adjusting entry is not made, then

- (a) The petty cash account is to be returned to the company's cashier
- (b) Expenses are overstated and Cash is understated
- (c) Cash is overstated and expenses are understated
- (d) Cash is overstated and expenses are overstated

[Hints: (c) Under the imprest system, an amount is given to petty cashier to meet expenses during a period. At the end of the period he is given cash equal to the amount spent during the relevant period, if this adjusting entry is not made, the cash balance in the main cash book is overstated to the extent of the expenses routed through the petty cash book and the expenses are understated.]

44. XYZ Ltd. Paid wages of ₹ 8,000 for erection of machinery. The journal entry for the transaction is

- (a) Debit wages and credit cash
- (b) Debit machinery and credit cash
- (c) Debit wages and credit erection charges
- (d) Debit machinery and credit erection charges

[Hints: (b) Wages paid for the erection of machinery is included in the cost of the machinery as it is specifically incurred for the machinery and cannot be categorized as an operating expense. Therefore, Machinery Account should be debited and Cash Account should be credited.]

**45. Purchase of goods on credit**

- (a) Increases Liabilities
- (b) Increases Assets
- (c) Increases both Assets and Liabilities
- (d) Decreases Assets

[Hints: (c) Purchase of goods on credit increases the inventory (Asset) and increases the creditors for goods (Liabilities).]

**46. Purchase of Raw Material for Cash**

- (a) Increases total Assets
- (b) Leaves total Assets unchanged
- (c) Increases total Fixed Assets
- (d) Increases total Current Assets

[Hints: (b) Purchase of raw materials for cash leaves total assets unchanged as the increase in inventory (Asset) is compensated by decrease in cash (Asset).]

**47. Which of the following is not an Asset?**

- (a) Stock of stationery
- (b) Goodwill
- (c) Profit and Loss Account (Credit Balance)
- (d) Accounts Receivable

[Hints: (c) Stock of stationery (a), Goodwill (b) and Accounts Receivable (d) are the assets and not the correct answers. Profit & Loss Account (credit balance) (c) is the amount belongs to the owner of the business and it is a liability to the business. Hence it is not an asset, and (c) is the correct answer.]

**48. The process of balancing of an account involves equalization of both sides of the account. If the debit side of an account exceeds the credit side, the difference is put on the credit side. The said balance is**

- (i) A Debit balance**
- (ii) A Credit balance**
- (iii) An expenditure or an Asset**
- (iv) An Income or a Liability**

- (a) Only (ii) above
- (b) Only (iv) above
- (c) Both (i) and (iii) above
- (d) Both (ii) and (iii) above

[Hints: (c) The process of balancing of an account involves equalization of both sides of the account. If the debit side of an account exceeds the credit side, the difference is put on the credit side. The said balance is a debit balance and it represents either expenditure or an asset or both. Thus, the combination of items under (i) and (iii) i.e., alternative (c) is the correct answer. The other alternatives are incorrect because, the excess of debit over credit side is not a credit balance and it is neither an income nor a liability.]

**49. Ledger is also called**

- (a) Principal book of accounts ; (b) Cash books ; (c) Subsidiary book ; (d) None of these

**50. Which of the following transactions of a business is/ are recorded in Journal Proper?**

- (i) Purchase of goods on credit**
- (ii) Sale of Office Furniture for cash**
- (iii) Discounting of Bill of Exchange with a bank**
- (iv) Endorsement of a Bill of Exchange in settlement of debt of the business**

- (a) Only (i) above
- (b) Only (iv) above
- (c) Both (ii) and (iv) above
- (d) (i),(iii) and (iv) above

[Hints: (b) Endorsement of a Bill Receivable in settlement of a debt of the business is recorded in the Journal Proper (b) is the correct answer. The transactions in other alternatives are not recorded in Journal Proper and they are recorded in other subsidiary books specified for them like alternative (i) Purchase of goods on credit is recorded in purchase book. Sale of office Furniture for cash (ii) and Discounting of a Bill Receivable with a bank (iii) are recorded in Cash book and not in the Journal Proper. Thus, the combination of these transactions in alternatives (a), (c) and (d) are not the correct answers.]

51. Which of the following statements is/are true?

- (i) Drawings Account is a Nominal Account
- (ii) Capital Account is a Real Account
- (iii) Sales Account is a Nominal Account
- (iv) Outstanding salaries account is a Nominal Account
- (v) Patents Account is a Personal Account

- (a) Only (i) above
- (b) Only (iii) above
- (c) Both (ii) and (iii) above
- (d) Both (ii), (iv) and (v) above

[Hints: (b) Sales Account is a Nominal Account is the correct statement and alternative (b) is the correct answer. The alternative (a) is incorrect because drawing is not a Nominal Account and it is a Personal Account of the owner which indicates the value of money or goods withdrawn by him for personal consumption. The alternative (c) is incorrect because the combinations of wrong statements (ii) Capital Account is a Personal Account and not a Real Account with (iii) correct statement. The alternative (d) is incorrect because the statement (iv) is incorrect as outstanding salaries is a representative Personal Account and not a Nominal Account and the statement (v) is incorrect as Patents Account is a Real Account and not Personal Account and the combination of (ii), (iv) and (v) is not correct answer. Thus the correct answer is (b).]

52. The entry to record the collection of cash from Sundry Debtors would involve a

- (i) Debit to Sundry Debtors
- (ii) Debit to Cash Account
- (iii) Credit to Sundry Debtors
- (iv) Credit to Cash Account

- (a) Only (i) above
- (b) Only (iii) above
- (c) Both (ii) and (iii) above
- (d) Both (i) and (iv) above

[Hints: (c) The entry to record the collection of cash from sundry debtors will be  
Cash A/c.....Dr.

To Sundry Debtors A/c

The entry is stated in the alternative (c) which is the combination of statement (ii) and (iii). The other alternatives (a) and (b) involves only one aspect of the transaction and not the correct answers. The alternative (d) the combination of two incorrect treatments is not the correct answer. Thus, (c) is the correct answer.]

53. ABC Ltd. makes payments to its Sundry Creditors through cheques and the Cash Discount received on these payments is recorded in the Triple-columnar Cash Book. In the event of dishonour of any such cheques, the discount so received should be written back through

- (i) A debit to discount column of the Cash Book
- (ii) A credit to discount column of the Cash Book
- (iii) A credit to bank column of the Cash Book
- (iv) A debit to Discount Account through Journal Proper
- (v) A credit to Creditor's Account through Journal Proper

- (a) Only (i) above
- (b) Only (ii) above
- (c) Both (i) and (iii) above

(d) Both (iv) and (v) above

[Hints: (d) The amount of cash discount received on the payments made to Sundry Creditors through cheques by the business will be recorded in the Cash Book, and if the previously issued cheque is dishonoured, the discount should be written back through (iv) A debit to Discount Account through Journal Proper and (v) A credit to Creditor's Account through Journal Proper (d) the combinations of these two statements is the correct answer. Discount Received and Discount Allowed Accounts separately maintained are not netted as such the discount received which got to be written back because of return of previously issued cheque cannot be debited to discount column of the Cash Book (a) is the incorrect answer. Since it is reversal of already credited discount account again a credit to discount column of the cash book cannot be given and (b) is the incorrect answer. The combination of the incorrect statements in (i) and (iii) i.e., (c) is not the correct answer. Thus, (d) is the correct answer.]

**54. R Ltd. makes purchases on credit. If the purchases are not as per the specifications, the company returns them to the suppliers. The book, that is used to record such returns is**

- (a) Returns Inward Book
- (b) Returns Outward Book
- (c) Cash Book
- (d) Journal Proper

[Hints: (b) The book, that is used to record the goods purchased on cash that are sent back to the suppliers on account of non-confirmation to the specifications, is the Returns Outward Book also known as Purchases Returns Book (b) is the correct answer. Returns inward book (a) is not the correct answer because; the sales returns are recorded in the Returns Inward Book. Cash book (c) is not the correct answer because, the transactions involving either the receipt or payment of cash is recorded in the cash book. Journal Proper (d) is not the correct answer because the Journal Proper is meant to record the transactions which do not find place in any other subsidiary book. Thus, (b) is the correct answer.]

**55. If Office Equipment is purchased for cash, what effect will this transaction have on the financial position of the company?**

- (a) There is no change in the Assets, Liabilities and Owners' Equity
- (b) There is a decrease in Assets, increase in Liabilities and no change in Owners' Equity
- (c) There is a decrease in Assets, no change in Liabilities and a decrease in Owners' Equity
- (d) There is an increase in Assets, decrease in Liabilities and no change in Owners' Equity

[Hints: (a) When Office Equipment is purchased for cash, there is no change in the assets, liabilities and owner's equity. Thus, the alternative (a) is the correct answer. The cash on hand is used for purchase of furniture and it is only a change in the composition of the assets. The other alternatives (b), (c) and (d), which indicate a change either an increase or a decrease in assets/ liabilities/owners equity are not the correct answers. Hence (a) is the correct answer.]

**56. The periodical total of discount column on receipts side of a Triple Column Cash Book is recorded to the**

- (a) Credit side of Discount Account
- (b) Credit side of provision for Discount Account
- (c) Debit side of Discount Account
- (d) Credit side of Debtor's Account

[Hints: (c) The periodical total of discount column on receipts side of a Triple Column Cash Book is recorded to the debit side of Discount Account. Receipts side of a Triple Column Cash Book indicates the debit side and the debit in case of a Nominal Account is an expenditure and the discount entered on the receipt side of Triple Column Cash Book indicates the discount allowed and posted to the debit side of the Discount Account in the ledger. Thus, (c) is the correct answer.

Since it is not an income it is not credited to Discount Account and alternative (a) is not the correct answer. It is not the discount to be credited to provision for Discount Account on debtors (b) and it is not the correct answer. The periodical total is not credited to Debtor's Account as only the individual amount of discount is credited to respective Debtor's Account and not the periodical total is credited to Debtor's Account and alternative (d) is not the correct answer. Thus, alternative (c) is the correct answer.]

57. Which of the following statements is false?

- (a) Credit side total of Discount column of Cash Book is an income
- (b) Credit balance of Bank Pass Book is an overdraft
- (c) Debit balance of Bank column of Cash Book is an Asset
- (d) Debit balance of Cash column of Cash Book is an Asset

[Hints: (b) Credit balance of Bank Pass book is an overdraft (b) is a false statement because credit balance as per Pass book indicates the favourable balance and it is an asset. Credit balance of discount column of Cash Book is an income (a) is true. Debit balance of bank column of Cash Book is an asset (c). Debit balance of cash column of Cash Book is an asset (d) is the true statement and the alternatives are not the correct answers. Thus, (b) is the correct answer.]

58. Purchase of Fixed Assets on credit is originally recorded in

- (a) Purchases Book
- (b) Ledger
- (c) Cash Book
- (d) Journal Proper

[Hints: (d) Purchase of fixed assets on credit is entered in journal proper and subsequently posted into the ledger. It is not recorded in Purchases Book as only purchase of goods will be recorded in Purchases Book. In Cash Book, only cash transactions will be recorded. As the fixed assets were purchased on credit, this transaction will not be recorded in the Cash Book.]

59. If you start with cash book favorable balance in Bank Reconciliation Statement, which item will be added?

- (a) Cheque deposited but not credited by the bank
- (b) Cheques omitted to be deposited into bank
- (c) Any amount directly collected by bank on behalf of customer but not recorded in cash book
- (d) Debit side of cash book was overcast

60. The amount of Owners' equity in a business is not affected by

- (a) The percentage of Total Assets held in cash
- (b) Investments made in the business by the owner
- (c) The profitability of the business
- (d) The amount of dividends paid to Stock holders

[Hints: (a) Owners' equity in a business is the amount of funds belonging to the owners. The composition of assets does not affect the owners' equity. Hence, the percentage of total assets held in cash does not affect the owners' equity. On the other hand it indicates the liquidity position of the business. Owners' equity represents investments made in the business by the owners (b), the profits of the business (c) and the owners' equity is affected by a change in any of these items. The amount of dividends paid to stockholders (d) affects the owners' equity in the business with a corresponding decrease in the equity. Hence, transaction in alternative (d) adversely affects the owners' equity in a business. Thus, correct answer is (a) which does not affect the owners' equity.]

61. When a Fixed Asset is obtained as a gift, the account to be credited is

- (a) Goodwill A/c
- (b) Capital Reserve A/c
- (c) Donor's A/c
- (d) General Reserve A/c

[Hints: (b) Fixed assets received as a gift implies the asset account should be debited and the corresponding credit is given to Capital Reserve Account, since it is a capital asset.]

62. Which of the following is/are fixed asset(s)?

- (a) Closing inventory
- (b) Fixed Deposits in a bank
- (c) Patents
- (d) Prepaid expenses

[Hints: (c) Fixed assets are for use over relatively long period and they are not meant for resales. Patents (c) satisfy the characteristics of fixed assets and are shown under the category of Fixed assets. Closing inventory (a) Fixed deposits in bank (b) and Prepaid expenses (d) are current assets. Thus (c) is the correct answer.

**63. Bank Overdraft is shown as a**

- (a) Current Liability ; (b) Contingent Liability ; (c) Unsecured Loan ; (d) Provision

**64. Which of the following is NOT a characteristic of Cash Book?**

- (a) It has two identical sides—left hand side, the debit side and right hand side, the credit side  
(b) It verifies the arithmetic accuracy of posting of entries from the Journal to the Ledger  
(c) The difference between the total of two sides of cash book shows cash in hand  
(d) It always shows debit balance. It can never show credit balance

**65. If Machinery Account is debited with the amount of repairs incurred on the machine, this is an example of**

- (a) Compensating error  
(b) Error of principle  
(c) Error of commission  
(d) Error of omission

[Hints: (b) Error of principle denotes wrong classification of expenditure or revenue. If a company pays for repairs on a machine, it should be debited to Repairs Account. If it is charged to machinery account, it is an error of principle. Compensating error (a) is the one where one error is compensated by another error or series of errors and the debit to Machinery Account on account of repairs is neither compensated by another error or by series of errors and hence it is incorrect. Error of commission (c) is incorrect because this is an error made in recording the amount involved in a transaction while journalizing or posting to ledger accounts. Error of omission (d) may be partial or complete. Under completed omission, the recording of an entry is completely omitted and error of partial omission is result of omission one aspect of a transaction and it is incorrect answer. Thus, (b) is the correct answer.]

**66. Which of the following is true?**

- (a) Bank Account is a Personal Account  
(b) Stock of stationery Account is a Nominal Account  
(c) Returns Inward Account is a Personal Account  
(d) Outstanding rent Account is a Nominal Account

[Hints: (a) Bank Account is a Personal Account is a correct statement. Alternative (b) is incorrect because, Stock of stationery Account is a Real Account, which indicates the value of stationery in stock. Returns Inward Account (c) is a Nominal Account which indicates the sales returns and to be reflected in the Trading Account of a business. Outstanding Rent account (d) is a representative Personal Account and not Nominal Account. Thus (a) is the correct answer.]

**67. Which of the following is a liability of a firm?**

- (a) Debit balance of analytical Petty Cash Book  
(b) Credit balance of Bank Pass book  
(c) Debit balance of Bank column of Cash Book  
(d) Credit balance of Bank column of Cash Book

[Hints: (d) Bank balances and cash balances represent Real Accounts and the debit balances in bank column and cash column represent assets and the credit balances represent liabilities to a firm. But credit balance in cash column is only hypothetical and it never happens in practical life. The credit balance in bank column of cash book represents overdraft and it is a liability of a business.]

**68. Which of the following errors is an error of principle?**

- (a) Total sales figure was taken as ₹ 19,373 instead of ₹ 19,733  
(b) A discount of ₹ 30 allowed to Mr. A was not recorded in the discount allowed account  
(c) Legal charges for acquisition of building for ₹ 500 was entered in the Legal Expenses Account

(d) ₹ 1,000 received from Mr. X was posted to the credit of Mr. M

[Hints: (c) An error of principle involves an incorrect allocation of expenditure or receipt between capital and revenue.]

69. **The book which all accounts of the firm are maintained is known as**  
(a) Cash book ; (b) Ledger ; (c) Journal ; (d) Daybook
70. **₹ 500 paid as cartage on new Plant and Machinery, this was debited to Carriage Inward A/c. This is an error of-**  
(a) Principle ; (b) Omission ; (c) Commission ; (d) Compensating
71. **₹ 4,500 paid to Madan as salary for the month of December'12, this was debited to his A/c, this is a/an .....** error.  
(a) Principle ; (b) Omission ; (c) Commission ; (d) Compensating
72. **While checking the accounts of ABC the following discrepancies were noticed, even though the Trial Balance was made to balance by putting the difference to Suspense A/c.**  
(i) **Sales day book for the month of June'12 was found overcast by ₹ 7,000.**  
(ii) **A credit purchase of ₹ 3,000 was omitted to be recorded in the days book.**  
(iii) **₹ 4,300. Received from A credited to A A/c ₹ 3,400.**  
(iv) **Purchase of Office Equipment worth ₹ 5,000 included in trading purchases.**
- From the above details what would have been the difference in Trial Balance which was made to balance by opening Suspense A/c.**  
(a) Debit side short by ₹ 9,100 ; (b) Credit side short by ₹ 9,100 ;  
(c) Debit side more by ₹ 7,900 ; (d) Credit side more by ₹ 6,100
73. **Cash Account is a –**  
(a) Personal A/c ; (b) Nominal A/c ; (c) Real A/c ; (d) Dummy A/c
74. **Rent outstanding for the month of December'12 will appear on-**  
(a) Debit side of Cash Book ; (b) Credit side of Cash Book ; (c) Either side ; (d) Nowhere
75. **Goods worth ₹ 5,000 purchased from A on credit will be recorded on-**  
(a) Debit side of Cash Book ; (b) Credit side of Cash Book ; (c) Nowhere in the Cash Book ;  
(d) Either (a) or (b)
76. **Which column of Cash Book is never balanced.**  
(a) Discount Column ; (b) Cash ; (c) Bank ; (d) Petty Cash
77. **The total of debit side of discount column of Cash Book is-**  
(a) Balanced with credit side of discount column ; (b) Posted to Discount Allowed A/c ;  
(c) Posted to Discount Received A/c ; (d) Posted to Profit & Loss A/c
78. **Prepaid rent is a –**  
(a) Nominal A/c ; (b) Representative Personal A/c ; (c) Tangible Assets A/c ; (d) None
79. **Which of the following assets is a fictitious asset**  
(a) Goodwill A/c ; (b) Prepaid Rent A/c ; (c) Outstanding Salary A/c ;  
(d) Preliminary expenses A/c
80. **Nominal A/c represents-**  
(a) Profit/Gain ; (b) Loss/Expenses ; (c) None ; (d) Both (a) and (b)
81. **SBI A/c is a –**

(a) Nominal A/c ; (b) Artificial Personal A/c ; (c) Representative Personal A/c ; (d) None

**82. Liability A/c has..... Balance**

(a) Debit ; (b) Credit ; (c) No balance ; (d) Either (a) or (b)

**83. The Sales Returns Day Book would include:**

(a) Goods bought on credit ; (b) Fixed Assets bought that are inappropriate for business ;  
(c) Stock that customers have returned ; (d) Goods bought on credit that are returned to the original supplier

**84. An Investment in one asset A/c may lead to –**

(a) Increase in liability A/c ; (b) Decrease in A/c asset ; (c) Each a or b ; (d) Both a/b.

**85. The process of recording business transaction in a book of original entry is known as-**

(a) Journals ; (b) Balance ; (c) Posting ; (d) None

**86. The type of A/c with a named credit balance is-**

(a) Expenses A/c ; (b) Assets A/c ; (c) Revenue A/c ; (d) Suspense A/c

**87. Overcasting of purchases journal would affect**

(a) Sales account ; (b) Purchase account ; (c) Supplier's account and purchase account  
(d) None of these

**88. Any income or profit derived by carrying on the business or during the course of business is called-**

(a) Capital Receipt ; (b) Revenue Receipt ; (c) Revenue Gain ; (d) Capital Gain

**89. Amount received from the proprietors as capital or loan receipt is treated as-**

(a) Capital Receipt ; (b) Revenue Receipt ; (c) Revenue Income ; (d) Capital Income

**90. When the benefits of revenue expenditure is available for a period of two or three years, the expenditure is known as-**

(a) Revenue Expenditure ; (b) Deferred Revenue Expenditure ; (c) Capital Expenditure ;  
(d) Depreciation.

**91. Endowment fund receipt is treated as-**

(a) Casual Receipt ; (b) Revenue Receipt ; (c) Loss ; (d) Expenses

**92. Legacy are generally-**

(a) Capitalized ; (b) Treated Loss ; (c) Revenue Expenses ; (d) Deferred Revenue expenses.

**93. Interest Account will have-**

(a) Debit balance only ; (b) Credit balance only ; (c) Debit or Credit balance ;  
(d) No balance at all

**94. Purchase A/c will have-**

(a) No balance at all ; (b) Debit balance ; (c) Credit balance ; (d) Debit or Credit

**95. Which of the following voucher is used to record transactions that do not affect bank & cash?**

(a) Journal Voucher ; (b) Receipt Voucher ; (c) Payment Voucher ; (d) Nominal Voucher

**96. Opening entries are generally passed through-**

(a) General Journal ; (b) Purchase Journal ; (c) Profit and Loss A/c ; (d) Suspense A/c

**97. Purchases made on credit not recorded at all would affect**

(a) Purchases account ; (b) Supplier's account ; (c) Purchases account and supplier's account (d)



None of these

**98. Which of the following is the example of contingencies?**

- (a) Compulsory acquisition of part of land of the company by the Government
- (b) A suit filed by the employee against the company
- (c) A debtor of the company is declared insolvent, resulting in bad debts to the company
- (d) All of (a), (b) and (c) above.

[Hints: (d) The Standard defines contingency as "a condition or situation the ultimate outcome of which gain or loss, will be known or determined only on the occurrence, or non- occurrence, of one or more uncertain future events". All the choices satisfy the criteria of contingency.]

**99. Which of the following is not a contingent liability?**

- (a) Claims against the company not acknowledged as debts
- (b) Debts included on debtors which are doubtful in nature
- (c) Uncalled liability on partly paid shares
- (d) Arrears of cumulative fixed dividends

[Hints: (b) A contingent liability is the loss which will be known or determined only on the occurrence or non-occurrence of one or more future uncertain events. Debts of debtors is not an uncertain event but only the realization of a part of the debt is doubtful for which provision must be provided, and hence it is not a contingent liability.]

**100. In an account if debit side > credit side, the balance is known as the:**

- (a) Negative Balance ; (b) Debit balance ; (c) Positive Balance ; (c) Credit balance

**101. Total depreciation of an asset cannot exceed its:**

- (a) Scrap value ; (b) Residual value ; (c) Market value ; (d) Depreciable value

**102. Amount paid to Gagan posted to the credit side of his account would affect**

- (a) Gagan's account ; (b) Cash account ; (c) Cash account and Gagan's account ;
- (d) None of these

**103. Which of the following statements is/are true ?**

- (a) A sale of an asset is recorded in the Sales Book
- (b) Total of Return Outward Book is debited to Return Outward Account
- (c) The balance of Petty Cash Book is a liability
- (d) Cash Book is a subsidiary book as well as a ledger

[Hints: (d) The sale of an asset is recorded in the Asset Account and not in the Sales book (which pertains to sale of goods). Statement (a) is false.

Total of Return Outwards book (being purchase return) has a credit balance. The total is transferred at the end of the period to the credit of the Purchase Account and not debited to Return Outwards Account. Statement (b) is false.

The balance of Petty Cash book is not a liability, it is an asset as it is the balance of cash left with the petty cashier. Statement (c) is incorrect.

Cash Book is both a subsidiary book or book of original entry where all cash transactions are directly recorded and a ledger, it plays the role as a Cash Account (a ledger). Hence statement (d) is true.

**104. Which of the following is true regarding closing entries?**

- (a) They must be followed by reversing entries
- (b) They transfer the balances in all of the Nominal Accounts to the Trading and Profit and Loss Account
- (c) They must be made after the reversing entries but before the adjusting entries
- (d) They must be made after the adjusting entries but before the reversing entries

[Hints: (d) Closing entries are required to transfer the nominal accounts to the Profit & Loss Account and the Trading account. Real accounts and personal account are not closed to Profit & Loss Account or Trading Account. Their balance is carried in the Balance Sheet and appears as opening Balance in the next accounting period.]

**105. Closing stock is generally valued at**

- (a) Cost Price
- (b) Market Price
- (c) Cost price or Market price whichever is higher
- (d) Cost price or Market price whichever is lower

[Hints: (d) Para 5, of AS-2 states that inventories should be valued at the lower of cost and net realizable value.]

**106. Which of the following assets is/are to be valued at the lower of cost and net realizable value?**

- (a) Goodwill
- (b) Inventories
- (c) Investments
- (d) Both (b) and (c) above.

[Hints: (b) Inventories (b) are to be valued at the lower of cost and net realizable value. All the other assets stated in other alternatives are valued as per the cost concept. Goodwill (a) is a fixed intangible asset and is shown at the cost of its acquisition. Investments (c) are valued at cost or market value whichever is less. The combination of (b) and (c) is incorrect because a correct answer with incorrect answer is an incorrect answer. Thus, the correct answer is (b).]

**107. A few errors committed in Ahhiwalia's books of account are given below. State which errors would affect the Trial Balance.**

- (a) Sales of ₹950 to Ram completely omitted from books of account
- (b) Purchases of ₹720 from Shyam entered in the purchases journal as ₹700
- (c) Purchases Journal is overcast by ₹1,000
- (d) Sales returns journal is undercast by ₹200
- (e) Amount paid to Agarwal wrongly posted to the debit to Mittal's account
- (f) Bank overdraft shown under debit column in the Trial Balance
- (g) Sales of ₹500 to Sadiq entered in sales journal as sales to Mushtaq
- (h) Wages paid for installation of machinery debited to wages account

- (a) a, c and g
- (b) c, d and f
- (c) c, d, e and h
- (d) c, d, f and h

**108. Which of the following methods is not a practical way of realizing revenue?**

- (a) Delivery method
- (b) Percentage-of-completion method
- (c) Production method
- (d) Moving average method

[Hints: (d) The following methods are the practical ways of realizing revenue applying the conservatism concept and realization concept and the (a) Delivery method in case of sale of goods, (b) Percentage-of-completion method in case of rendering of services and (c) Production method in case of agriculture produce. Thus, these are the various ways of recognizing revenue and the methods adopted to recognize revenue. Moving average method (d) is the method of valuing inventory and it is not the method adopted to recognize revenue. Thus, (d) is the correct answer.]

**109. The amount payable to a person as consideration for the use of rights vested in him is**

- (a) Dividend
- (b) Royalty
- (c) Purchase consideration
- (d) Installment

[Hints: (b) The amount paid to the landlord for use of rights vested in him is the royalty. Dividend is the amount paid for the investment made in an enterprise and is not the correct answer. Purchase consideration is the price paid for receiving a title of a property moveable and immoveable and is not the correct answer. Installment is the payment of amount in stages and is not the amount paid for using the rights vested in the landlord and is not the correct answer.]

**110. Buildings account is debited with an amount towards repairs. This is an example of**

- (a) Error of commission
- (b) Error of principle
- (c) Error of omission
- (d) Compensating error

[Hints: (b) Buildings account debited with an amount towards repairs is an error of principle. Error of principle is a wrong classification of expenditure or receipt.]

**111. The concept of conservatism will have the effect of**

- (a) Overstatement of Assets
- (b) Understatement of Assets
- (c) Overstatement of Liabilities
- (d) Understatement of Liabilities

[Hints: (b) The concept of conservatism will have the effect of understatement of assets since the financial statements are usually drawn up on rather a conservative basis. Window-dressing i.e., showing a position better than what it is, is not permitted.]

**112. During the year 2011-2012, the value of closing inventory was overstated by ₹ 25,000. Which of the following is true?**

- (a) The cost of goods sold was overstated during 2011-2012 and income will be understated during 2012-2013
- (b) The income was overstated during 2011-12 and closing inventory will be overstated during 2012-2013
- (c) The retained earnings was overstated during 2011-2012 and retained earnings will be understated during 2012-2013
- (d) The cost of goods sold was understated during 2011-2012 but retained earnings will not be affected during 2012-2013

[Hints: (c) Closing Stock's overstatement increases the profit of the current period and results in the increase of retained earnings relating to the current accounting period. It decreases the profit and thereby retained earnings of the next accounting period since the closing stock of the current accounting period becomes the opening stock of the next accounting period, the overstatement of which has the effect of decreasing the profits and retained earnings.]

**113. Which of the following errors is an error of omission?**

- (a) Sale of ₹ 100 was recorded in the Purchases Journal
- (b) Wages paid to Mohan have been debited to his account
- (c) The total of the sales journal has not been posted to the Sales Account
- (d) Repairs to buildings have been debited to buildings account

[Hints: (c) Error of omission occurs when a transaction is entirely omitted from record in the original books partially omitted while posting. Therefore, omission of posting of the sales journal to the Sales Account is an error of omission.]

**114. Which of the following statements is /are true?**

- (a) Entering wrong amount in the subsidiary book affects the agreement of the Trial Balance
- (b) Undercasting or overcasting of a subsidiary book is an example or error of commission
- (c) Errors of principle do not affect the agreement of Trial Balance
- (d) Both (b) and (c) above

[Hints: (d) Entering wrong amount in the subsidiary book does not affect the agreement of the Trial Balance as the same amount is posted in both the accounts affected. Undercasting or overcasting

of a subsidiary book is an error of commission. Errors of principle do not affect the agreement of the Trial Balance. Hence both (b) and (c) options are true.]

**115. Which of the following is true?**

- (a) Error of casting affects personal accounts
- (b) Omission of a transaction from a subsidiary record affects only one account
- (c) Error of carry forward affects two accounts
- (d) Error of principle involves an incorrect allocation of expenditure or receipt between capital and revenue

[Hints: (d) Errors of casting can appear in any account and not personal accounts alone. Hence statements (a) is false. Omission of a transaction from subsidiary affects two accounts are subsidiary books are books of original entry hence posting in two accounts is omitted. Statement (b) is false. Error of carry forward affects only one account i.e., the account in whose an error has been made. Statement (c) is false. Errors of principle involve incorrect allocation of an item between capital and revenue. Hence statement (d) is true.]

**116. Journal proper is meant for recording**

- (a) Credit purchase of fixed assets ; (b) Return of goods
- (b) All such transactions for which no special journal has been kept by the business
- (d) None of these

**117. Closing stock in the Trial Balance implies that**

- (a) It is already adjusted in the opening stock
- (b) It is adjusted in the Purchase A/c
- (c) It is adjusted in the Cost of Sale A/c
- (d) It is adjusted in the Profit & Loss A/c

[Hints: (b) Closing Stock appearing in the Trial Balance implies that it has already been adjusted in the Purchases Account and hence appears as an asset in the Balance Sheet.]

**118. Which of the following statements is true?**

- (a) If a Trial Balance tallies, it always means that none of the transactions has been completely omitted
- (b) A Trial Balance will not tally if a transaction is omitted
- (c) A customer to whom goods have been sold on credit cannot avail himself of a cash discount
- (d) A credit balance in the Pass Book indicates excess of deposits over withdrawals

[Hints: (d) A credit balance in the Pass Book implies a favourable balance indicates excess of deposits over withdrawals and a debit balance in the Pass Book implies unfavorable balance i.e., a overdraft. Hence statement (d) is the true statement.]

**119. The adjustment to be made for income received in advance is:**

- (a) Add income received in advance to respective income and show it as a liability
- (b) Deduct income received in advance from respective income and show it as a liability
- (c) Add income received in advance to respective income and show it as asset
- (d) Deduct income received in advance from respective income and show it as an asset in the Balance Sheet

[Hints: (b) Income received in advance given as an adjustment requires a deduction of the same from the income amount and disclosure of the same as a liability in the Balance Sheet]

**120. Which of the following statements is correct?**

- (a) The Trial Balance is prepared after preparing the Profit and Loss Account
- (b) The Trial Balance shows only balances of Assets and Liabilities
- (c) The Trial Balance shows only nominal account balances
- (d) The Trial Balance has no statutory importance from the point of view of law

[Hints: (d) A Trial Balance is a summary of all General Ledger Balances outstanding as on a particular date. All the debit balances from the ledger are shown on one side and all the credit balances are

shown on the other side. A Trial Balance is prepared before Final Accounts are prepared. From the point of view of law, a Trial Balance has no statutory importance.]

121. **While finalizing the current year's accounts, the company realized that an error was made in the calculation of closing stock of the previous year. In the previous year, closing stock was valued more by ₹ 50,000. As a result**

- (a) Previous year's profit is overstated and current year's profit is also overstated.
- (b) Previous year's profit is understated and current year's profit is overstated.
- (c) Previous year's profit is overstated and current year's profit is understated.
- (d) There will be no impact on the profit of either the previous year or the current year.

[Hints: (c) Closing stock overstatement and opening stock understatement increases the profits and vice versa is also equally true.]

122. **Which of the following is not correct?**

- (a) Errors which affect one account can be errors of posting
- (b) Errors of omission arise when any transaction is left to be recorded
- (c) Errors of carry forward from one year to another year affect both Personal and Real A/c
- (d) Errors of commission arise when any transaction is recorded in a fundamentally incorrect manner

[Hints: (d) Error of Commission arises because of wrong recording, wrong casting, wrong carry forward, wrong posting, wrong balancing etc.]

123. **Which of the following errors is an error of omission?**

- (a) Purchase of ₹ 2,000 has been recorded in the Sales Return Book
- (b) Repairs to machinery has been debited to Machinery Accounts
- (c) The total of purchase journal has not been posted to the Purchase Account
- (d) Legal charges paid to Mr. Lawyer have been debited to his account

[Hints: (c) Error of complete omission arises when a particular transaction is completely or partially omitted to be recorded in the books of accounts.]

124. **If goods worth ₹ 1,750 returned to a supplier is wrongly entered in sales return book as ₹ 1,570 , then**

- (a) Net Profit will decrease by ₹ 3,140 ; (b) Gross Profit will increase by ₹ 3,320
- (c) Gross Profit will decrease by ₹ 3,500 ; (d) Gross Profit will decrease by ₹ 3,320

125. **For the past 3 years, DK Ltd. has failed to accrue unpaid wages earned by workers during the last week of the year. The amounts omitted, which were considered material, were as follows:**

**March 31, 2010 - ₹ 56,000**

**March 31, 2011 - ₹ 51,000**

**March 31, 2012 - ₹ 64,000**

**The entry on March 31, 2012 to rectify these omissions would include a**

- (a) Credit to wage expense for ₹ 64,000
- (b) Debit to wage expense for ₹ 64,000
- (c) Debit to wage expense for ₹ 51,000
- (d) Debit to wage expense for ₹ 13,000

126. **Purchase journal is kept to record**

- (a) All purchases of goods ; (b) All credit purchases of goods ; (c) All credit purchases;
- (d) None of these

127. **The beginnings inventory of the current year is overstated by ₹ 5,000 and closing inventory is overstated by ₹ 12,000.**

**These errors will cause the net income for the current year by**

- (a) ₹ 17,000 (overstated)
- (b) ₹ 12,000 (understated)
- (c) ₹ 7,000 (overstated)

(d) ₹ 7,000 (understated)

[Hints: (c) Overstatement of closing stock results in overstatement of profit and overstatement of opening stock results in understatement of profit. In the instant case, there will be overstatement of profit by ₹ 12,000 - ₹ 5,000= ₹ 7,000.]

128. **The accountant of Leo Ltd. recorded a payment by cheque to a creditor for supply of materials as ₹ 1,340.56. The bank recorded the cheque at its correct amount of ₹ 3,140.56. The Company has not passed any rectification entries and the error is not detected through the bank reconciliation. The impact of this error is**

(a) The Trial Balance will not agree

(b) The balance of creditors is understated

(c) The purchases are understated

(d) The favorable bank balance as per Pass Book is less than the Bank balance as per Cash book

[Hints: (d) The favourable bank balance as per Pass Book will be less than the bank balance as per Cash Book, since the debit in the bank account is more than the debit in the Cash Book (d). As debit and credit are for equal amount there is no disagreement of the Trial Balance; Creditors balance is overstated but not understated: The favourable bank balance as per Pass Book will be less than the Bank balance as per Cash Book, since the debit in the Bank Account is more than the debit in the Cash book. Purchases are not affected, as it is a payment to the creditor. Thus, the correct answer is (d).]

129. **Which of the following errors affects the agreement of a Trial Balance?**

(a) Mistake in balancing an account

(b) Omitting to record a transaction entirely in the subsidiary books

(c) Recording of a wrong entry in the subsidiary books

(d) Posting an entry on the correct side but in the wrong account

[Hints: (a) The mistake in balancing an account affects the agreement of a Trial Balance (a) is the correct answer. The other mistakes do not affect the agreement of Trial Balance. The omission to record a transaction entirely in the subsidiary books (b) will not affect the agreement of a Trial Balance because both the aspects of a transaction are omitted to be recorded. Recording of a wrong entry in the subsidiary books (c ) will not cause disagreement of a Trial Balance because, the wrong entry so recorded has the effect of posting the transaction in the manner it is recorded. Posting an entry on the correct side in the wrong account (d) does not affect the tallying of a Trial Balance because the aspect of the transaction is posted to the correct side of an account. Thus (a) is the correct answer.]

130. **Which of the following statements is/are true?**

(i) **An error in casting the subsidiary books is an error of commission**

(ii) **An error in wrong casting of the sales day book will not affect the personal accounts of debtors**

(iii) **Mistake in transferring the balance of an account to the Trial Balance will not affect the agreement of the Trial Balance**

(iv) **The mistake of treating a liability as an income or vice versa will not affect the agreement of a Trial Balance**

(a) Only (i) above

(b) Only (ii) above

(c) Both (i) and (ii) above

(d) (i),(ii) and (iv) above

[Hints: (d) An error in casting the subsidiary books is an error of commissions (i), an error in wrong casting of the sales day book will not affect the personal accounts of debtors (ii) and the mistake of treating a liability as an income or vice versa will not affect the agreement of a Trial Balance (iv) are the true statements and the combination of these statements alternatives (d) is the correct answer. The other alternatives are incurrance because (a) states only the statement in (i); (b) states only the statement (ii) and the alternative (c) is the combination of (i) and (ii) which is incomplete. Thus, the correct answer is (d).]

131. **Which of the following should not be treated as revenue expenditure?**

- (a) Interest on loans and debentures
- (b) Annual fire insurance premiums on Plant and Equipment
- (c) Sales tax paid in connection with the purchase of office equipment
- (d) Small expenditures on long-lived assets, such as ₹ 20 for a paper weight.

[Hints: (c) A revenue expenditure is an expenditure whose benefit expires within the current accounting period and is in the nature of recurring and is therefore written off to P&L A/c. Sales tax paid in connection with the purchase of office equipment is a non-recurring expenditure whose benefit is going to last for more than one accounting period and hence not a revenue expenditure.]

**132. Capital expenditure is an expenditure which**

- (a) Benefits the current accounting period
- (b) Will benefit the next accounting period
- (c) Results in the acquisition of a permanent asset
- (d) Results in the acquisition of a current asset

[Hints: (c) A capital expenditure is a non-recurring expenditure whose benefit lasts for more than one accounting period. Example is the acquisition of a fixed or permanent assets.]

**133. Which of the following is not a deferred revenue expenditure?**

- (a) Expenses in connection with issue of equity shares
- (b) Preoperative expenses
- (c) Heavy advertising expenses to introduce a new product
- (d) Legal expenses incurred in defending a suit for breach of contract to supply goods

[Hints: (d) Deferred revenue expenditure is a revenue expenditure whose benefit lasts for more than one accounting periods and is therefore written off during the periods over which the benefit lasts (However, AS 26 requires that Deferred revenue expenditure is expensed wholly in the year of incurrence). Legal expenses incurred in defending a suit for breach of contract for supply of goods does not satisfy the prerequisites of a deferred revenue expenditure.]

**134. Any donation received for a specific purpose is a**

- (a) Liability ; (b) Assets ; (c) Revenue receipts ; (d) Capital receipts

**135. Which of the following is an item of capital expenditure?**

- (a) Research and development costs during the year
- (b) Interest on borrowed fund utilized for acquisition of Office Furniture
- (c) Installation charges paid in conjunction with the purchase of Office Equipment
- (d) Monthly rent of a machinery used in the business

[Hints: (c) A capital expenditure is a non-recurring expenditure whose benefit lasts for more than one accounting period. Installation charges paid in conjunction with the purchase of office equipment is an one-time expenditure whose benefit lasts for more than one accounting period.]

**136. Which of the following statements is true?**

- (a) Provision for doubtful debts represents the amount that cannot be collected
- (b) The distinction between capital and revenue items is important because it is of fundamental importance to the determination of profits
- (c) Goods lost by fire need not be accounted for since they are not sales
- (d) Free samples received are business gains

**137. The balance of which of the following accounts do not disappear, once they are debited/credited to Trading Account.**

- (a) Sales
- (b) Purchases
- (c) Inward returns
- (d) Closing stock

[Hints: (d) The closing stock (d) is the value of goods which remain unsold at the end of the period whose balance appears once in Trading Account and once in Balance Sheet of the business. All other accounts sales (a), purchases (b) and Inward Returns (c) are closed once they are absorbed by the Trading Account. Thus (d) is the correct answer.]

138. Which one of the following should be considered a revenue expenditure?

- (a) ₹1000 paid for the execution of a new plant
- (b) Loss of ₹10,000 incurred in increasing the sitting accommodation of a hotel
- (c) Damage paid on account of breach of a contract to supply certain goods
- (d) Repair to machinery purchased, second hand.

139. Which of the following statements are / is true? "Events after Balance Sheet" are

- (a) All the significant events after the Balance Sheet date
- (b) The events after Balance Sheet date but before submitting it to the Registrar of Companies
- (c) The events after Balance Sheet date but before its approval by the board
- (d) All changes after Balance Sheet date before its approval

[Hints: (c) Events occurring after the Balance Sheet date are those significant events, both favourable and unfavourable, that occur between the Balance Sheet date and the date on which the financial statements are approved by the Board of Directors in the case of a company, and by the corresponding approving authority in the case of any other entity.]

140. Which one of the following is a capital expenditure?

- (a) Compensation paid to Directors on termination of their services
- (b) Expenditure incurred in connection with the renewal of a Trade Mark.
- (c) Gratuities paid to Directors on termination of their services.
- (d) Royalty paid in installments for the purchase of rights to manufacture and sell patent medicines.

141. Which of the following enhances the earning capacity of an asset?

- (a) Increase in working capacity of an asset
- (b) Reduction in operating costs
- (c) Replacing damaged parts of an asset
- (d) Both (a) and (c) above

[Hints: (d) Enhancement of earning capacity can be by way of replacement of worn out or damaged parts which retarded the earning capacity and increase in the working capacity increases the earning capacity of the asset.]

142. Which of the following items should not be capitalized relating to fixed assets?

- (a) Interest payable on loans or deferred credits taken for the acquisition or construction of fixed assets before they are ready for use
- (b) Stand by equipment and servicing equipment
- (c) Expenditure incurred on test runs and experimental production
- (d) Administration and general expenses

[Hints: (d) Only those expenses which relate to and specifically attributable to the asset are capitalized. Administration and general expenses cannot be specifically attributable to the asset and hence cannot be capitalized.]

143. Which of these errors affect only one account

- (a) Errors of casting ; (b) Errors of carry forward ; (c) Errors of posting ; (d) All the three

144. Which of these errors affect two or more accounts

- (a) Errors of complete omission ; (b) Errors of principle ; (c) Errors of posting to wrong account;
- (d) All the three

145. Which of the following error is an error of principle

- (a) ₹ 5,000 received from Sham credited to Ram A/c
- (b) ₹ 5,000 incurred on installation of new plant debited to travelling expenses A/c



- (c) ₹ 500 paid for wages debited to salary A/c  
(d) ₹ 500 being purchase of raw material debited to purchase A/c ₹ 50
146. **Which of the following is an one sided error**  
(a) ₹ 500 purchase of old equipment not recorded in the books of A/c at all;  
(b) ₹ 500 being expense on travelling expense credited to travelling expenses;  
(c) Both ; (d) None
147. **Any gain on the sale of non-current assets should be \_\_\_\_\_ from the net profit and the loss must be \_\_\_\_\_ to the net profit in determining fund from operation**  
(a) Added, Reduced ; (b) Added, Added ; (c) Deducted, Added ; (d) Deducted, Deducted
148. **Cash book records—**  
(a) Only cash sales ; (b) All types of cash receipts and payments ; (c) Only revenue receipts  
(d) Only capital receipts
149. **In a three column cash book ----- does not exist**  
(a) Cash column ; (b) Bank column ; (c) Petty cash column ; (d) Discount column
150. **Which of these transactions will not be recorded in cash book—**  
(a) Cash received from debtors ; (b) Cash paid to creditors ; (c) Salary remained outstanding  
(d) Cash deposited with bank
151. **The closing balance of a petty cash book is a / an —**  
(a) Liability ; (b) Gain ; (c) Assets ; (d) Loss
152. **Which column of a cash book will not have credit balance —**  
(a) Bank column ; (b) Discount column ; (c) Cash column ; (d) None
153. **Petty cash balance is a/an —**  
(a) Assets ; (b) Expenditure ; (b) Liability ; (d) None
154. **Which of these is a Part of cash in hand**  
(a) Postage stamps ; (b) B/R ; (c) Cheque Deposited with Bank ; (d) B/R endorsed
155. **Which of the following is a Real A/c**  
(a) Salary A/c ; (b) Bank A/c ; (c) Building A/c ; (d) Goodwill A/c
156. **Which of the following is a Personal A/c**  
(a) Outstanding Salary A/c ; (b) Rent A/c ; (c) SBI A/c ; (d) Bad debts A/c
157. **Which of the following is a representative Personal A/c**  
(a) Outstanding Salary A/c ; (b) Rent A/c ; (c) SBI A/c ; (d) Bad debts A/c
158. **Which of the following is a Nominal A/c**  
(a) Outstanding Salary A/c ; (b) Rent A/c ; (c) SBI A/c ; (d) Debtors A/c
159. **Goodwill A/c is a/an —**  
(a) Nominal A/c ; (b) Tangible Asset ; (c) Intangible Asset ; (d) Fictitious Asset
160. **Posting is the process of —**  
(a) Posting the letters in drop box ; (b) Posting suitable person to a suitable job;  
(c) Entering in the ledger the information contained in the ledger ; (d) All the three
161. **A book wherein various accounts are opened is called—**

- (a) Subsidiary books ; (b) Journal ; (c) Ledger ; (d) Trial Balance
- 162. Which of these is not a special purpose journal**  
(a) Cash journal ; (b) Purchase journal ; (c) Debtors journal ; (d) Sales journal
- 163. The periodic total of sales day book is posted to —**  
(a) Sales A/c ; (b) Cash sales A/c ; (c) Sales return A/c ; (d) Credit sales A/c
- 164. The periodic total of purchase day book is posted to —**  
(a) Purchase register ; (b) Purchase A/c ; (c) Cash purchase A/c ; (d) Credit purchase A/c
- 165. Capital expenses are shown in —**  
(a) Balance Sheet ; (b) Profit and Loss A/c ; (c) Trading A/c ; (d) None of these
- 166. Revenue receipts are shown in —**  
(a) Balance Sheet ; (b) Profit and Loss appropriation A/c ; (c) Manufacturing A/c ;  
(d) Trading and Profit and Loss A/c
- 167. Revenue is generally recognised as being earned at that point of time when**  
(a) sale is effected ; (b) cash is received ; (c) production is completed ;  
(d) debts are collected
- 168. Which of the following is a revenue expenses**  
(a) Raw material consumed ; (b) Plant purchased ; (c) Long term loan raised from bank ;  
(d) Share Capital
- 169. Which of the following is a capital expenditure**  
(a) Repair of plant and machinery ; (b) Salary paid to workers ;(c) Cost of stand by equipment ;  
(d) Annual whitewash of the office building
- 170. Which of these types of expenditure would not be treated as a Capital Expenditure**  
(a) Acquisition of an Asset ; (b) Extension of an Asset ; (c) Improvement of the existing Asset ;  
(d) Maintenance of the Asset
- 171. Expenses of the following nature are treated as a Revenue expenses except —**  
(a) Expenses for day to day running of the business ; (b) Putting the new asset in working condition ;  
(c) Depreciation ; (d) Purchase of raw material
- 172. Cash received from debtors would be deemed as ..... of funds.**  
(a) No flow ; (b) Sources ; (c) Uses ; (d) Gain
- 173. Purchase day book records**  
(a) All cash purchases ; (b) All credit purchases ; (c) Only credit purchase of raw material or goods  
purchased for resale ; (d) All purchases
- 174. Journal is also known by —**  
(a) Memorandum A/c ; (b) Kaccha books ; (c) Books of original entry ; (d) Proper books
- 175. Generally the term fund is used to mean the difference between**  
(a) Current assets and current liabilities ; (b) Profit and loss A/C and Balance sheet ;  
(c) Current assets and non-current liabilities ;(d) Current liabilities and non-current liabilities
- 176. The periodic total of purchase day book is posted to —**  
(a) Creditors A/c ; (b) Debtors A/c ; (c) Purchase A/c ; (d) None

177. **Which of these documents is not required for Bank Reconciliation**  
(a) Bank column of Cash Book ; (b) Bank Pass Book ; (c) Bank Statement ; (d) Trial Balance
178. **Which of these will not affect Bank and Cash balance**  
(a) Cash received from X credited to Y;  
(b) Cheques issued to A but debited to B;  
(c) Cheques deposited and cleared on the same date ; (d) All the three
179. **Which of these items are taken into consideration for preparation of adjusted Cash Book**  
(a) Mistake in Cash Book ; (b) Mistake in Pass Book ;  
(c) Cheque issued but not presented for payment ; (d) Cheques deposited but not cleared
180. **Credit balance as per Cash Book mean-**  
(a) Surplus cash ; (b) Bank overdraft ; (c) Terms deposits with bank ; (d) None of these
181. **Debit side of Bank Pass book corresponds to –**  
(a) Credit side of Cash Book ; (b) Debit side of Cash Book ; (c) Debit side of Trial Balance  
(d) Credit side of Balance Sheet

182. **Difference in Bank Balance as per Pass Book and Cash Book may arise on account of**

- (a) Cheque issued but not presented  
(b) Cheque issued but dishonoured  
(c) Cheque deposited and credited by bank  
(d) All of (a) and (b) above

[Hints: (d) Differences in Bank Balance as per Bank Pass Book and Cash Book arise due to many reasons. Few of them are Cheques issued (a credit entry in Cash Book made) but not presented for payment (so no corresponding entry in Pass Book).

Cheques issued (a credit entry in Cash Book made) but dishonoured (so no corresponding entry made in Pass Book).

In case of cheques deposited and credited by bank, entries in both Cash Book and the Bank Pass book are made, hence no difference arises.

Hence option (d) is the right option. Only in situations (a) and (b) result in difference.]

183. **Which of the following statements is/are true?**

- (a) When there are cheques deposited but not collected by the banker, overdraft balance as per Pass Book will be less than that as per Cash Book  
(b) When the payment side of the Cash Book is undercast, overdraft balance as per Cash Book will be more than overdraft balance as per Pass Book  
(c) When reconciliation is to be done with the extracts of the Cash Book and Pass Book relating to the same period, the transactions which do not figure in one of the extracts are to be noted  
(d) Bank interest debited in the Pass Book is to be added to Overdraft Balance as per Pass Book to arrive at the Overdraft balance as per Cash Book

[Hints: (c) Statement (a) is false, since when cheques are deposited at bank, the existing overdraft balance as per Cash Book decreases whereas when the cheques have not been collected the overdraft balance as per Pass book is more than that of Cash book.

Statement (b) is false, when the payments side of the Cash Book is undercast results in undercasting of overdraft balance, hence the overdraft balance as per Cash Book will be less, than the overdraft balance as per Pass Book.

Statement (c) is true, since when extracts of Cash Book and extracts of the Pass Book relating to same period are taken and compared, the entries which do not figure in both the extracts imply that these entries create the difference in the balances, hence are to be noted for the preparation of reconciliation statement.

Statement (d) is false, since Bank interest debited in the Pass Book increases the overdraft balance hence to arrive at the balance as per cash, since the above corresponding entry is not made in the Cash Book, the interest amount is to be deducted from the overdraft balance as per Bank Pass Book.

Hence only option (c) is true, all other options are false.]

**184. The Bank Reconciliation Statement is prepared**

- (a) To rectify the mistakes in the Cash Book
- (b) To arrive at the Bank Balance
- (c) To arrive at the Cash Balance
- (d) To bring out the reasons for the difference between the Balance as per Cash Book and the Balance as per Bank Statement

[Hints: (d) The basic objective of the preparation of the Bank Reconciliation Statement is to locate the reasons for differences between the balance as per Cash book and the balance as per Bank Statement. The ancillary benefits during this process of preparation can be said to be rectification of mistakes in cash book, rectification of mistake in bank statement etc. Hence option (d) is the right choice.]

**185. Which of the following statements is false?**

- (a) When the bank column of a Cash Book shows a credit balance, it means an amount is due to the bank
- (b) When Pass Book shows a debit balance, it means overdraft as per Pass Book
- (c) While preparing Bank Reconciliation Statement, cheques paid into bank but not yet cleared are deducted from the Debit balance as per Cash Book to arrive at the balance as per Pass Book
- (d) A Bank Reconciliation Statement is a part of Pass Book

[Hints: (d) A credit balance in the Cash Book(bank column) denotes an overdraft balance. It implies that the business is due to the bank respect of that amount it has overdrawn. Hence option (a) is true. A credit balance in the Pass book refers to favourable balance and a debit balance in the pass book refers to Unfavorable balance or overdraft. Hence option (b) is true.

When preparing a BRS, where there is a debit balance or favourable balance in the Cash book (bank column), cheques paid into bank but not yet cleared are deducted from the cash book (bank column) balance to arrive at the balance in the bank Pass book. Hence statement (c) is true.

A Bank Reconciliation Statement does not form part of pass book. It is prepared by the business to reconcile the balances as per Pass Book or Bank Statement and the Cash Book (bank column). Hence statement (d) is false.]

**186. Which of the following statements is true?**

- (a) Bank charges increase debit balance shown as per Bank Column of the Cash Book.
- (b) Bank charges increase debit balance as per Bank pass book.
- (c) A cash sale of a non-trading asset is recorded in the journal proper.
- (d) Cash discount allowed by the business will appear on the debit side of the debtor's account.

[Hints: (b) Bank charges increase debit balance as per Bank Pass Book (b) is the correct answer. The debit balance as per Bank Pass Book indicates the overdraft balance and the bank charges being the expenditure increase the debit balance. The alternative (a) is incorrect because the bank charges decrease the debit balance shown as per Bank column of the Cash Book and do not increase the debit balance as per Cash Book signifies the favourable balance. A cash sale of a non-trading asset is recorded in the Journal Proper is incorrect (c) because all in transactions involving cash receipts and payments are recorded in the Cash book cash discount allowed by the business will appear on the debit side of the debtor's account (d) is incorrect because, the cash discount allowed is a reduction in the balance of a debtor's account which appears on the credit side. Thus (b) is the correct answer.]

**187. Bank reconciliation is a statement prepared to reconcile—**

- (a) Trial balance ; (b) Cash book ; (c) Bank A/c;
- (d) Cash as per cash book with bank balance as per bank pass book

**188. Bank reconciliation statement is a part of —**

(a) Cash book ; (b) Trial balance ; (c) Auditors report ; (d) None of these

**189. Benefits of preparing Bank Reconciliation Statement includes —**

- (a) It bring out any errors committed in preparation of Cash book / Bank Pass Book
- (b) Highlights under delay in clearance of cheques deposited but not credited
- (c) Help know actual bank balance ; (d) All the three

**190. Debit balance as per bank pass book mean —**

- (a) Surplus cash ; (b) Bank Overdraft ; (c) Terms deposits with bank ; (d) None of these

**191. Which of the following is not a cause of difference in balance as per cash book and balance as per bank pass book—**

- (a) Errors in cash book ; (b) Errors in pass book ; (c) Cheques deposited and cleared;
- (d) Cheques issued but not presented for payment

**192. Provision is created for —**

- (a) Unknown Liabilities ; (b) Known Liabilities ; (c) Creation of Secret Reserves ; (d) All the Three

**193. Which of the following is not a method of charging depreciation**

- (a) Straight line Method ; (b) Written down value Method ;
- (c) Discounted present value Method ; (d) Sum of digits Method

**194. A second hand car is purchased for ₹ 2,00,000 and sold at ₹ 1,40,000 after two years. If depreciation is charged @ 10% on SLM method, find the profit or loss on sale of the car.**

- (a) ₹ 20,000 Loss ; (b) ₹ 20,000 Profit ; (c) ₹ 10,000 Loss ; (d) ₹ 10,000 Profit

**195. In the above question if the depreciation is charged @10% on written down value method, find the profit or loss on sale of the Second hand car.**

- (a) Loss of ₹ 20,000 ; (b) Loss of ₹ 22,000 ; (c) Loss of ₹ 11,000 ; (d) Profit of ₹ 11,000

**196. The term “ Reserve” has been defined in ----- of the Companies Act, 1956**

- (a) Part III Schedule VI ; (b) Part III Schedule V ; (c) Part II Schedule VI ; (d) Part I Schedule I

**197. Which of the following is true with respect to providing depreciation under diminishing balance method?**

- (a) The amount of depreciation keeps increasing every year while the rate of depreciation keeps decreasing
- (b) The amount of depreciation and the rate of depreciation decrease every year
- (c) The amount of depreciation decreases while the rate of depreciation remains the same
- (d) The amount of depreciation and the rate of depreciation increases every year

[Hints: (c) Under the written down value method of depreciation, the rate of percentage of depreciation is fixed, but it applies to the value of the asset at which the asset stands in the books in the beginning of the year. Therefore, the amount of depreciation decreases as the fixed rate of depreciation is charged on written down values of the asset.]

**198. Which of the following statements best describes the purpose of depreciation?**

- (a) Regular reduction of asset value to correspond to changes in market value as the asset ages
- (b) A process of correlating the market value of an asset with its gradual decline in physical efficiency
- (c) Allocation of cost in a manner that will ensure that Plant and Equipment items are not carried on the Balance Sheet in excess of net realizable value
- (d) Allocation of the cost of an asset to the periods in which services are received from the asset

[Hints: (d) AS-6 defines depreciation as a measure of the wearing out, consumption or other loss of value of a depreciable asset arising from use, effluxion of time or obsolescence through technology

and market changes. Depreciation is allocated so as to charge a fair proportion of the depreciable amount in each accounting period during the expected useful life of the asset. Depreciation includes amortization of assets whose useful life is predetermined.

The ultimate outcome of accounting for depreciation is cash available to replace the asset; however this cannot be the purpose of depreciation.]

**199. The main objective of providing depreciation is to**

- (a) Calculate the true profit
- (b) Show the true financial position in the Balance Sheet
- (c) Provide funds for replacement of fixed assets
- (d) Both (a) and (b) above

[Hints: (d) The main objective of providing depreciation is to find out the true Net Profit or Loss for an accounting period and to present a true and fair view of the state of affairs of the business. Providing funds for replacement is only an ancillary objective and not the main objective.]

**200. Depreciation is a process of**

- (a) Valuation
- (b) Valuation and allocation
- (c) Allocation
- (d) Appropriation

[Hints: (c) AS-6 on depreciation accounting defines 'depreciation' as the measure of wearing out, consumption or other loss of a value of a depreciable asset arising from use, effluxion of time or obsolescence through technology and market changes. Depreciation is allocated so as to charge a fair proportion of the depreciable amount in each accounting period during the expected useful life of the asset. Depreciation includes amortization of assets whose useful life is predetermined.]

**201. The portion of the acquisition cost of the asset yet to be allocated is known as**

- (a) Written down value
- (b) Accumulated value
- (c) Salvage value
- (d) Residual Value

[Hints: (a) The portion of the acquisition cost of the asset yet to be allocated is known as written down value (a). Accumulated value (b) is the value of a thing accumulated over a period of time and not the correct answer. Salvage value (c) is the value of an asset that remains as scrap value after its usage over a period of time and is not the correct answer. Residual value (d) is the value remaining residue and is not the correct answer. Alternative (a) is the correct answer.]

**202. Which of the following statements is true with regard to written down value method of depreciation?**

- i. The rate at which the asset is written off reduces year after year**
  - ii. The amount of depreciation provided reduces from year to year**
  - iii. The rate of depreciation as well as the amount of depreciation reduce year after year**
  - iv. The value of the asset gets reduced to zero over a period of time**
- (a) Only (i) above
  - (b) Only (ii) above
  - (c) Both (i) and (ii) above
  - (d) (i),(ii) and (iii) above

[Hints: (b) Under written down value method of depreciation, the amount on which depreciation is provided reduces from year to year. Thus the statement under alternative (b) is the correct answer. The statements in other alternatives are incorrect because, the rate of depreciation does not change year after year it remains fixed (a). The rate of depreciation and the amount of depreciation reduce from year to year is incorrect because only the amount of depreciation reduces and not the rate. Thus, the alternative with the combination of statements (i) and (iii) is incorrect. Under diminishing balance method of depreciation, the amount of the asset never becomes to zero over a period of time. Thus, the alternatives (a),(c), (d) and (e) are incorrect.]

**203. The accounting process of gradually converting the unexpired cost of fixed assets into expenses over a series of accounting periods is**

- (a) Depreciation
- (b) Physical deterioration of the asset
- (c) Decrease in market value of the asset
- (d) Valuation of an asset at a point of time

[Hints: (a) The accounting process of gradually converting the unexpired cost of fixed assets into expenses over a series of accounting periods is called depreciation (a). Physical deterioration of the asset (b) is the wear and tear of the asset on account of its usage and it is not any accounting process involved in it and it is not the correct answer. Decrease in market value of the asset (c) is not the accounting process and is not the correct answer. The allotment of cost of an asset over its estimated useful life is not the valuation of an asset (d) at a point of time is not the correct answer. Thus, (a) is the correct answer.]

**204. Which of the following factors are primarily considered to determine the economic life of an asset?**

- (a) Passage of time, asset usage, and obsolescence
- (b) Tax regulations and SEBI guidelines
- (c) Tax regulations and asset usage
- (d) SEBI guidelines and Asset usage

[Hints: (a) The economic life of an asset should be estimated on the basis of passage of time, asset usage and obsolescence of the asset. It will not consider the factors like tax regulations, SEBI guidelines, management and external factors. Hence (a) is true.]

**205. In which of the following methods, the cost of the asset is spread over in equal proportion during its useful economic life?**

- (a) Straight-line method
- (b) Written down value method
- (c) Units-of-production method
- (d) Sum-of-the years'-digits method

[Hints: (a) Under straight line method of depreciation, the depreciable asset whether tangible or intangible is depreciated over its useful life with an equal amount of depreciation in each period. This is the widely used approach of recognizing an equal amount of depreciation expense in each period of a depreciable asset's useful life. Thus, alternative (a) is the correct answer. Alternative (b) Written down value method is incorrect because where the asset is depreciated on diminishing balance of the asset where in the depreciation expense is not equal in each period. Alternative (c) double declining method is incorrect because, under this method depreciation expenses is not equal like under written down value method and it is more in the initial stages of the acquisition of the asset and less in the later periods. The method of recording depreciation under sum of the years' digits method (d) is not equal in each period it is also more in the early periods of acquisition of the asset and less in the later periods.]

**206. Which of the following statements is correct?**

- (a) Depreciation cannot be provided in case of loss in a financial year
- (b) Depreciation is a charge against profit
- (c) Depreciation is provided in the books only when there is profit
- (d) Depreciation is an appropriation of profit

[Hints: (b) Depreciation is provided as a charge against profits. It is not an appropriation of profit. It is provided irrespective of whether the business is making a loss or a profit. Hence statement (b) is a true statement.]

**207. Depreciation is calculated on the**

- (a) Cost price of asset ; (b) Market price ; (c) Cost+ Transport+ Installation expenses;
- (d) Cost or market values whichever is less

**208. Which of the following is an external cause of depreciation**

- (a) Routine repair and maintenance ; (b) Misuse ; (c) Obsolescence ; (d) Wear and tear

209. **Depreciation is a process of —**  
(a) Valuation of fixed assets ; (b) Allocation of cost over the useful life of assets  
(c) Generating funds replacements of the assets ; (d) Avoidance of tax
210. **Which of the following is not depreciated**  
(a) Building ; (b) Land ; (c) Plant and Machinery ; (d) Office equipment
211. **Schedule XIV of the Companies Act specifies \_\_\_\_\_ as minimum rate of depreciation (WDV) on ship fishing vessels**  
(a) 27% ; (b) 33% ; (c) 10% ; (d) 15%
212. \_\_\_\_\_ **is also known as Appraisal system of depreciation**  
(a) Inventory system ; (b) Survey system ; (c) Annuity system ; (d) Insurance
213. **Bad debts recovered account will be transferred to**  
(a) Debtor's Account  
(b) Profit and Loss Account  
(c) Provision for Doubtful Debt Account  
(d) Either (b) or (c) above  
[Hints: (d) When Bad debts are recovered the entry is  
Cash A/c .....Dr.  
    To Bad debts recovered A/c  
This A/c can either be transferred to P& L A/c or Provisions for Doubtful Debts A/c.]
214. **The entry for creating a Provision for bad debts is**  
(a) Debit Provision for Bad Debts A/c and credit Debtors A/c  
(b) Debit Debtors A/c and credit Provision for Bad Debts A/c  
(c) Debit Provision for Bad Debts A/c and credit Profit & Loss A/c  
(d) Debit Profit and Loss A/c and credit Provision for Bad Debts A/c.  
[Hints: (d) Provision for bad debt is a charge against profit and therefore, the entry for creating provision for bad debts is done by debiting P&L A/c and crediting provision for bad debts account.]
215. **When a person purchasing goods on credit he becomes a..... in the books of the seller-**  
(a) Debtor ; (b) Creditor ; (c) Defaulter ; (d) Offender
216. **Which of these is not a Business expense-**  
(a) Fire Insurance of other building ; (b) LIC Premium of proprietor ; (c) Interest on Capital  
(d) Commission on sales
217. **Cost of goods sold excludes-**  
(a) Opening Stock ; (b) Carriage inward ; (c) Wages & Salary ; (d) Postage & Stamps
218. **Tax deducted at source A/c appears in-**  
(a) Assets side ; (b) Liability side ; (c) Profit & Loss A/c ; (d) Debited to Capital A/c
219. **Investment in own share A/c appears in –**  
(a) Asset side ; (b) Liability side ; (c) Netted from Capital ; (d) Profit & Loss A/c
220. **Payments received in advance from a customer for a contract can be**  
(a) Shown as a deduction from contract work-in-progress on asset side  
(b) Shown as a liability  
(c) Credited to P&L A/c  
(d) Either (a) or (b) above



[Hints: (d) Progress payments and advances received from customers in respect of construction contracts in relation to the work performed thereon are disclosed in financial statements either as a liability or shown as a deduction from the amount of contract work-in-progress. In case progress payments and advances received from customers in respect of construction contracts are not in relation to work performed thereon, these are shown as a liability. Amounts retained by customers until the satisfaction of conditions specified in the contract for release of such amounts are either recognized in financial statements as receivables or alternatively indicated by way of a note.]

221. **If a company has contingent liabilities, they appear in the**

- (a) Balance Sheet
- (b) Directors' report
- (c) Notes on account to Balance Sheet
- (d) Chairman's report

[Hints: (c) Contingent liabilities are disclosed in the notes to Balance Sheet.]

222. **Recent developments have made much of a company's inventory obsolete. This obsolete inventory should be**

- (a) Written down to zero or its scrap value
- (b) Shown in the Balance Sheet at its replacement cost
- (c) Shown in the Balance Sheet at cost, but classified as a non-current asset
- (d) Carried in the accounting records at cost until it is sold

[Hints: (a) The cost of inventories may not be recoverable if the inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs of completion or the estimated costs necessary to make the sale have increased. The practice of writing down inventories below cost to net realizable value is consistent with the view that assets should not be carried in excess of amounts expected to be realized from their sale or use. Hence, the obsolete inventory must be written-down to zero or scrap value.]

223. **Which of the following is not classified as inventory in the financial statements?**

- (a) Finished goods ; (b) Work-in-process ; (c) Stores and spares
- (d) Advance payments made to suppliers for raw materials

[Hints: (d) Advance payment made to suppliers for materials is not classified as inventory. Other items mentioned in (a), (b) and (c) are classified as inventory in the financial statements as they are the components of inventory.]

224. **Which of the following statements is true?**

- (a) Inventory valuation affects only the income statement
- (b) Undercasting or overcasting of subsidiary book is an example of error of commission
- (c) Capital expenditure wrongly treated as revenue is an example of error of commission
- (d) Inventories should be valued at lower of historical cost and current replacement cost

[Hints: (b) Inventory valuation affects not only income statement, Balance Sheet also. If capital expenditure is treated as Revenue Expenditure, it is an error of principle but not the error of commission. Journal entry is required for any bill endorsement. Inventories should be valued at lower of historical cost and market value but not replacement cost. All these statements given in (a), (c) and (d) are false. But undercasting or over casting of subsidiary book is the example of error of commission. Hence (b) is correct.]

225. **Which of the following statements is / are not correct?**

- (a) Provision for bad debts appears as a liability on the Balance Sheet
- (b) The provision for bad debts is owed to the proprietor
- (c) Bad debts could be less than the provision for bad debts
- (d) Bad debts could exceed the provision for bad debts

[Hints: (b) Provision for bad debts is created to adjust the loss of future bad debts. This account is created by a debit to the Profit & Loss Account i.e., a charge against profits. This account shows a

credit balance and appears on the liabilities side of the Balance Sheet. Actual bad debts for a particular period may exceed the provision provided or may be less than the provision made.]

**226. If actual bad debts are more than the provision for bad debts, then there will be a**

- (a) Credit balance of Provision for Bad Debts Account
- (b) Debit balance of Provision for Bad Debts Account
- (c) Debit balance of Bad Debts Account
- (d) Debit balance of Discount on Debtors Account

[Hints: (b) Provision for Bad Debts Account is created for writing off bad debts. Since the provision for bad debts is a credit balance account, If the actual bad debts exceed the provision created then there will be debit balance of provision for bad debts account.]

**227. The creation of provision for doubtful debts given as an adjustment requires**

- (a) Debit Profit and Loss Account and deduct the provision from debtors
- (b) Credit Profit & Loss Account and deduct the provision from debtors
- (c) Credit Profit and Loss Account and add the provision to debtors
- (d) Debit Profit & Loss Account and add the provision to debtors

[Hints: (a) The adjustment for provision for bad debts account given in the adjustments is to debit P&L A/c and deduct from Sundry Debtors, the amount of provision for bad debts. Provision for bad debts is created against Sundry Debtors and therefore deducted from Sundry Debtors and Debited to P&L A/c as it is a charge against P&L A/c.]

**228. Under the direct write-off method of recognizing a bad debt expense. Which of the following statements is/are true?**

- (a) The bad debt expense is not matched with the related sales
- (b) Revenue is overstated in the year of sales
- (c) It violates the matching principle of accounting
- (d) All of the above

[Hints: (d) Under the direct write off method of recognizing a bad debt expense, the alternative (d) is the correct answer which the combination of the following statements (a) The bad debt expense is not matched with the related sales because the expense is written off in the year of occurrence and it is not matching with the related sales. (b) Revenue is overstated in the year of Sales as a result not making any provision for possible loss on account of non- recoverable account. (c) It violates the matching principle of accounting as the expense of bad debt is not matched for the same period of income. Thus, (d) is the correct answer.]

**229. At the time of preparation of financial accounts, bad debt recovered account will be transferred to**

- (a) Debtors A/c
- (b) Profit & Loss A/c
- (c) Profit & Loss Adjustment A/c
- (d) Profit & Loss Appropriation A/c

[Hints: (b) Bad debt recovered is a windfall gain and it is transferred to Profit & Loss Account at the time of preparation of Final Accounts. If provisions account is there in the books it will be transferred to Provision A/c and the balance if any in the provision account will be transferred to Profit & Loss Account. It is recovery of bad debt written off and hence it is not transferred to Debtors Account. It is not transferred to Profit & Loss Adjustment Account. It is not an appropriation to be transferred to Profit & Loss Appropriation Account. Thus, the answer is (b).]

**230. The balance of Revaluation Reserve pertaining to an asset that has been disposed off or retired can be transferred to**

- (a) General Reserve A/c
- (b) Profit & Loss A/c
- (c) Asset A/c
- (d) Capital Reserve A/c

[Hints: (d) According to AS-10 on disposal of a previously revalued item of fixed asset, the difference between net disposal proceeds and the net book value should be charged or credited to the Profit &

Loss Statement except that to the extent that such a loss is related to an increase which was previously recorded as a credit to revaluation reserve and which has not been subsequently reversed or utilized, it may be charged directly to that account.  
This balance (no longer needed) being of capital nature should be transferred to Capital Reserve Account.]

**231. Property, Plant and Equipment are conventionally presented in the Balance Sheet at**

- (a) Replacement cost – Accumulated Depreciation
- (b) Historical cost – Salvage Value
- (c) Historical cost – Depreciation portion thereof
- (d) Original cost adjusted for general price-level changes

[Hints: (c) As per AS-10 on fixed assets, property plant equipment should be presented in the Balance Sheet at historical cost (gross book value) less depreciation = net book value.]

**232. Outstanding salaries is shown as**

- (a) An Asset in the Balance Sheet
- (b) A Liability
- (c) By adjusting it in the P & L A/c
- (d) Both (b) and (c) above

[Hints: (d) Outstanding salaries is the expense relating to the current accounting period but has not been paid yet and therefore, it is a current liability.]

**233. Insurance prepaid is shown as**

- (a) Current Asset
- (b) Current Liability
- (c) Fixed Asset
- (d) Income

[Hints: (a) Prepaid insurance is the expense relating to the next accounting period but has been paid in the current accounting period and hence it is a current asset. The adjustment would be to deduct it from the respective expense account in the P&L A/c and show it as a current asset in the Balance Sheet.]

**234. Depreciation appearing in the Trial Balance should be**

- (a) Debited to P&L A/c
- (b) Shown as liability in Balance Sheet
- (c) Reduced from related asset in Balance Sheet
- (d) Both (a) and (c) above

[Hints: (a) Any item appearing in the Trial Balance will have one effect i.e., depreciation appearing in the Trial Balance will be debited to the Profit & Loss Account. However, if depreciation is given in the adjustments, it will have double effect i.e., it should be debited to P&L A/c and deducted from the gross fixed asset block in the Balance Sheet also.]

**235. A club paid subscription fees of ₹1,400. Out of which ₹ 200 is prepaid. In such case**

- (a) P&L A/C is debited with ₹ 1,400
- (b) P&L A/C is debited with ₹ 1,200
- (c) ₹ 200 is shown as current asset
- (d) Both (b) and (c) above

[Hints: (d) Adjustments for prepaid subscription fees:

P & L A/c Extract	
Total subscription fees paid	1,400
Less: Subscription fees prepaid	
Relating to next A/c period	<u>200</u>
Subscription fees	<u>1200</u>

The prepaid subscription fees of ₹ 200 will be shown as a current asset in the Balance Sheet as it is an expense relating to the next accounting period but has been paid in the current accounting period.]

**236. Bad debts recovered is**

- (a) Credited to P&L A/c
- (b) Debited to P&L A/c
- (c) Reduced from debtors in Balance Sheet
- (d) Added to debtors in Balance Sheet

[Hints: (a) Bad debts earlier written-off and later recovered is a profit to the firm and hence they are transferred to Profit & loss Account.]

**237. The adjustment to be made for prepaid expenses is**

- (a) Add prepaid expenses to respective expenses and show it as an asset
- (b) Deduct prepaid expenses from respective expenses and show it as an asset
- (c) Add prepaid expenses to respective expenses and show it as a liability
- (d) Deduct prepaid expenses from respective expenses and show it as a liability

[Hints: (b) Prepaid expense is an expense relating to the next accounting period but has been paid in the current accounting period and hence it is a current asset. The adjustment would be to deduct it from the respective expense account in the P&L A/c and show it as a current asset in the Balance Sheet.]

**238. On scrutiny of a firm's books of accounts, it was observed that the following errors have occurred in the previous years but have not yet been rectified.**

- i. Depreciation for 2011-2012- ₹ 7,000 understated
- ii. Accrued expenses as at March 31, 2013 - ₹ 10,000 understated

**The impact of this on the reported net income for the year ending March 31, 2013 is**

- (a) ₹ 7,000 Overstated
- (b) ₹ 10,000 Overstated
- (c) ₹ 17,000 Understated
- (d) ₹ 17,000 Overstated

[Hints: (b) Net income will be overstated by ₹ 10,000 because the accrued expense are understated. Under/ Overstatement of depreciation of the year 2011-2012 does not affect the net income of current year i.e., 2012-13.]

**239. Which of the following entries is correct in respect of reserve for discounts on accounts payable?**

- (a) Debit P&L A/c and Credit Reserve for Discount on Accounts Payable A/c
- (b) Debit Accounts Payable A/c and Credit P&L A/c
- (c) Debit Reserve for Discount on Accounts Payable A/c and Credit P&L A/c
- (d) Debit Reserve for Discount on Accounts Payable A/c and credit Accounts Payable A/c

[Hints: (c) The entry will be as follows:

Reserve for Discount on Creditors A/c..... Dr.  
To Profit & Loss A/c

It will be shown on the credit side as a separate item and will be shown on the Liabilities side by way of deduction from the Sundry Creditors.]

**240. Sundry debtors as per Trial Balance is ₹ 43,000 which includes ₹ 2,200 due from 'H' in respect of goods sent to him on approval basis, the cost price of which is ₹ 1,800. Rectification would involve:**

- (a) Adding ₹ 2,200 to closing stock
- (b) Deducting ₹ 1,800 from closing stock and deducting ₹ 2,200 each from debtors and sales
- (c) Adding ₹ 1,800 to closing stock and deducting ₹ 2,200 each from debtors and sales
- (d) Deducting ₹ 1,800 from debtors

**241. Goods in stock worth ₹ 800 are destroyed by fire and the Insurance Co. is accepted the claim for ₹ 600. Adjustment would involve:**

- (a) Debit of ₹ 800 to Trading Account and credit of ₹ 600 and ₹ 200 to insurance company and Profit and Loss Account respectively
- (b) Deduct the ₹ 800 from closing stock in the Trading Account

- (c) Credit insurance company for ₹ 600
- (d) Debit of ₹ 600 and ₹ 200 to insurance company and Profit and Loss Account respectively and credit of ₹ 800 to Trading Account

**242. Prepaid expenses are valued on the Balance Sheet at**

- (a) Replacement cost
- (b) Current cost
- (c) Cost to acquire less accumulated amortization
- (d) Cost less expired portion

[Hints: (d) Prepaid expenses are the expenses which relate to the unexpired portion of the benefit of the expense. Hence, these are valued on the Balance Sheet at the cost less expired portion.]

**243. Which of the following relationships is/are false?**

- (a) Net Profit = Gross Profit – Administration and Other expenses
- (b) Net Profit = Gross Profit + Administration expenses and Other expenses
- (c) Opening Stock + Purchases – Closing Stock = Cost of Sales
- (d) Both (b) and (c) above

[Hints: (d) Net Profit= Gross Profit- Administration and other expenses. Hence option (b) is false. Opening stock+ Purchases-Closing stock= Cost of material consumed not cost of sales. Option (c) is false.]

**244. Gross Profit is equal to**

- (a) Sales – Cost of goods sold ; (b) Sales – Closing Stock + Purchases
- (c) Opening Stock + Purchases – Closing Stock ; (d) None of the above

**245. Which of the following shall not be deducted from net profit while calculating managerial remuneration?**

- (a) Loss on sale of undertaking
- (b) Debts considered bad and written off
- (c) Liability arising from a breach of contract
- (d) Director's remuneration

[Hints: (d) Director's remuneration shall not be deducted from net profit while calculating managerial remuneration.]

**246. Which of the following equations is correct?**

- (a) Gross Profit+ Sales+ Direct expenses+ Purchases+ Closing stock = Opening stock
- (b) Gross Profit+ Sales+ Direct expenses+ Purchases- Closing stock = Opening Stock
- (c) Gross Profit + Opening Stock + Direct expenses + Purchases- Closing stock = Sales
- (d) Gross Profit – Opening Stock + Direct expenses + Purchases +Closing stock = Sales

**247. Which of the following is not true with regard to preparation of Profit & Loss Account?**

- (a) Profit & Loss Account is prepared for a certain period and hence it is an interim statement
- (b) Profit & Loss Account does not disclose the effect of non-financial items
- (c) Net Profits are ascertained on the basis of current costs
- (d) Net Profits as disclosed by P&L Account is not absolute

**248. The Profit and Loss Account shows the**

- (a) Financial results of the concern for a period
- (b) Financial position of the concern on a particular date
- (c) Financial results of the concern on a particular date
- (d) Cost of goods sold during the period

[Hints: (a) A profit and Loss Account is prepared for the period ending which shows the financial or operating results of the concern for a period.]

249. Which of the following statements is true?

- (a) Provision for doubtful debts represents the amount that cannot be collected
- (b) Cash balance on hand shows whether the business has earned Profit or Loss
- (c) Free samples received are business gains
- (d) The WDV of an asset depreciated on the reducing balance method can never become zero

250. Cash Profit is

- (a) Net profit – Non-trading Profit – Depreciation and provision
- (b) Gross Profit – Non-trading Profit + Depreciation and provision
- (c) Net Profit + Depreciation and provision
- (d) Gross Profit – Operational expenses

[Hints: (c) Cash Profit is the Net Profit + Depreciation and Provision. Depreciation is a non-cash outflow which is deducted from the profit and therefore, it is added back to the net profit to arrive at the net cash profit.]

251. Which of the following statements is false?

- (a) Provision for discount on debtors can be estimated only after computing the provision for doubtful debts
- (b) All pre-received incomes under the cash system of accounting are current gains
- (c) Cash balance on hand shows whether the business has earned Profit or Loss
- (d) Capital expenditure should be shown in the books by debiting asset account and crediting supplier or cash account

252. Which of the following will not appear in Profit and Loss Account of a business?

- (a) Drawings
- (b) Bad debts
- (c) Accrued expenses
- (d) Reserve for discount on Sundry Creditors

[Hints: (a) Profit and Loss Account is an income statement which depicts all incomes/gains and expenses/losses during an accounting period. Drawings are neither an income nor an expense to be recorded in Profit and Loss Account. Thus (a) is the correct answer. The items in other alternatives are either expenses or accrued expenses or probable income of discount on sundry creditors. The depreciation, bad debts and provision for doubtful debts and accrued expenses appear in the Profit and Loss Account and provision for income i.e., provision for discount on sundry creditors. Hence (a) is the correct answer.]

253. Which of the following is not a financial statement?

- (a) Profit and Loss Account
- (b) Balance Sheet
- (c) Funds Flow Statement
- (d) Trial Balance

[Hints: (d) Trial Balance (d) is not a financial statement. It is a list of all accounts showing outstanding balances at the end of the accounting period. It helps in the preparation of financial statements. The Profit and Loss Account (a); Balance Sheet (b) and Funds Flow statement (c) are the financial statements prepared by a business entity. Funds flow statement though categorized as one of the financial statements, its preparation is not mandatory. Thus (d) is the correct answer.]

254. If unexpired insurance appears in the Trial Balance, it should be

- (a) Credited to the Profit & Loss Account
- (b) Debited to the Profit & Loss Account
- (c) Shown on the liabilities side of the Balance Sheet
- (d) Shown on the assets side of the Balance Sheet

[Hints: (d) Unexpired insurance or prepaid insurance must be shown on the assets side of the Balance Sheet, because it is an asset. It cannot be shown on the liabilities side of the Balance Sheet. It cannot be debited to Profit & Loss A/c. Also it cannot be credited to Profit & Loss A/c. Hence (d) is true.]

255. **Which of the following are/is not a fixed asset?**  
(a) Stock ; (b) Vehicle ; (c) Fixed deposit in bank ; (d) Both (a) and (c) above
256. **Which of the following are/is a current asset?**  
(a) Sundry Debtors ; (b) Stock ; (c) Prepaid insurance ; (d) All of (a), (b) and (c) above
257. **Tax deducted at source appears in the Balance Sheet**  
(a) On the assets side under current assets  
(b) On the assets side under loans and advances  
(c) On the liabilities side under current liabilities  
(d) On the liabilities side under provisions
258. **Which of the following statements is false?**  
(a) Balance Sheet discloses financial position of the business  
(b) A person who owes to the business is called Debtor  
(c) Decrease in the value of the asset could decrease the value of a liability  
(d) Assets are to be shown in the Balance Sheet at the realizable value  
[Hints: (d) AS-10 on Accounting for Fixed Assets states that fixed assets are to be shown in the Balance Sheet at their actual cost.]
259. **Which of the following statements is true?**  
(a) The balance of the goods account shows the value of stock in hand;  
(b) Balancing of all accounts must be done at the end of each day;  
(c) Assets which are to remain in business for continuous use and not meant for conversion into cash are fixed assets ; (d) Balance Sheet discloses income position of the business
260. **The Balance Sheet gives information regarding the**  
(a) Results of operations for a particular period  
(b) Financial position during a particular period  
(c) Profit earning capacity for a particular period  
(d) Financial position as on a particular date
261. **Which of the following accounts appear(s) in the Balance Sheet of a business?**  
i. **Stock at the end of the financial year**  
ii. **Stock at the beginning of the financial year**  
iii. **Drawings**  
iv. **Prepaid Rent**  
v. **Interest received but not yet earned**  
(a) Only (i) above  
(b) Only (iii) above  
(c) Both (i) and (iii) above  
(d) (i), (iii), (iv) and (v) above  
[Hints: (d) Stock at the end of the financial year is the closing stock, drawings are the amounts withdrawn by the owner of the business for personal use; and prepaid rent is the amount of rent which is paid in advance of the current financial year and interest received but not yet earned is the amount of interest received which does not pertain to the current year are the items that appear in the Balance Sheet of a business. Stock at the beginning of the financial year is the opening stock that appears in Trading Account of a business and not in the Balance Sheet. Thus (d), the combination of all the accounts in alternatives (i), (iii), (iv) and (v) is the correct answer.]
262. **Computers taken on hire by a business for a period of twelve months should be classified as**  
(a) Current assets  
(b) Intangible assets  
(c) Deferred revenue expenditure

(d) Not an asset

[Hints: (d) Computers taken on hire by a business for a period of twelve months is not an asset because it is not owned by the business to be classified as asset. Thus, the correct answer is (d). Since it is not an asset it cannot be classified as any asset and other alternatives are not the correct answers.]

**263. Which of the following is not an intangible asset?**

- (a) Trade mark
- (b) Franchise
- (c) Accounts Receivable
- (d) Secret Profit

[Hints: (c) An accounts receivable is not an intangible asset. It is the amount that the business has to receive from its debtors. The other assets mentioned in alternatives a, b, and d- trademark, franchises and secret processes are intangible assets. Hence, the correct answer is (c).]

**264. Which of the following is a current liability?**

- (a) Prepaid expenses
- (b) Trademark
- (c) Discount on issue of shares
- (d) Outstanding Salaries

[Hints: (d) Outstanding salaries are short term obligations expected to be paid off during the short period of time. So, it is a current liability. Prepaid expenses, trademark and discount on issue of shares are assets. Hence, (d) is correct answer.]

**265. Based on which of the following concepts, is Share Capital Account shown on the liabilities side of a Balance Sheet?**

- (a) Business entity concept
- (b) Money measurement concept
- (c) Going concern concept
- (d) Matching concept

[Hints: (a) Share capital is the contribution made by the owner(s) and is regarded as a liability to the business in the nature of owner's equity. The underlying feature for this treatment is the distinction between the owner(s) and that of the business owned by them. According to business entry concept whenever an owner brings capital into the business, the business in turn is deemed to owe the capital to the owner. As such the share capital account is treated as a liability to the business and shown under liabilities. The other concepts are not correct because,

(b) Money measurement concept explains that in financial accountancy, a record is made only of information that can be expressed in monetary terms and ignores other events, however significant they may be. It is silent about the treatment of share capital account.

(c) Going concern concept explains that the resources of the concern would continue to be used for the purposes for which they are meant to be used. The very categorization of assets into fixed and current presupposes the going concern concept. It does not deal about the treatment of share capital account.

(d) Conservatism concept: The theme behind this principle is that recognition of revenue requires better evidence than recognition of expenses. It deals with revenues and expenses and not the share capital account.]

**266. Which of the following is not a contingent liability?**

- (a) Debts included in Sundry Debtors which are doubtful in nature
- (b) Uncalled liability on partly paid shares
- (c) Claims against the company not acknowledged as debts
- (d) Arrears of fixed cumulative dividend

[Hints: (a) A contingent liability is the loss which will be known or determined only on the occurrence or non- occurrence of one or more future uncertain events. Debts of debtors is not an uncertain event but only the realization of a part of the debt in doubtful for which provision must be provided and hence it is not a contingent liability. Items in other alternatives uncalled liability on partly paid shares

(b) may be called up in the event of necessity, claims against the company not acknowledged as



debts (c) they may or may not turn out to be debts in future. Arrears of cumulative fixed dividend (d) are contingent liabilities.]

267. Which of the following are current assets of a business?

- i. Income received in advance
- ii. Stock
- iii. Debtors
- iv. Pre-paid expenses
- v. Accrued income

- (a) Both (i) and (iv) above
- (b) Both (ii) and (iii) above
- (c) (i),(ii) and (iii) above
- (d) (ii),(iii),(iv) and (v) above

268. Which of the following statements is true?

- (a) Bad Debts Recovered Account is transferred to Sundry Debtors Account
- (b) Bill of exchange is drawn by the purchaser
- (c) Trial Balance establishes the arithmetical accuracy of the accounting records
- (d) A well maintained asset need not be depreciated

[Hints: (c) Bad debts recovery amount will be transferred to Profit & Loss Account and not to Sundry Debtors Account. Hence (a) is not correct. Bill of exchange is drawn by the drawer i.e., the seller and not the purchaser. According to Companies Act, all assets must be depreciated. Hence (a), (b) and (d) are not true. By tallying Trial Balance always proves the arithmetical accuracy of the accounting records. Hence (c) is correct.]

269. Closing entries are generally passed —

- (a) At the time of opening new books of account ; (b) At the time of closing the accounts;
- (c) During the course of accounting period any time ; (d) After certification of accounts

270. Closing stock appearing in the Trial Balance is shown in —

- (a) Trading A/c and Balance Sheet ; (b) Profit and Loss A/c ; (c) Balance Sheet only
- (d) Trading A/c only

271. Depreciation Account appearing in the Trial Balance is shown in —

- (a) Profit and Loss A/c ; (b) Trading A/c ; (c) Deducted from the concerned assets A/c;
- (d) Shown on the liability side

272. Profit on sale of old plant is shown —

- (a) In Trading A/c ; (b) In Profit and Loss Appropriation A/c ; (c) Profit and Loss A/c
- (d) Being a non operating item ignored

273. Carriage on goods purchased is shown in —

- (a) Profit and Loss A/c ; (b) Capitalized with work in progress ; (c) Trading A/c;
- (d) Shown in Balance Sheet

274. Which of these is not an operating income

- (a) Income from sale of trading goods ; (b) Bad debts recovered ; (c) Interest on FDs ;
- (d) None

275. ABC holds an average inventory of ₹ 36,000(CP) with an inventory turnover of 5 times. If the firm makes a gross profit of 25% on sales, find the total sales of the company

- (a) ₹ 2,40,000 ; (b) ₹ 2,10,000 ; (c) ₹ 2,00,000 ; (d) ₹ 1,80,000

276. From the following details what will be the partners' commission?

**Net profit before charging partners' commission ₹65,000. Partners' commission @ 11% after charging such commission**

(a) 6441 ; (b) 5431 ; (c) 7654 ; (d) 9876

277. **From the following details what will be the partners' commission?**

**Net profit before charging partners' commission ₹65,000. Partners' commission 11% before charging such commission**

(a) 6441 ; (b) 5431 ; (c) 7150 ; (d) 5876

278. **Arrangement of Balance Sheet in a logical order is known as —**

(a) Dressing Balance Sheet ; (b) Marshalling Balance Sheet;  
(c) Formatting Balance Sheet ; (d) Make up of Balance Sheet

279. **Improper valuation of inventory effects—**

(a) Profitability ; (b) Financial position ; (c) Both ; (d) Cash inflows

280. **Find the cost of goods sold if goods are sold for ₹ 2,000 at 25% profit on cost**

(a) ₹ 1,600 ; (b) ₹ 1,500 ; (c) ₹ 1,000 ; (d) ₹ 1,800

281. **Find the value of opening stock from the following data.**

**Purchases ₹ 1,50,000, Closing stock ₹ 30,000 , Sales ₹2,20,000, Gross profit ₹ 40,000.**

(a) ₹ 50,000 ; (b) ₹ 55,000 ; (c) ₹ 60,000 ; (d) ₹ 65,000

282. **A Bill of Exchange is drawn on 1<sup>st</sup> April, 2012 payable after 3 months. The due date of the bill is**

(a) 30<sup>th</sup> June,2012

(b) 1<sup>st</sup> July,2012

(c) 4<sup>th</sup> July,2012

(d) 4<sup>th</sup> August,2012

[Hints: (d) Bill drawn on 1<sup>st</sup> April, 2012 payable after 3 months. The due date is 1<sup>st</sup> April, 2012 + 3 months + 3 days of grace = 4<sup>th</sup> July, 2012.]

283. **Which of the following statements is/are true?**

(a) Noting charges are paid by the holder of the bill on the date of default

(b) A bill can be endorsed only thrice

(c) On renewal of bill the old bill is canceled

(d) Both (a) and (c) above

[Hints: (d) Noting charges are paid by the holder of the bill to get the bill noted for dishonour on the date of its dishonour. Statement (a) is true.

A bill can be endorsed any number of times, there is no limit to the number of endorsements. Statement (b) is false.

Renewal of bill takes place when the acceptor requests the drawer to cancel the old bill and draw a new bill. Hence statement (c) is true.

Hence option (d) stating that statement (a) and (c) are the right choice.]

284. **When bill discounted with the bank is dishonoured?**

(a) Acceptor's Account is debited in the books of drawer

(b) Bills Receivable Account is credited in the books of drawer

(c) Bank Account is debited in the books of drawer

(d) Bills Payable Account is debited in the books of drawer

[Hints: (a) When a bill discounted with bank has been dishonoured, the drawer debits the Acceptors Account (restores the acceptor status a debtor for the amount due) and credits the Bank Account or Cash Account (the amount he pays to bank).

The acceptor debits the Bills Payable Account, the noting charges and credits the Drawer's Account (Restores the status quo of the creditor to whom he is due to pay).

Hence option (a) is correct. All other options are incorrect.]

285. Which of the following statements is/are false?

- (a) Accommodation bills are drawn for the benefit of drawer only
- (b) Bills sent for collection is an asset
- (c) Bills of exchange cannot be drawn on a banker
- (d) Both (a) and (c) above

[Hints: (d) Accommodation bills are drawn for the benefit of both the parties to the bill. Hence statement (a) is false.

Bills sent for collection in the books of the drawer is an asset replacing the Bills Receivable (asset).

A cheque is a bill of exchange which is drawn on a banker, payable at sight. Hence option (c) is false.

Hence option (d) the statements (a) and (c) are false, is the right choice.]

286. In the books of the drawer, the accounting treatment involved on receipt of a bill of exchange duly accepted by the drawee is

- i. Debit Bills Receivable Account
- ii. Debit Drawee's Account
- iii. Credit Drawee's Account
- iv. Credit Sales Account

- (a) Only (i) above
- (b) Both (ii) and (iv) above
- (c) Both (i) and (iii) above
- (d) Both (i) and (iv) above

[Hints: (c) In the books of the drawer, the accounting treatment involved on receipt of a bill of exchange duly accepted by the drawee is debit Bills Receivable Account and credit Drawee's Account .i.e., the combination of statements in (i) and (iii) alternative (c) is the correct answer. The other alternatives are incorrect because the combination of one correct answer with the statement of incorrect answer. Drawee's Account is debited (ii) as soon as a sale is made or any advances is made and Drawee's Account is not debited when the bill of exchange is accepted and sales is credited (iv) when the sale is made and not at the time of acceptance of bill of exchange. Thus, the alternatives (a), statement (i) (b), combination of (ii) and (iv) (d) combination of (i) and (iv) are incorrect.]

287. The noting charges levied on dishonour of an endorsed bill by the Notary Public are to be borne by

- (a) The drawer of the bill
- (b) The person responsible for dishonour
- (c) The holder of the bill
- (d) The endorser of the bill

[Hints: (b) The noting charges are the charges paid to Notary Public for presenting a bill for payment and to note the fact of dishonour. The charges are to be borne by the person responsible for dishonour who is none other than the drawee. Thus, the correct answer is (b).

The drawer of the bill (a) is incorrect answer because the drawer may pay the charges initially but ultimately they are to be borne by the drawee. The holder of the (c) is entitled to receive the payment of the bill and to bear the noting charges on the bill. The endorser (d) may be the drawer of the bill in which case he will recover the noting charges from the drawee of the bill. Thus (b) is the correct answer.]

288. The drawer of a trade bill passes relevant entries with regard to the transaction involved in it. But, in case of an accommodation bill, he passes an entry in addition to the usual entries. The additional entry so passed is with respect to

- (a) Discounting of the bill with the bank
- (b) Payment of the bill on due date
- (c) Remitting or receiving the amount
- (d) Sending the bill to bank for collection

[Hints: (c) In case of accommodation bills, the additional entry that is to be passed other than the usual entries passed with regard to trade bills in the books of the drawer is in respect of (c) remitting or receiving the amount at the time of discounting the bill and honouring the bill at maturity. The entries

passed are the same in case of discounting the bill with the bank (a) and no additional entry is passed except for sending the share of proceeds to the drawee. On payment of the bill on due date (b) no additional entry is passed in the books of the drawer. If the bill is sent to the bank for collection, (d) the purpose behind the accommodation bill is defeated. However, no additional entry is required to be passed at the time of sending the bill to the bank for collection (d). Thus, (c) is the correct answer.]

**289. Under which of the following situations, is journal entry not passed in the books of the drawer?**

- (a) When a discounted bill is honoured by the drawee on the due date
- (b) When a bill is sent to the bank for collection
- (c) When a bill is renewed at the request of the drawee
- (d) When a debtor accepts a bill drawn by the drawer

[Hints: (a) When a discounted bill is honoured by the drawee on the due date, (a) no journal entry is passed in the books of the drawer. The entry is passed at the time of discounting of the bill itself and no entry is required if the discounted bill is honoured on due date. Hence, (a) is the correct answer. The other alternatives are incorrect because, when a bill is sent to the bank for collection (b) a journal entry debiting bills sent to bank for collection and crediting Bills Receivable is passed. When a bill is renewed at the request of the drawee (c) a journal entry is passed canceling the old bill and raising a new bill with interest. When a debtor accepts a bill drawn by the drawer (d) when a debtor is converted to bills receivable and debtors balance is reduced and Bills Receivable account is increased to extent of the amount passing a journal entry to that effect. Thus, (a) is the correct answer.]

**290. Which of the following is not a feature of a promissory note?**

- (a) It must be in writing
- (b) It contains an unconditional promise to pay
- (c) It is payable to the bearer
- (d) It must be signed by the maker

[Hints: (c) According to the Negotiable Instrument Act, promissory note is not payable to the bearer. It must contain an order to pay. So this is not the characteristic of promissory note. Other options are the characteristics of promissory note.]

**291. How many parties are generally found in a Bill of Exchange**

- (a) 4 ; (b) 2 ; (c) 3 ; (d) 5

**292. X draws a Bill of Exchange on Y for ₹ 10,000 on 1-1-2013 for 3 months. The due date of the bill will be —**

- (a) 4-4-2013 ; (b) 3-4-2013 ; (c) 1-4-2013 ; (d) 31-3-2013

**293. When a B/R is endorsed by the Drawer what entry is passed by the Drawee—**

- (a) B/R A/c Dr. to Drawer A/c Cr. ; (b) B/P A/c Dr. to Drawer A/c Cr.
- (c) 3<sup>rd</sup> Party's A/c Dr. to B/P A/c Cr. ; (d) No entry at all

**294. When a B/R is discounted, what entry is passed by the Drawee—**

- (a) Bank A/c Dr. to B/R Cr. ; (b) Drawer A/c Dr. to B/R A/c Cr.
- (c) B/R A/c Dr. to B/P A/c Cr. ; (d) No entry

**295. Noting charges are ultimately borne by—**

- (a) Drawee ; (b) Drawer ; (c) Payee ; (d) None

**296. Negotiable Instrument Act was enacted in—**

- (a) 1981 ; (b) 1881 ; (c) 1871 ; (d) 2001

**297. Which of these is not an essential feature of a bill of exchange**

- (a) Unconditional ; (b) Certainty of amount ; (c) In writing;
- (d) Amount to be paid in foreign currency

**298. A foreign bill of exchange is generally drawn up in —**

- (a) Triplicate ; (b) Duplicate ; (c) Single ; (d) Quadruplicate
299. **Which of these are not required in a promissory note**  
(a) Acceptance ; (b) Unconditional promise to pay ; (c) Properly stamped;  
(d) Payment to be made legal currency
300. **Accommodation bills are generally for —**  
(a) Genuine trade reasons ; (b) For mutual financial accommodation;  
(c) To help augment money supply ; (d) All the three
301. **Which of these is not true about a promissory note**  
(a) Unconditional promise ; (b) Crossing ; (c) Certainty of amount ;  
(d) Payee to a certain person
302. **Drawee means a person who —**  
(a) Makes the order ; (b) Accepts it ; (c) Takes the payment on due date ; (d) Creditor
303. **Retirement of a bill of exchange means —**  
(a) Cancellation of bill ; (b) Premature payment of bill ; (c) Discounting of bill;  
(d) Endorsement of bill
304. **Early payment of a Bill of Exchange is known as —**  
(a) Retirement ; (b) Renewal ; (c) Discount ; (d) Endorsement
305. **On early retirement of a B/E who suffers loss of interest —**  
(a) Drawee ; (b) Drawer ; (c) Payee ; (d) None
306. **Sudhir of Simla consigned 100kg of vegetables to D of Delhi for ₹ 1500. He spent ₹ 75 on transportation. 10kg were found unfit for resale due to weather conditions and of the remaining 85 kg were sold for ₹ 1675. Find the value of closing stock.**  
(a) ₹ 87.50 ; (b) ₹ 75.00 ; (c) ₹ 80.00 ; (d) ₹ 90.00
307. **Sudhir of Simla consigned 100kg of vegetables to D of Delhi for ₹ 1500. He spent ₹ 75 on transportation. 10kg were found stolen during transit and of the remaining 85 kg were sold for ₹ 1675. Find the value of closing stock.**  
(a) ₹ 87.50 ; (b) ₹ 78.75 ; (c) ₹ 80.00 ; (d) ₹ 90.00
308. **Loss of goods in transit is borne by—**  
(a) Consignee ; (b) Consignor ; (c) Both (a) and (b) proportionately ; (d) Insurance company
309. **A consignor is entitled to —————**  
(a) Profit on consignment ; (b) Commission on Sales ; (c) Reimbursement of expenses  
(d) Interest on capital
310. **A consignee is entitled to —————**  
(a) Commission on sales ; (b) Reimbursement of the expenses ; (c) Del credere commission;  
(d) All of these
311. **Consignment Account is a ————— A/c**  
(a) Personal ; (b) Nominal ; (c) Real ; (d) Dummy
312. **Which of these is a normal loss —**  
(a) Loss in weight due to weather conditions ; (b) Shortage during transit ;  
(c) Breakage during handling ; (d) Loss in value due to market conditions

313. **Del credere commission is allowed to —**  
(a) Consignee ; (b) Consignor ; (c) Agent of consignee ; (d) Debt collection agency
314. **Balance left in Consignment A/c shows —**  
(a) Profit or loss on consignment ; (b) Stock lying with the consignee ;  
(c) Stock lying with the debtors ; (d) Stock awaiting approval
315. **If the consignee is allowed del credere commission, then he bears —**  
(a) All sales promotion expenses ; (b) Loss due to bad debts ;  
(c) Loss due shortage of goods ; (d) All routine expenses in connection with the goods
316. **On 1<sup>st</sup> April 2013 Abhay of Patna consigned goods costing ₹7500 to Bholu of Ranchi at a proforma invoice price of 25% profit on sales. The Consignment A/c will be credited for stock loading by –**  
(a) ₹ 2500 ; (b) ₹ 1875 ; (c) ₹ 2000 ; (d) ₹ 1500
317. **As per Partnership Act, which of these rights are available to a partner —**  
(a) Bonus ; (b) Salary ; (c) Commission ; (d) Equal profit
318. **What does the balance in Memorandum Joint Venture A/c shows—**  
(a) Profit or Loss ; (b) Closing Stock ; (c) Balance due from other Co-venturer  
(d) Difference in Trial Balance
319. **Which of these is not a part of double entry system**  
(a) Joint Bank A/c ; (b) Memorandum A/c ; (c) Joint Venture A/c ;  
(d) Joint Venture with other co-venturer A/c
320. **Loss on Joint venture is —**  
(a) Credited to Profit and Loss A/c ; (b) Debited to co-venturers capital A/c ;  
(c) Credited to Capital Fund A/c ; (d) Debited to Suspense A/c
321. **Stock left over taken by a Co- venturer is—**  
(a) Debited to Joint Venture A/c ; (b) Credited to Co-venturer A/c ;  
(c) Credited to Joint Venture A/c ; (d) Credited to Joint Bank A/c
322. **Joint Bank A/c is a —**  
(a) Nominal A/c ; (b) Personal A/c ; (c) Real A/c ; (d) Dummy A/c
323. **Joint Venture is a —**  
(a) Personal A/c ; (b) Nominal A/c ; (c) Real A/c ; (d) Memorandum A/c
324. **Joint Venture with.....(another co-venturer) A/c is a —**  
(a) Personal A/c ; (b) Nominal A/c ; (c) Real A/c ; (d) Memorandum A/c
325. **Which of these is not a feature of a Joint venture**  
(a) Continuing business ; (b) No firm name ; (c) Partners called co-venturer ;  
(d) Partnership for limited purpose
326. **Which of these accounts are not opened in a joint venture**  
(a) Stock reserve ; (b) Joint bank A/c ; (c) Joint venture A/c ; (d) Co-venturers personal A/c
327. **Profit or loss on joint venture business is shared by the co-venturers —**  
(a) Equally ; (b) In the ratio of capital contributed ; (c) In the agreed upon ratio ;  
(d) A per seniority

328. **Professional bodies of which of the following countries is not a founding member of IASC —**  
(a) Australia ; (b) India ; (c) Japan ; (d) USA
329. **Professional bodies of which of these countries are founding member of IASC —**  
(a) UK ; (b) Canada ; (c) Germany ; (d) All the three
330. **Professional bodies of how many countries founded IASC in 1973**  
(a) 8 ; (b) 9 ; (c) 7 ; (d) 10
331. **Which of the following bodies is presented in ASB**  
(a) CBI ; (b) CAG ; (c) RBI ; (d) Trade union
332. **The Accounting Standards are issued for the purpose of —**  
(a) For improving the reliability of financial statements  
(b) Harmonizing accounting policies  
(c) Elimination of non-comparability between financial statements  
(d) All the three
333. **So far ——— AS have been issued by IASB**  
(a) 40 ; (b) 42 ; (c) 39 ; (d) 41
334. **AS ——— replaced AS 8**  
(a) 29 ; (b) 30 ; (c) 28 ; (d) 26
335. **IASB stands for —**  
(a) International Accounting Standard Board ; (b) Indian Accounting Standard Board ;  
(c) Institution of Accounting School Board ; ; (d) None
336. **In Indian Accounting Standards are mandatory for —**  
(a) Corporate bodies ; (b) Proprietorship concerns ; (c) Co-operative societies  
(d) All the three
337. **AS 10 is not applicable to —**  
(a) Natural resource ; (b) Live Stock ; (c) Forest and plantation produced ; (d) All the three
338. **A change in Depreciation Method under AS-6 is treated —**  
(a) Change in Accounting Policy ; (b) Prior-Period Adjusting ;  
(c) Change in Accounting Standards ; (d) All the three
339. **Which of these is an appropriation of profit —**  
(a) Provision for payment of bonus ; (b) Provision for depreciation ;  
(c) Provision for dividend ; (d) Provision for doubtful debts
340. **Current Liabilities mean —**  
(a) Liabilities which are payable within 12 months  
(b) Liabilities which are payable immediately  
(c) Liabilities which payable after one accounting year  
(d) Liabilities which are readable within 3 months
341. **AS 30 deals with**  
(a) Accounting Policy  
(b) Financial Investment presentation  
(c) Financial Investment Reinvestment Measurement  
(d) Financial Investment disclosure

342. **Expenses A/c will always have —**  
 (a) Debit balance ; (b) Credit balance ; (c) Either (a) or (b) ; (d) No balance at all

343. **Which of these is not a cause of depreciation**  
 (a) Usage ; (b) Passage of time ; (c) Fall in market demand ; (d) Wear and tear

344. **Tick the correct match**

A		B	
1.	Current Asset	1.	Depreciation
2.	Nominal A/c	2.	Land
3.	Non Depreciable Asset	3.	Insurance A/c
4.	Non Cash Expense	4.	Prepaid Rent A/c

- (a) (1,2), (2,3), (3,4), (4,1)  
 (b) (1,3), (2,1), (3,4), (4,2)  
 (c) (1,4), (2,2), (3,1), (4,3)  
 (d) (1,4), (2,3) (3,2), (4,1)

345. **Revenues affect net income —**  
 (a) in the period during which they are earned  
 (b) in the period when they are collected  
 (c) in the period when they are accounted for  
 (d) any of the above three which occur first

346. **Which of these Accounts are not closed in a Trading A/c**  
 (a) Sales A/c ; (b) Purchase A/c ; (c) Wages A/c ; (d) Depreciation A/c

347. **Undercasting of the total of Sales A/c will affect —**  
 (a) Gross Profit and Loss ; (b) Debtors A/c ; (c) Closing Stock ; (d) Working Capital

348. **₹ 5,500 incurred on sundry expenses inadvertently recorded in the books of account as ₹ 550. This is an example of —**  
 (a) Fraud ; (b) Error of Commission ; (c) Error of Principle ; (d) Compensatory Error

349. **How does depreciation effect basic accounting equation**  
 (a) Leads to decreases in assets and shareholders equity  
 (b) Leads to decrease in asset only  
 (c) Leads to increase in liability and decrease in assets  
 (d) Leads to decrease in shareholders equity

350. **—— Principle specifies that cost or expenses should be recorded at the same time as the revenue to which they correspond**  
 (a) Going run concern ; (b) Matching ; (c) Historical Cost ; (d) Prudence

351. **X a debtor is declared insolvent and only 25 paise in a rupee is recovered from his estate. If X owes ₹ 5,000 to Y, Y would debit Cash A/c by —**  
 (a) ₹ 5,000 ; (b) ₹ 25 ; (c) ₹ 1,250 ; (d) ₹ 2,500

352. **In question no. 351, Bad Debts A/c would be debited by —**  
 (a) ₹ 3,600 ; (b) ₹ 3,750 ; (c) ₹ 1,250 ; (d) ₹ 4,000



- 353.** It is supposed that on 31-12-2012, the sundry debtors are amounted to Rs. 40,000. On the basis of past experience, it is estimated that 5 % of the sundry debtors are doubtful. It is also suppose that during the year 2013 actual bad debts were Rs. 1,600. What entry will pass to create provision for doubtful debts?  
 (a) Profit & Loss a/c Rs. 2,000 (Dr) & Provision for doubtful debts a/c Rs. 2,000 (Cr)  
 (b) Provision for doubtful debts a/c Rs. 2,000 (Dr) & Profit & Loss a/c Rs. 2,000 (Cr)  
 (c) Provision for doubtful debts a/c Rs. 1,600 (Dr) & Profit & Loss a/c Rs. 1,600 (Cr)  
 (d) Profit & Loss a/c Rs. 1,600 (Dr) & Provision for doubtful debts a/c Rs. 1,600 (Cr)
- 354.** Opening Stock ₹ 15,000, Closing Stock ₹ 6,000, Total Purchase during the year ₹ 30,000. Given that Opening Stock inadvertently includes postage stamps of ₹ 1,500. Find the cost of goods sold  
 (a) ₹ 40,000 ; (b) ₹ 39,000 ; (c) ₹ 37,500 ; (d) ₹ 36,000
- 355.** From the following details estimate the capital as on 1.1.2012, Capital as on 31.12.2012 ₹ 2,40,000, drawing ₹ 20,000, Profit during the year ₹ 25,000  
 (a) ₹ 2,35,000 ; (b) ₹ 2,25,000 ; (c) ₹ 2,20,000 ; (d) ₹ 2,00,000
- 356.** ₹ 1,250 paid for the residential telephone bill of the proprietor which of these accounts will be detailed  
 (a) Household A/c ; (b) Drawing A/c ; (c) Telephone A/c ; (d) None
- 357.** When a large number of articles are sent on a sale or return basis,, it is necessary to maintain  
 (a) Sale journal  
 (b) Goods returned journal  
 (c) Sale or return journal  
 (d) None of the above.  
 [Hint : Sales journal and Goods return journal is maintained in the normal course of business. When the transactions on Sale or return basis are high, it is necessary to maintain a dedicated journal to record these transactions.]
- 358.** ABC Industries Ltd. purchased a new Machinery on 1.1.2008 for ₹ 2,75,000 and spent ₹ 25,000 on its installation. The Machine is subject to 10% depreciation on the original cost. The company sold the Machinery on 31.12.2012 for ₹ 1,45,000. Find the accumulated depreciation on the Machine as on 31.12.2012 —  
 (a) ₹ 1,25,000 ; (b) ₹ 1,35,000 ; (c) ₹ 1,05,000 ; (d) ₹ 1,50,000
- 359.** Consider the following data and identify the amount which will be deducted from Sundry Debtors in Balance Sheet.
- |                                    |       |
|------------------------------------|-------|
| Particulars                        | ₹     |
| Bad debts (from trial balance)     | 1,600 |
| Provision for doubtful debts (old) | 2,000 |
| Current year's provision (new)     | 800   |
- (a) ₹ 400  
 (b) ₹ 800  
 (c) ₹ 2,000  
 (d) ₹ 2,400
- 360.** On 31st March, goods sold at a sale price of ₹ 30,000 were lying with customer, Mohan to whom these goods were sold on 'sale or return basis' and recorded as actual sales. Since' no consent was received from Mohan, the adjustment entry was made presuming goods were sent on approval at a profit of cost plus 20%. In the balance sheet, the stock with customers account will be shown at ₹  
 (a) 30,000.  
 (b) 24,000.  
 (c) 20,000.  
 (d) 25,000.

[Hint : If the goods are sent on sale or return basis, the unsold goods must be included in the stock at cost. As the transaction has been treated as actual sale, the profit margin needs to be reversed and the stock is to be shown in Balance sheet at its cost.

Profit = 20% of cost = 1/5th of cost = 1/6th of Sale = 1/6 X 30,000 = Rs. 5,000 Thus the goods to be shown in balance sheet = 30,000-5,000 =25,000]

361. XYZ send goods worth ₹ 1,00,000 to Y on consignment basis at 20% above the cost price. The goods are sold by the consignee on a mark of 15% on invoice price. Find the total mark up % over the cost price of the goods —  
 (a) 30% ; (b) 38% ; (c) 35% ; (d) 25%
362. In question no. 361 above find the total profit on consignment if the consignee expenses amounted to ₹ 8,000  
 (a) ₹ 30,000 ; (b) ₹ 28,000 ; (c) ₹ 25,000 ; (d) ₹ 38,000

363. From the following details ascertain net profit of ABC club for the period ending on 31.03.2013 under accrual system

Items	31.03.2012	31.03.2013
Net profit as per Cash Basis		10,750
Accrual Subscription	550	450
Subscription received in advance	250	100
Salary outstanding	300	50
Prepaid rent	600	150

- (a) ₹ 11,000 ; (b) ₹ 10,450 ; (c) ₹ 10,750 ; (d) ₹ 11,050
364. From the following details ascertain the adjusted Bank balance as per Cash Book —  
 Overdraft as per Cash Book ₹ 80,000; Cheque received entered twice in the Cash Book ₹ 5,000; Credit side of bank column cast short by ₹ 500; Bank charges amounting to ₹ 200 entered twice; Cheque issued but dishonoured ₹ 2,000  
 (a) ₹ 80,500 ; (b) ₹ 85,500 ; (c) ₹ 85,000 ; (d) ₹ 85,300
365. From the following details calculate the net profit for the year ending 31.03.2013  
 Opening Stock ₹ 1,50,000; Purchase ₹ 2,50,000; Manufacturing Expenses ₹ 80,000; Selling Expenses ₹ 20,000; Administration Expenses ₹ 10,000; Financial Charges ₹ 5,000; Sales ₹ 5,55,000 which includes damaged goods sold for ₹ 5,000 against the cost price of ₹ 12,000. Gross profit margin on normal sales is 20% on the sales  
 (a) ₹ 65,000 ; (b) ₹ 68,000 ; (c) ₹ 70,000 ; (d) ₹ 77,000
366. L of Lucknow consigned goods costing ₹ 60,000 to A of Allahabad at an invoice price bearing 33 1/3 % mark up on the cost price. Goods costing ₹ 15,000 were damaged in the transit and the insurance company admitted the claim in full. Expenses incurred by the consignor on loading and transportation of the goods amounted to ₹ 1,800. The consignee incurred ₹ 200 on cartage and ₹ 6,000 as Godown Rent and sold 2/3 of the goods received by him at the invoice price. He is entitled to 5% normal commission and 2.5% del credere commission. Find the value of goods sold  
 (a) ₹ 60,000 ; (b) ₹ 40,000 ; (c) ₹ 55,000 ; (d) ₹ 50,000
367. Based on the facts given in question no. 366 above find the total commission payable to the Consignee  
 (a) ₹ 2,000 ; (b) ₹ 3,000 ; (c) ₹ 1,000 ; (d) ₹ 1,500
368. Based on the facts given in question no. 366 find the value of abnormal loss  
 (a) ₹ 15,000 ; (b) ₹ 16,500 ; (c) ₹ 15,500 ; (d) ₹ 15,750
369. Research and Development Cost A/c appearing in Balance Sheet is a —  
 (a) Real A/c ; (b) Intangible Asset A/c ; (c) Tangible Asset A/c ; (d) Personal A/c

370. **Endowfund received by a club is a —**  
(a) Revenue Receipt ; (b) Capital Receipt ; (b) Advance Payment ; (d) Revenue Payment
371. **A trade purchase of ₹ 5,500 from Y was passed through Sales Day Book as ₹ 550, what rectification entry would be passed if the mistake is detected before preparation of Trading and Profit & Loss A/c**  
(a) Sales A/c ....Dr. ₹ 550, Purchase A/c ....Dr. ₹ 5,500, Y's A/c Cr. ₹ 6,050  
(b) Profit and Loss Adjustment A/c ....Dr. ₹ 6,050, Y's A/c Cr. ₹ 6,050  
(c) Sales A/c ....Dr. ₹ 550, Purchase A/c ....Dr. ₹ 5,500, Suspense A/c Cr. ₹ 6,050  
(d) None
372. **Which of these document is a replica of customer's account in the books of a bank**  
(a) Pass Book ; (b) Debit Note ; (d) Credit Note ; (d) Cash Book
373. **Huge expenditure incurred at the time of launching of a new product in market is a/an —**  
(a) Revenue Expenditure ; (b) Capital Expenditure ; (c) Loss ;  
(d) Deferred Revenue Expenditure
374. **The Primary objective of providing depreciation is:**  
(a) To calculate true profit ; (b) To show the asset on market value ;  
(c) To reduce tax Burdon ; (d) To provide funds for replacement
375. **Find the closing stock from the following details.**  
**Opening Stock ₹ 80,000, Purchases ₹ 1,40,000, Wages ₹ 60,000, Sales ₹ 3,20,000, GP on sales 25%**  
(a) ₹ 60,000 ; (b) ₹ 40,000 ; (c) ₹ 45,000 ; (d) ₹ 30,000
376. **Sinking Fund is created for which of these purposes**  
(a) To repay or redeem a long term fixed liability ; (b) To replace a wasting asset ;  
(c) To replace a depreciable asset ; (d) All the three
377. **Tick the correct statement**  
(a) Petty cash is an expense ; (b) Balance Sheet is also known as a positional statement ;  
(c) Revaluation A/c is Real A/c ; (d) Depreciation is a process of valuation
378. **A B C are three partners sharing profit and loss in the ration of 2:2:1, B recently obtained MBA degree from Oxford University, accordingly the partner decided to give him a guaranteed profit of ₹ 60,000. Find the share of profit of B if the firm made a net profit of ₹ 1,25,000 during 2012-13**  
(a) ₹ 60,000 ; (b) ₹ 50,000 ; (c) ₹ 25,000 ; (d) ₹ 40,000
379. **Revenue is said to have been earned when —**  
(a) Sale is made ; (b) Cash is received ; (d) Goods are manufactured ;  
(d) When accounted for
380. **A firm has a policy of changing depreciation on Plant and Machinery @ 10% under WDV Method. If the book value of Plant and Machinery was ₹ 81,000 on 31.03.2013. Find the original cost of the plant if the same was purchased on 01.04.2011**  
(a) ₹ 80,000 ; (b) ₹ 1,00,000 ; (c) ₹ 81,000 ; (d) ₹ 1,20,000
381. **Which of these items will appear in a Manufacturing A/c**  
(a) Power and Steam A/c ; (b) Salary and Wages A/c ; (d) Carriage Outward ;  
(d) Goodwill written off
382. **Closing Stock lying unsold with the consignee is valued at—**  
(a) Cost Price ; (b) Market Price ; (c) Realizable Price ; (d) Least of cost or net realizable value

383. Goods lying with the consignee are shown as—  
 (a) Closing Stock ; (b) Work in Progress ; (c) Stock in Transit ; (d) Suspense A/c
384. Credit balance in Cash Book means—  
 (a) Bank overdraft ; (b) Bank deposit ; (c) FD with Bank ; (d) Cash embezzlement
385. AB are two partners in a firm, as per the terms of agreement partners drawing will carry interest @ 10%. If A has drawn funds from business as per the details given below. Find the interest for the year ended 31.12.2012  
 01.04.2012 ₹ 20,000  
 01.06.2012 ₹ 10,000  
 01.09.2012 ₹ 20,000  
 (a) ₹ 2,500  
 (b) ₹ 2,750  
 (c) ₹ 1,417  
 (d) ₹ 2,000
386. From the following abstract of Trial Balance, estimate the profit and loss for the year ended 31.03.2013
- | Debit balance                  | ₹      | Credit balance      | ₹      |
|--------------------------------|--------|---------------------|--------|
| Assets excluding closing stock | 7,500  | Capital and Reserve | 9,000  |
| Expenses                       | 6,500  | Liabilities         | 1,000  |
| Prepaid Expenses               | 2,000  | Revenue             | 6,500  |
| Interest                       | 500    |                     |        |
| Total                          | 16,500 | Total               | 16,500 |
- Closing stock was ₹ 600  
 (a) ₹ 100 ; (b) ₹ 550 ; (c) ₹ 1,500 ; (d) ₹ 250
387. ₹ 5,000 paid as local cartage on material purchased. However this amount was booked under Miscellaneous Expenses A/c instead of on Carriage Inward. Due to this error net profit and loss will—  
 (a) Increase by ₹ 5,000 ; (b) Decrease by ₹ 5,000 ; (c) Increase by ₹ 10,000 ;  
 (d) not be affected at all
388. Tick the correct match
- | A                            | B                             |
|------------------------------|-------------------------------|
| 1. Wages and Salary          | 1. Trial balance              |
| 2. AS 10                     | 2. Depreciation accounting    |
| 3. Process of spreading cost | 3. Profit and Loss A/c        |
| 4. Check arithmetic accuracy | 4. Accounting for Fixed Asset |
- (a) (1, 2), (2, 3), (3, 4), (4,1)  
 (b) (1, 3), (2, 4), (3, 2), (4, 1)  
 (c) (1, 4) (2, 2) (3, 1), (4, 3)  
 (d) (1, 4), (2, 3), (3, 2), (4, 1)
389. If outside liabilities and owners' equity are added we get.....  
 (a) Total Liabilities ; (b) Net worth ; (c) Shareholders Fund ; (d) Gross Block
390. Business expenses excludes...  
 (a) Fire insurance premium of office building ; (b) LIC premium on the life of proprietor ;  
 (c) Interest on capital ; (d) Repair of office furniture
391. Goods received from other co-venturer is debited to .....  
 (a) Joint Venture A/c ; (b) Joint Bank A/c ; (c) Memorandum Joint Venture A/c ;  
 (d) Other Co- venture A/c
392. Which of these is not a function of Financial Accounting

- (a) To provide financial information to the users of the financial statements  
(b) To portray gloomy picture of the business in order to evade tax liabilities  
(c) To keep a systematic record of business transactions  
(d) To depict a true and fair view of the financial position of the business
393. **Drawee is the person.....**  
(a) Who draw a bill of exchange ; (b) Who presents the bill of exchange for payment ;  
(c) Who accepts the bill of exchange ; (d) Who holds the bill of exchange till maturity
394. **Accounting is a/ an –**  
(a) Science ; (b) Art ; (c) Subject matter of sociology ; (d) Subject matter of philosophy
395. **Trial Balance is prepared to....**  
(a) Check true and fair view of Balance Sheet ; (b) To check arithmetic accuracy of A/cs ;  
(c) To ensure legal compliance ; (d) To ensure compliance to IFRS
396. **The term PBIT stands for:-**  
(a) Profit before Income Tax ; (b) Profit before Interest and Tax ;  
(c) Profit before Internal Transfers ; (d) Profit by Income Tax
397. **..... is a secret reserve usually created to provide for the loss by way of fluctuation in the value of investment**  
(a) Investment Fluctuation Reserve ; (b) Foreign Exchange Fluctuation Fund ;  
(c) General Reserve ; (d) Capital Reserve
398. **As per the Companies Act, 1956 which of these are allowed to create secret reserves in their books of account**  
(a) Banking Companies ; (b) Insurance Companies ; (c) Electricity Companies ;  
(d) All the three
399. **An increase in one liability may lead to**  
(a) Increase in another asset ; (b) Decrease in liability ; (c) Both (a) and (b) ; (d) Either (a) or (b)
400. **X draws a 3 months bill of exchange for ₹ 25,000 upon Y on 23-10-12. Find the due date of the bill.**  
(a) 24-01-13 ; (b) 25-01-13 ; (c) 26-01-13 ; (d) 23-01-13
401. **A is entitled to 10% partner's commission before charging such commission. Find the commission payable to A if the net profit before charging such commission amounted to ₹ 60,000**  
(a) ₹ 5,900 ; (b) ₹ 6,000 ; (c) ₹ 5,000 ; (d) ₹ 5,050
402. **Over statement of sales may lead to-**  
(a) Over statement of profit of current year;  
(b) Over statements of profit of next year;  
(c) Under statement of profit of current year ; (d) All the three
403. **When Bills Receivable is returned dishonoured by the drawee, which of these A/c is debited by the drawee**  
(a) Drawer A/c ; (b) Bank A/c ; (c) BP A/c ; (d) BR A/c

404. A second hand truck was purchased for ₹75,000, ₹10,000 was spent on its repair, ₹2,000 to get the truck registered in the name of the firm and ₹1,000 as dealers commission. The capitalized value of truck will be-  
(a) ₹ 88,000 ; (b) ₹ 87,000 ; (c) ₹ 85,000 ; (d) ₹ 75,000
405. Narrations are usually given at the end of  
(a) Each journal entry ; (b) Each page ; (c) Each column ; (d) Each account
406. Under which method of depreciation annual depreciation goes on decreasing  
(a) Reducing balance method ; (b) Straight line method ; (c) Annuity method ; (d) None
407. Choose the true statement-  
(a) Income and gain A/cs shows increase on credit side  
(b) Expenses and losses A/cs shows reduction in balance on debit side  
(c) Assets A/c can have credit balance also ; (d) Debtors are the owing of the business
408. Which of these is an example of accelerate method of depreciation  
(a) Written down value method ; (b) Straight line method ; (c) Sinking fund method ;  
(d) Annuity method
409. Which of these items will not be capitalized along with the Asset  
(a) Installation charges ; (b) Annual repair and maintenance ; (c) Statutory levies ;  
(d) Freight and insurance
410. On the debit side of a Sales A/c entry can be for which of these reasons  
(a) Sales returns ; (b) Discount allowed ; (c) Both ; (d) Additional sales
411. The term Imprest system is related to.....  
(a) Petty cash ; (b) Inventory valuation ; (c) Classification of assets ; (d) None
412. An office equipment is purchased on 1.1.12 for ₹1,10,000 having working life of 4 years at the end of which it is expected to have a scrap value of ₹10,000. Find the difference in depreciation as per Sum of years digit methods and reducing balance method (25% WDV) for the year ending on 31<sup>st</sup> December 12  
(a) ₹ 25,000 ; (b) ₹ 40,000 ; (c) ₹ 15,000 ; (d) ₹ 10,000
413. M draw a 3 months bill of exchange of ₹ 20,000 on T on 1<sup>st</sup> April 07. On due date T paid ₹ 4,000 and requested M to draw another bill of exchange for 2 months. On the due date of second bill of exchange T is declared insolvency and a dividend of 25 paise in a rupee is expedited to be realized from his assets. Find the amount receivable from T in respect of the outstanding bill of exchange  
(a) ₹ 5,000 ; (b) ₹ 4,000 ; (c) ₹ 16,000 ; (d) ₹ 20,000
414. Suspense A/c is generally opened to rectify —  
(a) Errors of principle ; (b) One sided errors ; (c) Compensating errors ; (b) All types of errors
415. A sends goods costing ₹ 1,00,000 on consignment to yield a profit of 20% on cost. What is the invoice price  
(a) 1,37,500 ; (b) 1,25,000 ; (c) 1,20,000 ; (d) None
416. From the following estimate total sales —  
Cash sales ₹20,000, cash collection from debtors ₹130,000, Bad debts during the year 15,000, cash discount to debtors ₹5000. Debtors as on 1.1.12 ₹25,000 Debtors as on 31.12.12 ₹55,000  
(a) ₹ 1,50,000 ; (b) ₹ 1,80,000 ; (c) ₹ 2,00,000 ; (d) ₹ 1,90,000

417. Under which method of depreciation annual depreciation fluctuate with the volume of production  
(a) Sum of Years' Digit Method ; (b) Production Method ; (c) Written Down Value Method ;  
(d) None
418. On 01.04.2012 Novel industries purchased a new office equipment for ₹1,50,000 with a working life of 10 years. The estimated scrap value at the end of 10 year is estimated to be ₹20,000. Find the depreciation for the 10 th years under straight line method,  
(a) 15,000 ; (b) 13,000 ; (c) 12,000 ; (d) 10,000
419. Who bears noting charges in case of dishonor of a bill of exchange.  
(a) Drawer ; (b) Drawee ; (c) Both ; (d) Bank
420. When the goods are returned by the customers within the specified time, they are recorded  
(a) Initially in the Sale or Return Ledger. Thereafter, in the Sale or Return Day Book  
(b) Initially in the Sale or Return Day Book. Thereafter, in the Sale or Return Ledger  
(c) Only in the Sale or Return Day Book  
(d) Only in the Sale or Return Ledger  
[Hint : When the separate set of books are maintained for sale or return transactions, Sale or Return Day Book is maintained which is the book of primary entry and Sale or Return Ledger is maintained which is the book of secondary entry.]
421. A sent some goods costing ₹ 3,500 at a profit of 25% to B on sale or return basis. B returned goods costing ₹ 800. At the end of the accounting period i.e. on 31st March, the remaining goods were neither returned nor were approved by him. The stock on approval will be shown in the balance sheet at ₹  
(a) 2,000.  
(b) 2,700.  
(c) 2,700 less 25% of 2,700.  
(d) 3,500.  
[Hint : If the goods are sent on sale or return basis, the unsold goods must be included in the stock at cost. Thus the goods to be shown in balance sheet = 3,500 -800 = 2,700]
422. An amount of ₹6,000 is credited twice in the bank column of cash book. Taking credit balances as per pass book as the starting point what adjustment needs to be done to arrive at the balance as per cash book  
(a) ₹12,000 add to the balance as per pass book  
(b) Add ₹8,000 to the balance as per cash book  
(c) Deduct ₹6,000 from the balance as per pass book  
(d) Add ₹4,000 to the balance as per pass book
423. From the following details calculate net profit under accrual basis of accounting  
Goods sold for cash ₹5,00,000, credit sales ₹25,000  
Cash purchases ₹4,00,000, credit purchases ₹50,000  
Wages paid ₹20,000, outstanding expenses ₹10,000  
Rent paid ₹5,000, Rent outstanding ₹2,000 Depreciation on building ₹10,000  
Loss on sales of fixed assets ₹1,000  
(a) ₹ 75,000 ; (b) ₹ 27,000 ; (c) ₹ 32,000 ; (d) ₹ 40,000
424. Long term assets being ₹3,00,000, current Assets ₹80,000, outside liabilities ₹1,20,000. Find owners equity-  
(a) ₹ 3,50,000 ; (b) ₹ 2,60,000 ; (c) ₹ 2,00,000 ; (d) None
425. A merchant sends out his goods casually to his dealers on approval basis. All such transactions are, however, recorded as actual sales and are passed through the sales book. On 31st March, it was found that 100 articles at a sale price of ₹ 200 each sent on approval basis were recorded as actual

sales at that price. The sale price was made at cost plus 25%. The amount of stock on approval will be amounting

- (a) ₹ 16,000.
- (b) ₹ 20,000.
- (c) ₹ 15,000.
- (d) None of the above.

[Hint : If the goods are sent on sale or return basis, the unsold goods must be included in the stock at cost. Stock at sale value =  $100 \times 200 = 20,000$

Profit = 25% of cost =  $1/4$ th of cost =  $1/5$ th of sale =  $1/5 \times 20,000 = 4,000$

Thus the goods to be shown in balance sheet =  $20,000 - 4,000 = 16,000$ ]

426. From the following details calculate annual depreciation on the coal mine  
Coal mine purchased ₹10,50,000. Additional expenses incurred on development of coal mine ₹2,00,000. Total coal expected from the coal mine 1,00,000 Mt. Expected value of coal mine after exhausting coal resources ₹50,000. Coal production during 2012-13 was 5000Mt.  
(a) ₹ 60,000 ; (b) ₹ 1,00,000 ; (c) ₹ 1,20,000 ; (d) ₹ 1,00,000
427. In the Sale or Return Ledger  
(a) All the customers are individually debited and the sale or return account is credited with the periodical total of the Sale or Return Day Book,  
(b) All the customers are debited in total and the sale or return account is credited with the periodical total of the Sale or Return Day Book.  
(c) All the customers are individually debited and the sale or return account is also credited with the individual total of the Sale or Return Day Book.  
(d) None of the above.  
[Hint : In sale or return ledger the transactions of all the customers are recorded individually. Also the information about the sales made by them is recorded periodically.]
428. All revenue receipts and expenditure are shown in –  
(a) Balance Sheet ; (b) Trading and Profit and Loss A/c ; (c) Cash Flow Statement ;  
(d) Statement of Affairs
429. On 1<sup>st</sup> January 2013 X paid ₹120,000 being rent upto 31.12.2013. If the accounts are closed on 31.03.12. ₹90,000 will be shown as –  
(a) Accrued rent ; (b) Prepaid rent / Expenses ; (c) Accrued expenses ; (d) Accrued income
430. Choose the true statement—  
(a) Accrued income represent income unearned but realized in cash  
(b) Accrued income represent income earned but not realized in cash  
(c) Accrued income A/c is shown on the liability side ;  
(d) No tax is payable on accrued income
431. Which of these will cause change in working capital  
(a) Payment of Creditors in cash  
(b) Realization of amount due from the Debtors  
(c) Sale of office equipment for cash  
(d) Providing depreciation on Plant and Machinery
432. Sale or Return Day Book and Sale or Return Ledger are known as  
(a) Principal books ; (b) Subsidiary books ; (b) Memorandum books ; (d) None of the above  
[Hint : The books maintained to record the transactions related to sale or return are Memorandum books.]
433. Which of the following is true when a debtor pays his dues?  
(a) The asset side of the Balance Sheet will decrease  
(b) The asset side of the Balance Sheet will increase  
(c) The liability side of the Balance Sheet will increase



(d) There is no change in total assets or total liabilities

434. Consider the following data pertaining to a firm:  
**Credit balance as per bank column of cash book ₹13,000; Bank interest on overdraft appeared only in the pass book ₹2,600; Cheques deposited but not collected by the bank ₹ 5,000. The balance as per pass book is**  
 (a) ₹ 20,600 (Dr. balance) ; (b) ₹ 18,500 (Dr. balance) ; (c) ₹ 18,500 (Cr. balance) ;  
 (d) ₹ 15,600 (Dr. balance)
435. Consider the following data pertaining to a company for the year 2011-2012 :  
**Opening balance of sundry debtors ₹ 40,000; Credit sales ₹4,30,000; Cash sales ₹ 20,000; Cash collected from debtors ₹4,00,000; Closing balance of sundry debtors ₹ 50,000**  
**The bad debts of the company during the year are**  
 (a) ₹40,000 ; (b) ₹35,000 ; (c) ₹30,000 ; (d) ₹20,000
436. The opening stock of a company is ₹60,000 and the closing stock is ₹70,000. If the purchases during the year are ₹2,00,000 the cost of goods sold will be  
 (a) ₹2,10,000 ; (b) ₹2,00,000 ; (c) ₹1,90,000 ; (d) ₹1,80,000
437. The balance as per bank statement of a company is ₹12,000 (Dr.). The company deposited two cheques worth ₹9,500, out of which one cheque for ₹2,300 was dishonoured which was not entered in the cash book. The credit balance as per cash book is  
 (a) ₹21,000 ; (b) ₹15,300 ; (c) ₹23,800 ; (d) ₹9,700
438. During the year 2012-13, the profit of a business before charging Sales Manager's commission was ₹1,89,000. If the Sales Manager's commission is 5% on profit after charging his commission, then the total amount of commission payable to manager is  
 (a) ₹10,000 ; (b) ₹9,450 ; (c) ₹9,000 ; (d) ₹8,500
439. Which of the following is not a main column of sales or return journal?  
 (a) Goods sent on approval column ; (b) Goods returned column  
 (c) Goods approved column ; (d) Purchase column  
 [Hint : In sale or return journal, the information about the purchases is not important.]
440. Which of the following accounting treatments is/are true in respect of accrued commission appearing on the debit side of a Trial Balance?  
 (a) It is shown on the debit side of the Profit and Loss Account  
 (b) It is shown on the credit side of the Profit and Loss Account  
 (c) It is shown on the liabilities side of the Balance Sheet  
 (d) It is shown on the assets side of the Balance Sheet
441. If a bill is endorsed to a third party, the accounting entry in the books of the endorser, at the time of endorsement involves  
 (a) Credit Endorsee's Account  
 (b) Debit Endorsee's Account  
 (c) Debit Bills Receivable Account  
 (d) Credit Bills Payable Account  
**[Hints:** (b) A bill of exchange is treated as a Bills Receivable by the party who draws the bill and is entitled to receive payment and he can endorse the bill to a third party before the due date and become an endorser. The accounting treatment for endorsement in the books of endorser will be  
     Endorsee's A/c.....Dr.  
         To Bills Receivable A/c  
 Hence, the endorsee's Account will be debited.  
 The other alternatives are not correct because,  
 (a) As per the accounting principle of personal accounts 'debit the receiver and credit the giver' here the endorsee is the receiver and his account cannot be credited.  
 (c) 'Bills Receivable Account' is a real account and as per the accounting principle of real account 'debit what comes in and credit what goes out'. Bills Receivable is parted with on endorsement and hence it cannot be debited.

(d) A bill of exchange is a Bill Receivable to the endorser and Bills Payable Account does not reflect in his books.]

442. \_\_\_\_\_ is the date on which a bill falls due for payment  
(a) Settlement Date ; (b) Maturity Date ; (c) Payment Date ; (d) Due Date
443. Joint Venture is a partnership —  
(a) With no firm name ; (b) For indefinite period ; (c) Formed for 5 years ; (d) All the three
444. Depreciation amount of a fixed asset represents —  
(a) Historical cost less residual value ; (b) Historical cost ; (c) Historical cost less cost of disposal;  
(d) Book Value less scrap value
445. When benefit of a revenue expense extend beyond an accounting year, it is called  
(a) Revenue Expenditure ; (b) Capital expenditure ; (c) Deferred Revenue Expenditure;  
(d) Recurring profit
446. The convention that states that the accounting practice should be followed consistently over the years  
(a) Consistency ; (b) Conservation ; (c) Materiality ; (d) Disclosure
447. Which of the following is a non-monetary asset?  
(a) Account Receivable ; (b) Account Payable ; (c) Demand Bank Deposits ;  
(d) Patents and Trademarks
448. This is more of a convention than a concept, it proposes that while accounting for various transactions, only those which may have material effect on profitability or financial status of the business should have special consideration for reporting, this concept is known as  
(a) Concept of Consistency ; (b) Concept of Conservation ; (c) Concept of Materiality ;  
(d) Concept of Disclosure
449. Accounting for Fixed Assets is related to  
(a) AS 7 ; (b) AS 14 ; (c) AS 10 ; (d) AS 21
450. The maximum amount beyond which a company is not allowed to raise funds, by issue of share is  
(a) Issued Capital ; (b) Reserve Capital ; (c) Subscribed Capital ; (d) Authorised Capital
451. Accounts dealing with transaction relating to persons or an organization is called  
(a) Personal Account ; (b) Nominal Account ; (c) Real Account ;  
(d) Representative Personal Account
452. An account is said to have a debit balance if —  
(a) The amount of the debits exceeds the amount of the credits  
(b) There are more entries on the debit side than on the credit side  
(c) Its normal balance is debit without regard to the amounts or number of entries on the debit side ;  
(d) The last entry of the accounting period was posted on the debit side
453. Residual value is the —  
(a) value of the asset when it is purchased  
(b) value of the asset at the end of its useful life  
(c) cost of the asset ; (d) allocation of the cost
454. From the books of Mr. N , it was observed that cheques amounting to ₹ 2,40,000 were deposited in the bank, out of which cheques worth ₹ 20,000 were dishonoured and cheques worth ₹ 40,000 are still in the process of collection. The treatment of this while preparing Bank Reconciliation Statement is  
(a) Deduct ₹ 60,000 from bank balance as per pass book  
(b) Add ₹ 20,000 and deduct ₹ 40,000 from overdraft balance as per cash book  
(c) Deduct ₹ 60,000 from overdraft balance as per pass book

(d) Add ₹ 60,000 from overdraft balance as per pass book

**455. X draws a trade bill of ₹ 25,000 for 6 months on Y. After holding the bill for 1.5 months, X discounts the bill with bank @ 10% p.a. The amount of discount on bill is**  
 (a) ₹ 937.50 ; (b) ₹ 625 ; (c) ₹ 1350 ; (d) ₹ 612.50

**456. X acquired an equipment for ₹80,000 with an expected useful life of five years and ₹ 4,000 expected residual value. Straight line method of depreciation was used. The equipment was sold at the end of 4th year for ₹ 30,000. The gain /loss on sale is :**  
 (a) ₹ 12,000 (gain) ; (b) ₹ 10,800(loss) ; (c) ₹ 10,800(gain) ; (d) ₹ 12,000(loss)

**457. For difference between invoice price and the cost price of the entire consignment, the entry in books of consigner will be**  
 (a) Debit Goods sent on Consignment A/c, credit Consignment A/c  
 (b) Credit Goods sent on Consignment A/c, debit Consignment A/c  
 (c) Credit Consignment Stock Reserve A/c, debit Consignment A/c  
 (d) Debit Consignment Stock Reserve A/c, credit Consignment A/c

**458. Umesh sends goods on approval basis as follows:**

Date January, 2013	Customer	Sale price of Goods Sent ₹	Goods Accepted ₹	Goods Returned ₹
8	Anna	3,500	3,000	500
10	Babu	2,800	2,800	-
15	Chandra	3,680	-	3,680
22	Desai	1,260	1,000	260

**The stock of goods sent on approval basis on 31st January will be**

- (a) ₹ 300.  
 (b) Nil.  
 (c) ₹ 260.  
 (d) None of the above.

[Hint : As the entire stock is either sold or returned, there is no stock that has been sent on sale or return basis.]

**459. Under sales on return or approval basis, when transactions are few and the seller at the end of the accounting year reverse the sale entry, then what will be the accounting treatment for the goods returned by the customers on a subsequent date?**  
 (a) No entry will be passed for such return of goods  
 (b) Entry for return of goods is passed by the seller  
 (c) Only the stock account will be adjusted  
 (d) None of the above

[Hint : When the goods sent on sale or approval basis are treated as sale, for the goods not yet approved, the sale entry is reversed at the year end. As the sales are already adjusted by reversing the entry, no further entry is required.]

**460. Which of these A/c appearing in Trial Balance is not transferred to Income Statement**

- (a) Salary A/c ; (b) Purchase A/c ; (c) Accumulated Depreciation A/c ; (d) Bad Debts A/c

**461. A Customer returning the goods purchased on credit, may inform the seller by sending**

- (a) Debit Note ; (b) Credit Note ; (c) Court Notice ; (d) Return Invoice

**462. Credit balance in which of these A/c indicate error in the A/c**

- (a) Cash in Hand A/c ; (b) Sales A/c ; (c) Capital A/c ; (d) Bank A/c

**463. Under sales on return or approval basis, when transactions are few, the seller, while sending the goods, treats them as**

- (a) An ordinary sale but no entry is passed in the books  
 (b) An ordinary sale and entry for normal sale is passed in the books  
 (c) Approval sale and no entry is passed

(d) None of the above

[Hint : When the transactions of sending the goods on sale or return basis are few, the seller may treat it as normal sale and record it in the books accordingly. However, if the goods are sent on sale or return basis, the unsold goods must be included in the stock at cost.]

464. **The document listing the latest balances of all Real and Personal A/c in the ledger on a given date is known as —**  
(a) Trial Balance ; (b) Positional Statement ; (c) Income Statement ; (d) Charter of Accounts
465. **A sent some goods to B to be sold on consignment basis. 1/10 of the goods valued ₹ 25,000 were lost in transit. Find the value of goods sent of consignment basis —**  
(a) ₹ 2,50,000 ; (b) ₹ 25,000 ; (c) ₹ 2,500 ; (d) None
466. **A company sends its cars to dealers on 'sale or return' basis. All such transactions are however treated like actual sales and are passed through the sales day book. Just before the end of the financial year, two cars which had cost ₹ 55,000 each have been sent on sale or return and have been debited to customers at ₹ 75,000 each, cost of goods lying with the customers will be**  
(a) ₹ 1,10,000.  
(b) ₹ 35,000.  
(c) ₹ 75,000.  
(d) None of the above.  
[Hint : If the goods are sent on sale or return basis, the unsold goods must be included in the stock at cost. Thus the stock = ₹ 55,000 X 2 cars = ₹ 1,10,000]
467. **From the following details estimate the capital as on 31.03.2013, Capital as on 01.04.2012 ₹ 2,05,000. Drawing ₹ 20,000, Profit during the year ₹ 25,000**  
(a) ₹ 2,05,000 ; (b) ₹ 2,25,000 ; (c) ₹ 2,10,000 ; (d) ₹ 2,00,000
468. **Goods worth ₹ 10,000 were purchased by B on which the traders allowed ₹ 500 trade discount and offer to give 5% cash discount if immediate payment is made. The Purchase A/c will be debited by —**  
(a) ₹ 10,000 ; (b) ₹ 9,800 ; (c) ₹ 9,000 ; (d) ₹ 9,500
469. **S issued cheque worth ₹ 35,000 in March 2013 out of which cheques worth ₹ 15,000 were presented for payment after by 31<sup>st</sup> march, 2013. What amount should be added to balance as per pass book**  
(a) ₹ 15,000 ; (b) ₹ 10,000 ; (c) ₹ 25,000 ; (d) None of the above
470. **Owing of the business are called —**  
(a) Liabilities ; (b) Capital ; (c) Net Worth ; (d) Assets
471. **₹ 8,000 is spent of travelling expenses of the partner to a foreign trip for purchased of an asset to be used for the business is a/an —**  
(a) Capital Expenditure ; (b) Revenue Expenditure ; (c) Revenue Loss ; (d) Capital Loss
472. **The Capital of X Ltd. was ₹ 55,000 as on 01.04.2012 which fell to ₹ 25,000 by the end of 31.03.2013. Find the value of goods sent of consignment basis —**  
(a) Drawings ; (b) Business losses during the period ; (c) Both ; (d) Introduction of new capital
473. **A trader has credited certain items of sales on approval aggregating ₹ 60,000 to Sales Account. Of these, goods of the value of ₹16,000 have been returned and taken into stock at cost ₹ 8,000 though the record of return was omitted in the accounts. In respect of another parcel of ₹ 12,000 (cost being ₹6,000) the period of approval did not expire on the closing date. Cost of goods lying with customers should be**  
(a) ₹ 12,000.  
(b) ₹ 54,000.  
(c) ₹ 6,000.  
(d) None of the above.  
[Hint : If the goods are sent on sale or return basis, the unsold goods must be included in the stock at cost. The stock / parcel with the customer costs ₹ 6,000.]

- 474. Cash sales will be recorded in —**  
 (a) Sales Day Book ; (b) Cash Book ; (c) Purchase Book ; (d) Return in Ward Book
- 475. Cost of goods sold excludes —**  
 (a) Opening Stock ; (b) Closing Stock ; (c) Wages and Salary ; (d) Salesmen Commission
- 476. A firm purchased goods costing ₹ 1,00,000. He sold goods costing ₹ 50,000 at ₹ 75,000 and the remaining were sold to a customer cooperative society at the same GP as in the case of direct sales less 20%. Find the total sales of the firm**  
 (a) ₹ 1,35,000 ; (b) ₹ 90,000 ; (c) ₹ 1,50,000 ; (d) ₹ 1,40,000
- 477. From the following details find out the amount to be debited to Profit and Loss A/c as fresh provision for doubtful debts during 2012-13**  
**Debtors ₹ 30,000 as on 31.03.2013; Bad debt during the year ₹ 1,500; Provision for bad debts as on 01.04.2012 ₹ 2,000; Provision for doubtful debts to be kept at 5% of total debtors**  
 (a) ₹ 1,500 ; (b) ₹ 1,000 ; (c) ₹ 3,000 ; (d) ₹ 2,000
- 478. A of Assam sent goods costing ₹ 45,000 to K of Kolkata at cost plus 33 1/3%. 1/5 of the goods were lost in transit and the remaining was sold at profit of 20% on invoice price. Find the value of sales —**  
 (a) ₹ 54,500 ; (b) ₹ 60,000 ; (c) ₹ 57,600 ; (d) ₹ 55,000
- 479. Two primary qualitative characteristics of Financial Statements are —**  
 (a) Understandability and Materiality ; (b) Relevance and Reliability ;  
 (c) Relevance and Understandability ; (d) Materiality and Reliability
- 480. Profit and loss on Depreciation Investment Fund A/c is transferred to —**  
 (a) Profit and Loss A/c ; (b) General Reserve A/c ; (c) Trading A/c ; (d) Capital Reserve A/c
- 481. From the following details ascertain net profit of Q Club for the period ended on 31.03.2013 under cash basis**
- | Items                            | 31.03.2012 | 31.03.2013 |
|----------------------------------|------------|------------|
| Net Profit as per Accrual Basis  |            | 10,800     |
| Accrued Subscription             | 550        | 450        |
| Subscription received in advance | 250        | 100        |
| Salary outstanding               | 300        | 50         |
| Prepaid Rent                     | 600        | 150        |
- (a) ₹ 11,000 ; (b) ₹ 10,800 ; (c) ₹ 10,950 ; (d) ₹ 11,050
- 482. Which of these expenses does not result in cash outflow**  
 (a) Depreciation ; (b) Interest on Loan ; (c) Payment on Dividend ; (d) Donation
- 483. ₹ 10,000 paid to A of Assam, his A/c was credited by ₹ 1,500. To set right A's A/c his account should be —**  
 (a) Debited by ₹ 1,500 ; (b) Credited by ₹ 10,000 ; (c) Credited by ₹ 15,000 ;  
 (d) Debited by ₹ 11,500
- 484. AS 31 consulted to IAS —**  
 (a) 30 ; (b) 32 ; (c) 39 ; (d) 40
- 485. Which of these term is not found in a Joint Venture business**  
 (a) Del Credere Commission ; (b) Co-venturer ; (c) Joint Bank A/c ;  
 (d) Memorandum Joint Venture A/c
- 486. Going run concern concept is not followed in —**  
 (a) Bank Accounts ; (b) Joint Venture Accounting ; (c) Partnership Accounting ;  
 (d) Proprietorship Concerns
- 487. Accounting Standard 1 requires the significant Accounting Policies to**

- (a) Be suitable disclosed ; (b) Be circulated to all the shareholders separately ;  
(c) Be notified ; (d) Be changed from time to time
- 488. Calculate sales from the following**  
**Opening Stock ₹ 50,000, Closing Stock ₹ 40,000, Purchase less returns ₹ 1,90,000, Profit margin is 16.66% on the sales**  
(a) ₹ 2,20,000 ; (b) ₹ 2,40,000 ; (c) ₹ 1,50,000 ; (d) ₹ 1,90,000
- 489. To convert the accounts prepared on cash system of accounting into mercantile system of accounting, which of these adjustments is not necessary**  
(a) Reconciliation of cash with bank  
(b) Adjustment of prepaid expenses and income received in advance  
(c) Adjustment of outstanding expenses and income statement  
(d) Distinction between revenue and capital expenditure/income
- 490. Trade discount is given to**  
(a) Boost sales ; (b) Make payment early before due date ; (c) To evade tax ; (d) All the three
- 491. Which types of errors will effect net profit**  
(a) Affecting Nominal Account ; (b) Affecting Personal Account ; (c) Affecting Real Account  
(d) None
- 492. Raw material and components purchased and used at the time of installation of new Plant and Machinery will be debited to**  
(a) Plant and Machinery A/c ; (b) Raw Material Consumed A/c ; (c) Purchase A/c ; (d) Profit ;and Loss A/c
- 493. Under estimation of useful life of a depreciable asset will lead to —**  
(a) Overstatement of profit ; (b) Excess charging of depreciation every year ;  
(c) Over valuation of assets in Balance Sheet ; (d) Short charging of depreciation every year
- 494. Which of these expenses are not included in valuation of closing stock lying with the consignee**  
(a) Freight and insurance ; (b) Loading and unloading incurred ; (c) Godown rent ;  
(d) Custom duties
- 495. X purchased a new plant and machinery for ₹ 50,000 on 01.01.2012. The machinery was received in the factory on 10.01.2012 and was installed and put to use on 18.01.2012. Depreciation on the plant and machinery will commence from**  
(a) 01.04.2011 ; (b) 01.04.2012 ; (c) 01.01.2012 ; (d) 18.01.2012
- 496. Under sales on return or approval basis, the ownership of goods is passed only**  
(a) When the retailer gives his approval  
(b) If the goods are not returned within specified period.  
(c) Both (a) and (b)  
(d) None of the above  
[Hint: Under sale on return or approval basis, the ownership is passed when the seller gives his approval / acceptance, if he sells it to 3rd party. Also when the seller does not return the goods in specified time the goods are deemed to be accepted.
- 497. To obtain the amount of credit sales made during an accounting period, which account is generally used in single entry and incomplete records?**  
(a) Payable Account ; (b) Total Revenue Account ; (c) Debtors Account ; (d) Stock Account
- 498. The receipts and payments account of a non-profit organization is a**  
(a) Nominal Account ; (b) Real Account ; (c) Income Statement Account ;  
(d) Financial Account
- 499. The capital of a non-profit organization is generally known as**  
(a) Equity ; (b) Accumulated Fund ; (c) Finance Reserve ; (d) Cash Fund

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500. The inter se relations of the partners between themselves is that of a  
 (a) Family friends ; (b) Business associates ; (c) Agents of each other ; (d) Close relatives

**F A**

1	b	2	a	3	c	4	d	5	d	6	d	7	c
8	c	9	d	10	c	11	c	12	b	13	d	14	c
15	c	16	c	17	d	18	a	19	b	20	b	21	a
22	c	23	c	24	d	25	c	26	c	27	b	28	d
29	c	30	a	31	b	32	a	33	d	34	c	35	d
36	c	37	b	38	a	39	d	40	d	41	d	42	b
43	c	44	b	45	c	46	b	47	c	48	c	49	a
50	b	51	b	52	c	53	d	54	b	55	a	56	c
57	b	58	d	59	c	60	a	61	b	62	c	63	a
64	d	65	b	66	a	67	d	68	c	69	b	70	a
71	c	72	d	73	c	74	d	75	c	76	a	77	b
78	b	79	d	80	d	81	b	82	b	83	c	84	c
85	a	86	c	87	b	88	b	89	a	90	b	91	a
92	a	93	c	94	b	95	a	96	a	97	c	98	d
99	b	100	b	101	a	102	a	103	d	104	d	105	d
106	b	107	b	108	d	109	b	110	b	111	b	112	c
113	c	114	d	115	d	116	c	117	b	118	d	119	b
120	d	121	c	122	d	123	c	124	d	125	d	126	b
127	c	128	d	129	a	130	d	131	c	132	c	133	d
134	d	135	c	136	b	137	d	138	c	139	c	140	a
141	d	142	d	143	d	144	d	145	b	146	b	147	c
148	b	149	c	150	c	151	c	152	c	153	a	154	a
155	c	156	c	157	a	158	b	159	c	160	c	161	c
162	c	163	a	164	b	165	a	166	d	167	a	168	a
169	c	170	d	171	b	172	a	173	c	174	c	175	a
176	c	177	d	178	d	179	a	180	b	181	a	182	d
183	c	184	d	185	d	186	b	187	d	188	a	189	d
190	b	191	c	192	b	193	c	194	a	195	b	196	a
197	c	198	d	199	b	200	c	201	a	202	b	203	a
204	a	205	a	206	b	207	c	208	c	209	b	210	b
211	a	212	a	213	d	214	d	215	a	216	b	217	d
218	a	219	a	220	d	221	c	222	a	223	d	224	b
225	b	226	b	227	a	228	d	229	b	230	d	231	c
232	d	233	a	234	a	235	d	236	a	237	b	238	b
239	c	240	c	241	d	242	d	243	d	244	a	245	d
246	c	247	a	248	a	249	d	250	c	251	c	252	a
253	d	254	d	255	d	256	d	257	c	258	d	259	c
260	d	261	d	262	d	263	c	264	d	265	a	266	a
267	d	268	c	269	b	270	c	271	a	272	c	273	c
274	c	275	a	276	a	277	c	278	b	279	c	280	a
281	c	282	c	283	d	284	a	285	d	286	c	287	b
288	c	289	a	290	c	291	c	292	a	293	d	294	d
295	a	296	b	297	d	298	a	299	a	300	b	301	b
302	b	303	b	304	a	305	b	306	a	307	b	308	b
309	a	310	d	311	b	312	a	313	a	314	a	315	b
316	a	317	b	318	a	319	b	320	b	321	c	322	b
323	b	324	b	325	a	326	a	327	c	328	b	329	d
330	b	331	b	332	d	333	d	334	d	335	a	336	a
337	d	338	a	339	c	340	a	341	c	342	a	343	c
344	d	345	a	346	d	347	a	348	b	349	a	350	b

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351	c	352	b	353	b	354	c	355	a	356	b	357	c
358	d	359	b	360	d	361	b	362	a	363	b	364	d
365	b	366	b	367	b	368	c	369	b	370	b	371	a
372	a	373	d	374	b	375	b	376	d	377	b	378	a
379	a	380	b	381	a	382	d	383	a	384	a	385	b
386	a	387	d	388	b	389	a	390	b	391	a	392	b
393	c	394	b	395	b	396	b	397	a	398	d	399	d
400	c	401	b	402	a	403	c	404	a	405	a	406	a
407	a	408	a	409	b	410	c	411	a	412	c	413	b
414	b	415	c	416	c	417	b	418	b	419	b	420	b
421	b	422	c	423	b	424	b	425	a	426	a	427	a
428	b	429	b	430	b	431	c	432	c	433	d	434	a
435	d	436	c	437	d	438	c	439	d	440	d	441	b
442	b	443	a	444	a	445	c	446	a	447	d	448	c
449	c	450	d	451	a	452	a	453	b	454	c	455	a
456	c	457	d	458	b	459	a	460	c	461	a	462	a
463	b	464	b	465	a	466	a	467	c	468	d	469	a
470	a	471	a	472	c	473	c	474	b	475	d	476	a
477	b	478	c	479	b	480	a	481	c	482	a	183	d
484	b	485	a	486	b	487	a	488	b	489	a	490	a
491	a	492	a	493	b	494	c	495	d	496	c	497	c
498	b	499	b	500	c								



## Paper 3 - Fundamentals of Laws and Ethics

1. **The Indian Contract Act, 1872**  
(a) Contains the basic principles of contract ; (b) Is not a complete code on contract  
(c) Does not cover all types of contracts; (d) All the above
2. **An agreement & contract are one and same thing.**  
(a) True ; (b) False ; (c) Depends on the situation ; (d) None of the above
3. **The source of the law of contract is**  
(a) Indian Contract Act, 1872 ; (b) Judicial decisions ; (c) Customs or usage of trade  
(d) All the above
4. **Law of contract**  
(a) Is the whole law of obligations ; (b) Is the whole law of agreements ; (c) Deals with only such legal obligation which arise from agreement ; (d) Deals with social agreements
5. **Social agreements are**  
(a) Enforceable in the courts ; (b) Not enforceable in the courts ;  
(c) Subject to legal obligations ; (d) Made by social workers
6. **All contracts**  
(a) Are agreements ; (b) Are not agreements ;  
(c) Do not have legal obligations ; (d) Should be in writing
7. **Mercantile Law**  
(a) Is applicable to businessmen only ; (b) Is applicable to everybody ;  
(c) Is applicable to non-businessman only ; (d) Is applicable to Indians only
8. **A contract consist of**  
(a) Mutual promises or agreement enforceable by law ; (b) Agreement not enforceable by law  
(c) Involuntary obligations ; (d) None of the above
9. **An agreement to create legal liability**  
(a) Is not enforceable by law ; (b) Is a void agreement ;  
(c) Is enforceable by law ; (d) None of the above
10. **Obligation between parties that form contract**  
(a) Are all kinds of obligations ; (b) Are legal obligation which spring from agreements  
(c) Are not voluntary in nature ; (d) None of the above
11. **A contract means an agreement**  
(a) Which is enforceable by law ; (b) Which is not enforceable by law  
(c) Which creates social obligation ; (d) Which is in writing
12. **A contract or an obligation to perform a promise could arise in the following ways**  
(a) By agreement and contract ; (b) By standard form of contracts  
(c) By promissory estoppels ; (d) None of the above
13. **The Indian Contract law is based on**  
(a) English law ; (b) Australian law ; (c) American law ; (d) French law
14. **Section 2(b) defines, "When the person to whom the proposal is made, signifies his assent thereto, the proposal is said to be accepted. A proposal when accepted becomes a/an**  
(a) Contract ; (b) Agreement ; (c) Promise ; (d) Offer
15. **When the consent of a party to a contract has been obtained by undue influence, fraud or misrepresentation, the contract is**  
(a) Legal ; (b) Voidable ; (c) Enforceable ; (d) None of these

**16. All contracts**

(a) should be in writing ; (b) should be oral ; (c) should be registered ; (d) none of the above

**17. A foreigner**

(a) is competent to enter into contract if he fulfils the conditions of section 11. ;  
(b) is not competent to enter into contract ; (c) can enter into contract with permission of Central Govt. ;  
(d) can enter into contract with the permission of court

**18. Voidable contract**

(a) are enforceable by law if they are not avoided ; (b) are not enforceable by law ; (c) can be enforced if the court directs ; (d) can be enforced with prior permission of Court / Government

**19. The terms of agreement**

(a) must be certain ; (b) must be capable of made certain  
(c) un-ambiguous and clear ; (d) all the above

**20. A contract is a contract**

(a) from the time it is made ; (b) from the time its performance is due  
(c) at the time from its performance ; (d) none of the above

**21. In an executed contract**

(a) both the parties have yet to fulfill their promises ; (b) any one party has fulfilled the promise  
(c) both the parties have fulfilled their promises ; (d) both b & c

**22. All illegal agreements**

(a) are not void ; (b) are not void ab-initio ; (c) are void ; (d) none of the above

**23. A void agreement**

(a) is illegal ; (b) is not void ab-initio ; (c) may or may not be illegal ; (d) none of the above

**24. All kinds of obligations between the parties form part of the contract. This statement is**

(a) True ; (b) False ; (c) Partially true ; (d) None of the above

**25. A contract is made where:**

(a) A buys a book from a shop ; (b) X bids at a public auction. ; (c) X agrees with Y to discover a treasure by magic ; (d) Z agrees to attend the birthday party of his friend

**26. Right in rem implies:**

(a) a right available against the whole world ; (b) a right available against a particular individual  
(c) a right available against the Government ; (d) none of the above

**27. A void contract**

(a) is void from the very beginning ; (b) is valid in the beginning but becomes void later on  
(c) is enforceable at the option of one of the contracting parties only ; (d) none of the above

**28. A void agreement is one**

(a) which is forbidden by law ; (b) enforceable at the option of one of the parties  
(c) which is not enforceable by law ; (d) enforceable by law

**29. An agreement created by words spoken or written is called**

(a) express agreement ; (b) execute agreement ;  
(c) implied agreement ; (d) voidable agreement

**30. An agreement consists of reciprocal promises between the**

(a) Four parties ; (b) Six parties ; (c) Three parties ; (d) Two parties

**31. Which of the following statements is false**

(a) Law of contract is the whole law of obligations ; (b) Certain contracts must be in writing  
(c) All contracts are agreements ; (d) All illegal agreements are void

- 32. Parol contracts are also know as**  
(a) Simple Contract ; (b) Format Contract ; (c) Void Contract ; (d) Conditional contract
- 33. Which of the following contracts are not recognized by Indian Contract Act, 1872?**  
(a) Recognizance ; (b) Court Judgment ; (c) Contract under seal ; (d) All the above
- 34. Which of the following statements is false in respect of formal contract?**  
(a) It should be in a particular form ; (b) It should be in writing and witnessed  
(c) It should have consideration ; (d) Consideration is not necessary
- 35. Under the English law which of the following are recognized as formal contract**  
(a) Recognizance ; (b) Contract under seal ; (c) Parol contracts ; (d) Both (a) and (b)
- 36. An offer made by words spoken or written is called:**  
(a) Implied offer ; (b) Express offer ; (c) Formal agreement ; (d) Informal agreement
- 37. Partial acceptance of offer result in**  
(a) counter offer ; (b) unqualified acceptance ; (c) binding contract ; (d) none of the above
- 38. A tender is**  
(a) an offer ; (b) invitation to an offer ; (c) acceptance of offer ; (d) none of the above
- 39. Acceptance is to offer what a lighted match is to a train of gun powder. This statement indicates**  
(a) Once an offer is accepted it results in binding contract ; (b) Communication of acceptance is necessary ; (c) Acceptance must be absolute & unqualified ; (d) All the above
- 40. An offer comes to an end by**  
(a) Acceptance ; (b) communication ; (c) revocation ; (d) none of the above
- 41. Death or insanity of the proposer will revoke the proposal**  
(a) Automatically ; (b) If the fact of the death or insanity is known to the offeree  
(c) The knowledge of death or insanity is irrelevant  
(d) Only if the family members of the proposer informs the offeree
- 42. An offer stands revoked**  
(a) If the fact of the death or insanity is known to offeree ; (b) By counter offer  
(c) By rejection of offer ; (d) All the above
- 43. Cross offer do not constitute a contract because**  
(a) there is no acceptance ; (b) there is implied acceptance  
(c) crossing implies cancellation ; (d) it amounts to counter offer
- 44. A proposal can be revoked**  
(a) Before posting of letter of acceptance by the acceptor ;  
(b) Before receiving the letter of acceptance by the offeror ;  
(c) After posting the letter of acceptance by the offeree ; (d) Cannot be revoked
- 45. Communication of acceptance is not necessary**  
(a) By performance of conditions of the offer by offeree ; (b) By acceptance of consideration by the offeree ; (c) By acceptance of benefit/service by the offeree (d) All the above
- 46. When counter offer is given, the original offer**  
(a) Lapses ; (b) Remains valid ; (c) Is accepted and becomes a contract ;  
(d) The original offer can also be accepted
- 47. A counter offer proposing different terms and conditions**  
(a) Amounts to acceptance of the offer ; (b) Amount to rejection of the offer  
(c) Results in making of the provisional contract ; (d) Both (b) & (c)

- 48. Which of the following statements is false?**  
(a) A response to invitation to treat lead to an agreement  
(b) A valid offer must be communicated  
(c) Supplying information is not an offer  
(d) A request for tenders is an invitation to treat
- 49. When the promisee does not accept the offer of performance, the promisor is not responsible for non-performance**  
(a) True ; (b) False ; (c) Both(a)&(b) ; (d) None of the above
- 50. For an acceptance to be valid, it must be**  
(a) Partial & qualified ; (b) Absolute & unqualified  
(c) Partial & unqualified ; (d) Absolute & qualified
- 51. Acceptance takes place as against the proposer, when**  
(a) When the letter of acceptance is posted by the acceptor  
(b) When the letter of acceptance is received by the proposer  
(c) When the offeree, writes the letter of acceptance, but doesn't post it ; (d) All the above
- 52. An advertisement for sale goods by auction**  
(a) Amounts to an invitation to offer ; (b) Amounts to an offer to hold such sale  
(c) Amounts to an implied offer ; (d) Amount to a general offer
- 53. Communication of offer is complete when**  
(a) It comes to the knowledge of the offeree ; (b) It is posted to the offeree  
(c) When the offeror writes the letter but does not post it ; (d) None of the above
- 54. Performance of conditions of a proposal is an acceptance to the proposal**  
(a) True ; (b) False ; (c) Depends on the facts of the case ; (d) Partially true and partially false
- 55. An acceptance will be revoked at any time before the communication of acceptance is complete against the acceptor, but not afterwards**  
(a) True ; (b) False ; (c)Acceptance once given cannot be revoked  
(d) Acceptance can be revoked at any time
- 56. An offer need not be made to a ascertained person**  
(a) True, it can be given to the world at large ; (b) False, it has to specific  
(c) May be specific or general ; (d) Either (a) or (c)
- 57. An agreement to agree in future upon terms to be settled afterwards between the parties is**  
(a) Valid ; (b) Not valid ; (c) Illegal ; (d) Voidable
- 58. Acceptance once given cannot be revoked**  
(a) True ; (b) False ; (c) Incomplete information ; (d) None of the above
- 59. A tender and a bid at an auction sale are**  
(a) Not offers ; (b) Offers ; (c) Acceptance of the offer ; (d) Invitation to offer
- 60. A quotation is**  
(a) Not offer ; (b) Offer ; (c) Acceptance of the offer ; (d) Invitation to offer
- 61. A contract is formed when the acceptor**  
(a) has done something to signify his intention ; (b) makes his mind to do so  
(c) reads the offer ; (d) all the above
- 62. If the offeree does not accept the offer according to the mode prescribed, then**  
(a) The offeror may accept or reject such acceptance ; (b) The offer lapses automatically  
(c) It is a counter offer ; (d) Offeree commits a breach of contract
- 63. Communication of offer is complete when**

- (a) The letter is posted to the offeree ; (b) The letter is received by the offeree
- (c) The offer is accepted by the person to whom it is made
- (d) It comes to the knowledge of the offeror that the letter has been received by the offeree

**64. When the mode of acceptance is prescribed in the proposal then**

- (a) It need not be accepted in that manner ; (b) It should be accepted in that manner ;
- (c) No matter how the acceptance is given ;
- (d) Acceptance can be given in usual or reasonable manner

**65. A proposal when accepted becomes a**

- (a) Promise ; (b) Contract ; (c) Agreement ; (d) All the above

**66. Acceptance takes place when and where the message is received**

- (a) True ; (b) False ; (c) Incomplete information ; (d) None of the above

**67. Mental acceptance is**

- (a) No acceptance at all ; (b) Valid ; (c) Binding promise ; (d) None of the above

**68. The term 'proposal' used in the Indian Contract Act is synonymous with the term**

- (a) Contract ; (b) Offer ; (c) Agreement ; (d) None of these

**69. The term 'Proposal or offer' has been defined in section**

- (a) Section 2(a) ; (b) Section 2(b) ; (c) Section 2(c) ; (d) Section 2(d)

**70. A bid at an auction sale is**

- (a) An implied offer to buy ; (b) An express offer to buy ; (c) An Invitation to offer to buy
- (d) An invitation to come to bid

**71. A price list hanging outside the shop is meant for**

- (a) Attracting customers to buy the same in the mentioned price
- (b) An advertisement of goods and meaningless from legal point of view
- (c) An offer by the owner of the shop ; (d) An invitation to customers to buy something

**72. The communication of a proposal is complete when it comes to**

- (a) The knowledge of that person ; (b) The object of the offer ;
- (c) The intention with which offer is made ; (d) The facts underlying the offer

**73. When the offers made by two persons to each other containing similar terms of bargain cross each other in post, they are known as**

- (a) Cross offers ; (b) Implied offers ; (c) Direct offers ; (d) Expressed offers

**74. General offers open for world at large can be accepted by**

- (a) Any person in the world ; (b) Any person within the country; (c) Any person who complies with the conditions of the offer ; (d) Any person who reads the advertisement

**75. When the proposal or acceptance is made other wise than words, the promise is said to be**

- (a) Expressed ; (b) Implied ; (c) Accepted ; (d) Rejected

**76. In order to convert a proposal into a promise, the acceptance must**

- (a) Be clear ; (b) Be absolute ; (c) Be unqualified ; (d) Be absolute and unqualified

**77. The communication of an acceptance is complete as against the acceptor**

- (a) When it is posted by him ; (b) When it is put in the course of transmission;
- (c) When it comes to the knowledge of the proposer ; (d) None of these

**78. If the communication is made by an unauthorised person, it does not result in a/an**

- (a) Contract ; (b) Agreement ; (c) Offer ;(d) Consideration

**79. Which section, of Indian Contract Act defines "performance of the conditions of a proposal is an**

**acceptance of the proposal"?**

(a) Section 6 ; (b) Section 7 ; (c) Section 8 ; (d) Section 9

**80. Various modes of revocation of offer have been described in**

(a) Section 4 ; (b) Section 5 ; (c) Section 6 ; (d) Section 9

**81. Which section of Law of Contract defines, "A proposal may be revoked at anytime, before the communication of its acceptance is complete as against the proposer, but not afterwards."**

(a) Section 5 ; (b) Section 4 ; (c) Section 6 ; (d) Section 7

**82. According to Indian Contract Act, a promise is**

(a) A communication of intention to do something ; (b) A proposal which has been accepted

(c) A gentleman's word to do something ; (d) A statement on oath

**83. When parties enter into a contract on telephone the contract becomes complete at the place where acceptance is heard by the proposer. This has been provided**

(a) In no section of Indian Contract Act but so decided by the Supreme Court ; (b) In section - 2

(c) In section - 3 ; (d) In section - 4

**84. An advertisement inviting tender is**

(A) An invitation for negotiations ; (b) A proposal ; (c) An invitation for proposal ; (d) A promise

**85. Goods displayed in a shop window with a price label will amount to**

(a) Offer ; (b) Invitation to offer ; (c) Acceptance of offer ; (d) None of these

**86. A promisee is**

(A) A person who makes a promise ; (b) A person who monitors the statement of intentions of two parties ;

(c) A person to whom the promise is made ; (d) None of these

**87. The person making the proposal is called**

(a) Promisor ; (b) Promise ; (c) Participator ; (d) None of these

**88. A mere passing utterance will**

(a) Amount to a proposal ; (b) Not amount to a proposal

(c) Amount to a promise ; (d) Amount to offer

**89. Which of the following is an invitation for offer?**

(a) A tender to supply goods at a certain time ; (b) A request for a loan

(c) Bids in an auction sale ; (d) A catalogue of goods for sale

**90. Which of the following is an offer?**

(a) The mere quotation of terms by trader ; (b) The quotation of the lowest price in answer to enquiry ; (c) Advertisement for sale or auction of goods ; (d) Bids in an auction sale

**91. Acceptance in ignorance of the offer is**

(a) Valid ; (b) Invalid ; (c) Void ; (d) Voidable

**92. An offer or its acceptance or both may be made**

(a) By words ; (b) By conduct ; (c) Either by words or by conduct ; (d) None of these

**93. When a proposal and its acceptance are made by words, they are known as**

(a) Expressed ; (b) Implied ; (c) Accepted ; (d) Admitted

**94. In cases, where a proposal and its acceptance are not made by words and are inferred from the conduct of the parties. They are known as**

(a) Implied offers ; (b) Expressed offers (c) Specific offers (d) General offers

**95. Express offers and acceptances may be proved by the agreement between the parties but implied offers can be proved only by**

(a) The words ; (b) The conduct ; (c) Circumstantial evidence ; (d) Both (b)&(c)

- 96. An offer which is allowed to remain offer for acceptance over a period of time is known as a**  
 (a) Standing offer ; (b) Specific offer ; (c) Express offer ; (d) Implied offer
- 97. Voidable contract is one**  
 (a) Which is lawful ; (b) Which is invalid ;  
 (c) Which is valid so long it is not avoided by the party entitled to do so ; (d) None of these
- 98. A contract is said to be executed when it has been performed wholly on**  
 (a) One side ; (b) Two sides ; (c) More than two sides ; (d) None of these
- 99. When the contract is perfectly valid in its substance but which cannot be enforced because of certain technical defects. This is called a**  
 (a) Unilateral contract ; (b) Bilateral contract ; (c) Unenforceable contract ; (d) Void contract
- 100. The difference between an advertisement for sale and a proposal is**  
 (a) No difference at all  
 (b) That a proposal becomes a promise as soon as the party to whom it is made accepts it but an advertisement does not  
 (c) Every case will be viewed according to the circumstances ; (d) None of these
- 101. In a Book depot a catalogue of book enlisting the price of each book and specifying the place where the particular book is available is**  
 (a) An invitation to offer ; (b) An offer ; (c) An invitation to visit the book shop ; (d) None of these
- 102. Match the following**
- |   |  |
|---|--|
| <p><b>A. Section 2(h)</b></p> <p><b>B. Section 2(e)</b></p> <p><b>C. Section 2(b)</b></p> <p><b>D. Section 2(g)</b></p> | <p><b>(I) Agreement</b></p> <p><b>(II) Promise</b></p> <p><b>(III) Contract</b></p> <p><b>(IV) Void agreements</b></p> |
|---|--|
- |     | A    | B    | C    | D   |
|-----|------|------|------|-----|
| (a) | I.   | II.  | III. | IV  |
| (b) | III. | I.   | II.  | IV  |
| (c) | II.  | I.   | IV.  | III |
| (d) | IV.  | III. | I.   | II  |
- 103. A catalogue of the goods of a company for sale ..... a series of offers but only an invitation for offers.**  
 (a) Is ; (b) Is not ; (c) In normal cases is ; (d) In normal cases is not
- 104. Is telegraphing lowest price on request a mere invitation for an offer?**  
 (a) Yes ; (b) No ; (c) Not in normal cases ; (d) None of these
- 105. Is the Is promise defined under clause .....the same thing as an agreement which is defined under clause (e) of section 2**  
 (a) (a) ; (b) (b) ; (c) (c) ; (d) (d)
- 106. After a proposal has been accepted and there is promise, can the promisor resile from the promise?**  
 (a) Yes , (b) No ; (c) Depends ; (d) Any of the above
- 107. Can there be an acceptance of an offer which has not come to the knowledge of the offeree?**  
 (a) Yes ; (b) No ; (c) Depends ; (d) Any of the above
- 108. Can the mere writing on bills of medical practitioners that interest at one per cent, per mensem be charged, amount to a contract?**  
 (a) Yes ; (b) No ; (c) Depends ; (d) None of the above
- 109. Where the offers were invited for purchasing the trees and the offer was accepted on agreement as contemplated by Section 2 comes into existence.**  
 (a) (b) ; (c) (c) ; (c) (d) ; (d) (e)

110. Can a mere mental resolve to make an offer unless such intention is also communicated to the other party has agreed to make such statement?  
(a) Yes ; (b) No ; (c) In normal cases ; (d) Not in normal cases
111. In the absence of any express or implied directions from the offeror to the contrary, can an offer be accepted by a letter?  
(a) Yes ; (b) No ; (c) Depends ; (d) None of the above
112. Should both offer and acceptance be absolute, unqualified and unconditional?  
(a) Yes ; (b) No ; (c) Not in normal cases ; (d) Depends
113. Can a letter of acceptance to a Proposer, not correctly addressed, although posted, be said to have been "Put in a course of transaction" to him?  
(a) Yes ; (b) No ; (c) Depends ; (d) Any of the above
114. After a transaction has ripened into a contract, does it require the consent of both parties to revoke or modify it?  
(a) Yes ; (b) No ; (c) Not in normal cases ; (d) Depends
115. An offer does not lapse if the  
(a) offeror dies before acceptance ; (b) The offeree dies before acceptance  
(c) Acceptance is made by the offeree in ignorance of the death of the offeror;  
(d) Acceptance is made by the offeree with knowledge of the death of the offeror
116. A telephonic acceptance is complete when the offer is  
(a) spoken into the telephone ; (b) heard but not understood by the offeror  
(c) heard and understood by the offeror  
(d) is received, heard and understood by some person in the offeror's house
117. When goods are displayed in a show-window bearing price-tags, it indicates  
(a) Offer to sell goods at prices mentioned on the price tags ; (b) an invitation to make an offer  
(c) an advertisement ; (d) an announcement
118. Which one of the following statements about a valid acceptance of an offer is NOT correct?  
(a) Acceptance should be absolute and unqualified  
(b) Acceptance should be in the prescribed manner  
(c) Acceptance should be made while the offer is subsisting  
(d) Acceptance should in all cases be through registered post
119. A counter offer is  
(a) An invitation to treat ; (b) An acceptance of the offer ; (c) A rejection of the original offer  
(d) A bargain
120. Consider the following statements:  
1. There is no difference between the English law and Indian law with regard to acceptance through post.  
2. Both under the English law and the Indian law a contract is concluded when the letter of acceptance is posted  
3. Under the Indian law when the letter of acceptance is posted it is complete only as against the proposer.  
4. It is complete only as against the proposer.  
Which of the above statements is/are correct?  
(a) 1 and 2 ; (b) 2 alone ; (c) 3 alone ; (d) None
121. For binding contract both the parties to the contract must  
(a) Agree with each other ; (b) Stipulate their individual offer and consideration  
(c) Agree upon the same thing in the same sense ; (d) Put the offer and counter offers
122. Where a particular mode of communication of acceptance is not prescribed and the parties are not in



each other's presence, the most authentic mode of communication of acceptance is the

(a) Telephone ; (b) Telegraph ; (c) Wireless ; (d) Letter

123. When a person without expressing his final willingness, proposes certain terms on which he is willing to negotiate, he makes

(a) Counter offer ; (b) Standing offer ; (c) Offer ; (d) Invitation to treat

124. The communication of acceptance through telephone is regarded as complete when

(a) Acceptance is spoken on phone  
(b) Acceptance comes to the knowledge of party proposing  
(c) Acceptance is put in course of transmission  
(d) Acceptor has done whatever is required to be done by him

125. The term consensus ad-idem means

(a) Formation of the contract ; (b) Reaching of agreement  
(c) Meeting of minds ; (d) General consensus

126. Which one of the following has the correct sequence?

(a) Offer, acceptance, contract, consideration  
(b) Offer, acceptance, consideration, contract  
(c) Contract, acceptance, consideration, offer  
(d) Offer, consideration, acceptance, contract

127. When a person signifies his assent to a proposal made to him to refrain from doing something, the resultant transaction is known as

(a) Promise ; (b) Agreement ; (c) Contract ; (d) Understanding

128. A notice in the newspapers inviting tenders is

(a) A proposal ; (b) An invitation to proposal ; (c) A promise ; (d) An invitation for negotiation

129. Which one of the following statements is true?

(a) Offer and acceptance are revocable ; (b) Offer and acceptance are irrevocable  
(c) An offer can be revoked but acceptance cannot  
(d) An offer cannot be revoked but acceptance can be

130. The doctrine of privity of contract is laid down in the case of

(a) Carill v. Carbolic Smoke Ball & Co. ; (b) Balfour v. Balfour  
(c) Harvey v. Facey ; (d) Dunlop Pneumatic Tyre Co. Ltd. v. Self ridge & Co.

131. Which one of the following is not the legal requirement of valid offer?

(a) It must be communicated to the offeree ; (b) It must express offeror's final willingness  
(c) It must be made to a specific person and not to public at large  
(d) It must be made with a view to obtain offeree's assent

132. Sections 4 and 5 of the Indian Contract Act provide for communication of offer and acceptance and revocation thereof. In this relation, which one of the following is not correct?

(a) Communication of offer is complete when it reaches the offeree  
(b) Revocation of acceptance is complete when acceptance is posted in favour of the proposer  
(c) A Proposal may be revoked any time before communication of acceptance  
(d) Acceptance may be revoked any time before communication of acceptance

133. What can a catalogue of books, listing price of each book and specifying the place where the listed books are available be termed as?

(a) An offer ; (b) An obligation to sell book ; (c) An invitation to offer ;  
(d) A promise to make available the books at the listed

134. Consider the following statements:

1. General offer require the communication of acceptance.

**2. All contracts are agreements**

**3. All agreements are contracts**

**4. All illegal agreements are void agreements**

**Which of the statements given above are correct?**

(a) 2 and 4 ; (b) 1, 3 and 4 ; (c) 1 and 2 ; (d) 2, 3 and 4

**135. Consideration is**

(a) Doing or abstaining from doing something at the desire of promisor

(b) Essential condition of a contract ; (c) Element of exchange in a contract ; (d) All the above

**136. If there is no consideration, then**

(a) The agreement is void ; (b) The agreement is valid

(c) The agreement is illegal ; (d) The agreement is voidable

**137. Consideration must be**

(a) Adequate ; (b) Superficial ; (c) Unlawful ; (d) Something

**138. Which section of Indian Contract Act defines consideration?**

(a) Section 2(a) ; (b) Section 2(b) ; (c) Section 2(c) ; (d) Section 2(d)

**139. A valid consideration includes,**

(a) Executed or executory consideration ; (b) Past consideration ; (c)

(c) Inadequate consideration ; (d) All of these

**140. A valid consideration has the following essential elements :**

(a) It must move at the desire of the promisor

(b) Consideration may be supplied by the promisee or any other person

(c) Consideration may be past, present or future ; (d) All the above

**141. Consideration contemplated under Indian law is,**

(a) Past consideration only ; (b) Present consideration only

(c) Past, present or future consideration ; (d) Monetary consideration only

**142. An agreement without consideration is void under**

(a) Sec. 25(1) of the Contract Act ; (b) Sec. 25(3) of the Contract Act

(c) Sec. 25(2) of the Contract Act ; (d) None of the above clauses in sec. 25

**143. The exceptions to the doctrine of Privity of Contract include**

(a) Family settlements ; (b) Agreements ; (c) Assignment ; (d) All of these

**144. The latin term "quid pro quo" refers to :**

(a) Something in return ; (b) Stranger to consideration

(c) Something sensible ; (d) Something valuable

**145. A stranger to a consideration can file a suit and such a stranger is**

(a) A person who is not a party to the contract ; (b) A person who has given consideration

(c) A person who has not given consideration

(b) A person who is a party to the contract but not given consideration

**146. Consideration must move at the desire of:**

(a) Promisor ; (b) Promisee ; (c) Third party ; (d) Any other person

**147. Consideration may be given by**

- (a) The promisor ; (b) The promisee ; (c) Any other person ; (d) The promisee or any other person

**148. A promise to pay a time-barred debt must be :**

- (a) Oral ; (b) Written and signed ; (c) Registered (d) Written and registered

**149. Which are of the following statements is false.**

- (a) Promisee or any other person may supply consideration ;  
(b) Past consideration is good Consideration; (c) Consideration need not be adequate  
(d) Consideration should be adequate

**150. Which of the following statements is not true**

- (a) Consideration must be real & not illusory ; (b) Consideration may be inadequate  
(c) Past consideration is no consideration ; (d) Consideration should not consist of a legal obligation

**151. The exceptions to the rule A stranger to a contract cannot sue are**

- (a) Beneficiaries in the case of trust ; (b) Family settlement  
(c) Assignment of contract ; (d) All the above

**152. A stranger to a consideration**

- (a) Can file a suit ; (b) Cannot file a suit ;  
(c) Can file, only with consent of court ; (d) Is similar to stranger to a contract

**153. A stranger to a contract**

- (a) Can file a suit ; (b) Can file a suit only with permission of court  
(c) Can file a suit, if contract is in writing ; (d) Cannot file a suit

**154. The inadequacy of consideration may be taken into account by the court:**

- (a) In determining the question whether the consent of the promisor was freely given  
(b) Always in all the cases ; (c) When the parties complain  
(d) When the promisor has not performed his promise

**155. Consideration in a contract:**

- (a) May be present only ; (b) May be past and present only  
(c) May be futuristic only ; (d) May be past, present and future

**156. An agreement not supported by consideration is called:**

- (a) Consensus ad idem ; (b) Ignorantia juris non excuset  
(c) Ab imis ; (d) Nudum Pactum

**157. Which one of the following is the correct statement:**

- (a) Stranger to consideration contract sue ; (b) Stranger to consideration can file a suit  
(c) Stranger to consideration is stranger to contract ;  
(d) Stranger to consideration cannot be party to the contract

**158. Consider the following statements: Consideration is**

- 1. A motive for any promise**
- 2. A price for any promise**
- 3. Only a moral obligation**
- 4. Something of value in the eye of law**

**Of these statements**

(a) 1,2 and 3 are correct ; (b) 1 and 4 are correct ; (c) 2 and 4 are correct ; (d) 3 alone is correct

**159. Past consideration means**

- (a) Money received in the past without making even a proposal
- (b) The price which is more than the promisee's expectation
- (c) A past act done before the promise is made ; (d) None of the above

**160. An agreement without consideration is void except in case of compensation for**

- (a) Voluntary services rendered
- (b) Voluntary services rendered at the request of the other party to the agreement
- (c) Voluntary services rendered at the request of third person
- (d) Reimbursement of expenses incurred

**161. A contract without consideration is void. There are exceptions. Which one of the following exceptions is correct?**

- (a) Promise to pay disputed debt ; (b) Promise to pay time-barred
- (c) Promise to pay time-barred debt which is in writing and signed ; (d) (d) Promise to pay any debt

**162. Which one of the following statements is incorrect with regard to nature of a valid consideration?**

- (a) Consideration must be adequate ; (b) Consideration must be real
- (c) Consideration may be past, present or future ;
- (d) Consideration must move at the desire of promisor

**163. Which one of the following statements about the doctrine of privity is correct?**

- (a) Only a party to the contract can sue ; (b) Stranger to a contract cannot sue
- (c) A contract is enforceable by a stranger ; (d) Both (a)&(b)

**164. 'Consideration is the price for which the promise of the other is bought, and the promise thus given for the value is enforceable.' This definition of consideration is**

- (a) By Pollock ; (b) By Justice Patterson ; (c) By Cheshire and Fifoot ;
- (d) In section 2(d) of the Contract Act

**165. When 'at the desire of the promisor, the promisee or any other person has done or abstained from doing or does or abstain from doing some thing'- such act or abstinence or promise is called**

- (a) Agreement ; (b) Contract ; (c) Consideration ; (d) Proposal

**166. An agreement without consideration is**

- (a) Void ; (b) Illegal ; (c) Voidable ; (d) Enforceable

**167. In India, a person who is stranger to the consideration**

- (a) Can sue on the contract, if he is a party ; (b) Cannot sue the contract
- (c) Depends on the parties ; (d) Depends on the circumstances

**168. When one of the parties to the contract has performed its part of the promise which constitutes the consideration for the promise by the other side, it is known as**

- (a) Past consideration ; (b) Executed consideration
- (c) Executory consideration ; (d) Future consideration

**169. Which of the following statement regarding past consideration is incorrect**

- (a) It is done before making the agreement ; (b) A past consideration is valid
- (c) It is done with the making of the contract ; (d) None of the above

**170. Past consideration means**

- (a) Consideration and promise should move together ; (b) Executed consideration
- (c) Consideration is provided prior to the making of the contract ; (d) Invalid consideration

**171. An executed consideration is**

- (a) An act of mutual exchange of promises ; (b) An act done in the expectation of a proposal
- (c) An act done by one party as part of his promise ; (d) Past consideration

**172. An executory consideration is**

- (a) A consideration promised by the executive of a company ; (b) A promise yet to be performed by both the parties ; (c) Liability is outstanding on both the sides ; (d) Both (b)&(c)

**173. In Indian Law consideration must have been done at the desire of the promisor, if it is done at the instance of a third party or without the desire of the promisor, it is**

- (a) Consideration ; (b) Not consideration ; (c) Offer ; (d) Promise

**174. P renders some service to D at D's desire. After a month D promises to compensate P for the service rendered to him, it is a**

- (a) Present consideration ; (b) Past consideration ; (c) Future consideration ; (d) None of these

**175. Where consideration is illegal or physically impossible, uncertain or ambiguous, it shall not be**

- (a) Transferable by law ; (b) Unenforceable by law (c) Enforceable by law (d) None of these

**176. Which section of Indian Contract Act declares that an agreement made without consideration is void?**

- (a) Section 23; (b) Section 24 (c) Section 25 ; (d) Section 26

**177. A promise not supported by consideration is called a**

- (a) Proposal ; (b) Acceptance ; (c) Agreement (d) Nudum pactum

**178. A promise to pay a time-barred debt must be**

- (a) Oral ; (b) Written and signed ; (c) Registered ; (d) Written and registered

**179. Which of the following statement is incorrect**

- (a) Consideration must be real ; (b) Performance of existing obligation is no consideration
- (c) Forbearance to sue is good a consideration
- (d) Agreements without consideration are always void

**180. A promise to pay a time barred debt is enforceable, if some conditions are fulfilled. Which of the following conditions is not required?**

- (a) It must be signed by the promisor ; (b) It must be definite and express
- (c) It must be in writing ; (d) It must be registered

**181. A man cannot acquire rights under a contract to which he is not a party. Which one of the following is not an exception to this rule**

- (a) Beneficiaries under trust ; (b) Family settlement ; (c) Gift ; (d) Assignment of rights

**182. A person is competent to contract if:**

- (a) He has a PAN Card number ; (b) He has a Ration Card number
- (c) He fulfills the conditions of sec. 11 ; (d) He is a graduate

**183. Capacity to contract has been defined in**

- (a) Section 10 ; (b) Section 11 ; (c) Section 12 ; (d) Section 25

**184. Which of the following is not competent to contract?**

- (a) A minor ; (b) A person of unsound mind  
(b) A person who has been disqualified from contracting by some law ; (d) All of these

**185. Two persons have the capacity to contract**

- (a) If both are not of unsound mind  
(b) If none is disqualified from contracting by any law to which he is subject  
(c) If both have attained the age of maturity ; (d) All of the above

**186. For necessities supplied to a minor**

- (a) he is personally liable ; (b) his parents are liable  
(c) his estate is liable ; (d) the contract is valid under Indian law

**187. A minor is a person who has not attained the age of:**

- (a) 15 years ; (b) 18 years ; (c) 21 years ; (d) 25 years

**188. An agreement with a minor is:**

- (a) Void ; (b) Voidable ; (c) Valid ; (d) Illegal

**189. A contract for the benefit of the minor is :**

- (a) Valid ; (b) Void ; (c) Voidable ; (d) Illegal

**190. A married woman is under no disability as regards capacity to contract**

- (a) under English law only ; (b) under Indian law only ; (c) under both English and Indian laws  
(d) for luxury only

**191. An agreement entered into by a minor is**

- (a) Valid and binding ; (b) Voidable at the option of the minor ; (c) Void ab initio  
(d) Voidable at the option of either party

**192. A minor enters into agreement representing himself to be a major consider the following statement:**

- 1. Minor commits fraud if the other party does not have personal knowledge of his age**
- 2. Such agreement is not enforceable**
- 3. The doctrine of estoppel does not apply in minor's case**
- 4. Other party is entitled to get back the benefit passed to minor, if innocent about his age**

**Which of the statements given above are correct?**

- (a) 1,3 and 4 ; (b) 2 and 3 ; (c) 1,2 and 4 ; (d) 2 and 4

**193. M is a minor, B, the borrower, approaches M for a loan on the basis of a mortgage of the house owned by B. Hence, M advances the money and B executed a mortgage in favour of M, a minor. In these circumstances**

- (a) The mortgage is not enforceable by M, because he is a minor  
(b) The mortgage is enforceable but only when he attains majority  
(c) The mortgage is enforceable by M even though he is minor ; (d) None of these

**194. When a minor has been supplied with necessities in credit**

- (a) The minor is not liable ; (b) The minor's property is liable ; (c) The minor is personally liable  
(d) The minor is liable at his option

**195. A supplies B, a lunatic, with necessaries suitable to his condition in life. A is:**

- (a) Not entitled to be reimbursed from B's property ; (b) Entitled to be reimbursed from B's property
- (c) Personally liable ; (d) None of these

**196. When a person incurred expenses of ₹ 5000 for the necessaries supplied to the minor, he can recover the said amount from the**

- (a) Minor personally ; (b) Property of the minor ; (c) Property of his guardian ; (d) None of these

**197. The principle of Estoppel cannot be applied against a minor since**

- (a) He has no sound mind ; (b) He has no privilege to cheat persons by making any representation
- (c) He may be induced by dishonest traders to declare in writing that he is a major at the time of entering into a contract ; (d) He has not attained the age of maturity

**198. A convict when undergoing imprisonment**

- (a) Is capable of entering into a contract ; (b) Is incapable of entering into a contract
- (c) Is capable of entering into a contract, if it is permitted by the court ; (d) None of these

**199. A person who is not an Indian citizen is an Alien. Contracts with an alien friend, subject to certain restrictions are**

- (a) Void ; (b) Unenforceable ; (c) Valid ; (d) Invalid

**200. A minor's agreement is void. This was held in case of**

- (a) Mohori Bibee v. Dharmodas Ghosh ; (b) Nihal Chand v. Mr. Jan MohomedKhan
- (c) Suraj Narain v. Sukhu Aheer ; (d) None of these

**201. A mortgage executed by minor is.....**

- (a) Void ; (b) Voidable ; (c) Both (a) and (b) ; (d) Neither (a) nor (b)

**202. Is a pronote executed in favour of a minor good in law?**

- (a) Yes ; (b) No ; (c) Not in normal cases ; (d) Depends

**203. Is purchase of property for the benefit of a minor by his maternal uncle valid?**

- (a) Yes ; (b) No ; (c) Depends ; (d) None of the above

**204. The test of..... is whether the person is capable of understanding the business concerned and its implications.**

- (a) Incapacity to contract ; (b) Minority ; (c) Soundness of mind ; (d) Reciprocity

**205. ....is the most extreme form of mental unsoundness?**

- (a) Lunacy ; (b) Incapacity ; (c) Minority ; (d) Idiocy

**206. The onus of proving insanity is on the .....**

- (a) Prosecutor ; (b) State ; (c) Accused ; (d) On person who alleges it

**207. Which of the following statement is incorrect:**

- (a) A parda-nashin women can enter into contract if it is established that the contract was explained to her and she understood it
- (b) A parda-nashin women is open to undue influence and therefore cannot enter into contract
- (c) A parda-nashin women is of unsound mind
- (d) A parda-nashin women may be married or single

**208. M, a minor, misrepresenting that he is a major induces Z to enter into a contract**

- (a) M is a liable on the contract ; (b) M is a not liable on the contract  
(c) M is liable to pay compensation ; (d) M is liable to the contract on attending majority

**209. Select the false statement**

- (a) There can be no ratification of contract entered by a minor during his minority, even after becoming major ; (b) Restitution of benefit is allowed in case of a minor ; (c) Agreement with a minor is void ab initio ; (d) The rule of estoppel cannot be applied against a minor

**210. Which of the following types of persons are not disqualified from contracting?**

- (a) Foreign Sovereigns ; (b) Alien Enemy ; (c) Convicts ; (d) None

**211. Which of the following person do not fall under the category of persons of unsound mind?**

- (a) Drunkards ; (b) Lunatics ; (c) Idiots ; (d) Blind Person

**212. If there is no consent the agreement is:**

- (a) Void ; (b) Voidable ; (c) Illegal ; (d) Valid

**213. If consent is not free due to coercion, undue influence, fraud, and misrepresentation then the agreement is:**

- (a) Void ; (b) Voidable ; (c) Illegal ; (d) Valid

**214. If the agreement is made by obtaining consent by doing an act forbidden by the Indian Penal Code, the agreement would be caused by:**

- (a) Coercion ; (b) Fraud ; (c) Misrepresentation ; (d) Undue influence

**215. A buys an article thinking that it is worth ₹ 100 when in fact it is worth only ₹ 50. There has been no misrepresentation on the part of the seller. The contract is:**

- (a) Valid ; (b) Void ; (c) Voidable ; (d) Unenforceable

**216. Where a person is in a position to dominate the will of another person and uses that position to obtain an unfair advantage it is called:**

- (a) Fraud ; (b) Coercion ; (c) Undue influence ; (d) Misrepresentation

**217. An agreement caused by unilateral mistake of fact is:**

- (a) Void ; (b) Voidable ; (c) Illegal ; (d) Valid

**218. Unlawfully detaining or threatening to detain any property, to the prejudice of any person making him to enter into an agreement amounts to:**

- (a) Threat ; (b) Coercion ; (c) Undue influence ; (d) Misappropriation

**219. An agreement made under mistake of fact, by both the parties, forming the essential subject matter of the agreement is:**

- (a) Void ; (b) Voidable ; (c) Valid ; (d) Unenforceable

**220. "Threatening to commit certain acts forbidden by Indian Penal Code" is associated with which one of the following?**

- (a) Misrepresentation ; (b) Fraud ; (c) Coercion ; (d) Unenforceable

**221. "Active concealment of fact" is associated with which one of the following?**

- (a) Misrepresentation ; (b) Undue influence ; (c) Fraud ; (d) Mistake

**222. Lending money to a borrower, at high rate of interest, when the money market is tight renders the agreement of loan:**

- (a) Void ; (b) Valid ; (c) Voidable ; (d) Illegal



223. When a person, who is in dominating position, obtains the consent of the other by exercising his influence on the other, the consent is said to be obtained by:  
(a) Fraud ; (b) Intimidation ; (c) Coercion ; (d) Undue influence
224. An officer enters into a contract with his subordinate to sell his (subordinate's) house at a lower price than the market price. The subordinate may challenge the contract on the ground of  
(a) Coercion ; (d) Undue influence ; (c) Mistake ; (d) Misrepresentation
225. With regard to the contractual capacity of a person of unsound mind, which one of the following statements is most appropriate?  
(a) A person of unsound mind can never enter into a contract  
(b) A person of unsound mind can enter into a contract  
(c) A person who is usually of unsound mind can contract when he is, at the time of entering into a contract, of sound mind  
(d) A person who is occasionally of unsound mind can contract although at the time of making the contract, he is of unsound mind
226. While obtaining the consent of the promisee, keeping silence by the promisor when he has a duty to speak about the material facts, amounts to consent obtained by:  
(a) Coercion ; (b) Misrepresentation ; (c) Mistake ; (d) Fraud
227. 'A' threatened to commit suicide if his wife did not execute a sale deed in favour of this brother. The wife executed the sale deed. This transaction is:  
(a) Voidable due to under influence ; (b) Voidable due to coercion ; (c) Void being immoral  
(d) Void being forbidden by law
228. A contract which is vitiated by undue influence is declared as which one of the following by the Indian Contract Act?  
(a) Invalid ; (b) Void ; (c) Illegal ; (d) Voidable
229. Consider the following:  
1. Active concealment of fact.  
2. Promise made without any intention of performing it.  
3. Breach of duty which gains an advantage to the person committing it.  
4. Inducing mistake as to subject matter.  
Which of the above amount to fraud?  
(a) 1 and 2 ; (b) 2 and 3 ; (c) 3 and 4 ; (d) 1 and 4
230. Coercion is defined in which section of the Indian Contract Act?  
(a) Section 15 ; (b) Section 16 ; (c) Section 17 ; (d) Section 18
231. A threatens to shoot B, if B does not agree to sell his property to A at a stated price. B's consent in this case has been obtained by  
(a) Fraud ; (b) Undue influence ; (c) Coercion ; (d) None
232. What does Section 17 of the Indian Contract Act define?  
(a) Coercion ; (b) Undue influence ; (c) Fraud ; (d) Mistake
233. If A unlawfully detains B's son in order to coerce B to enter into the agreement, the case would be covered within:  
(a) Section 10 ; (b) Section 14 ; (c) Section 15 ; (d) Section 16
234. Factors vitiating consent are:

- (a) Coercion, Undue influence ; (b) Fraud, Misrepresentation ; (c) Mistake ; (d) All of these
- 235. A master asks his servant to sell his cycle to him at less than the market price. This contract can be avoided by the servant on grounds of:**  
(a) Coercion ; (b) Undue influence ; (c) Fraud ; (d) Mistake
- 236. When the consent of a party to the contract has been obtained by fraud, in such a case the contract is:**  
(a) Void ; (b) Voidable ; (c) Unenforceable ; (d) None of these
- 237. A, intending to deceive B, falsely represents that five hundred mounds of Indigo are made annually at A's factory and, thereby, induces B to buy the factory. The contract is**  
(a) Voidable ; (b) Void ; (c) Unenforceable ; (d) None of these
- 238. If A sells, by auction to B a horse which A knows to be unsound and A says nothing to B about the horse's unsoundness, this amounts to:**  
(a) Fraud ; (b) Not fraud ; (c) Unlawful ; (d) Illegal
- 239. When there is duty to speak, keeping silence is:**  
(a) Fraud ; (b) Undue influence ; (c) Coercion ; (d) None of these
- 240. Silence is fraud when silence is, in itself equivalent to speech. This statement is:**  
(a) True ; (b) False ; (c) Untrue in certain cases ; (d) None of these
- 241. When the person making a false statement believes the statement to be true and does not intend to mislead the other party to the contract it is known as:**  
(a) Free consent ; (b) Misrepresentation ; (c) Fraud ; (d) None of these
- 242. Misrepresentation means:**  
(a) Unwarranted assertion ; (b) Any breach of duty without an intent to deceive  
(c) Innocent mistake ; (d) All the above
- 243. If a party stands in a fiduciary relation to the other:**  
(a) He cannot dominate ; (b) He can dominate the will of another  
(c) The trust should be maintained ; (d) None of these
- 244. A person is deemed to be in a position to dominate the will of another if he:**  
(a) Holds real or apparent authority ; (b) Stands in a fiduciary relationship  
(c) Both (a) and (b) ; (d) Either (a) or (b)
- 245. If both the parties to a contract believe in the existence of a subject, which infact does not exist, the agreement would be**  
(a) Unenforceable ; (b) Void ; (c) Voidable ; (d) None of these
- 246. For a valid contract**  
(a) Both the parties should have given their consent ; (b) The consent should be free  
(c) Both (a) and (b) ; (d) Either (a) or (b)
- 247. When both the parties to an agreement are under a mistake as to a matter of fact essential to an agreement, the agreement is:**  
(a) Void ; (b) Valid ; (c) Voidable ; (d) Illegal
- 248. In Indian Contract Act, the term consensus ad idem means**  
(a) Parties under a mistake ; (b) Parties under the free consent  
(c) Parties agreeing upon the same thing in same sense ; (d) None of these

**249. To prove undue influence, the plaintiff has to prove that:**

- (a) The relations, subsisting between the parties are such that the defendant was in a position to dominate the will of the plaintiff
- (b) The defendant used that position to obtain an unfair advantage from the plaintiff
- (c) Both (a) and (b) ; (d) None of these

**250. The validity of contract is not affected by**

- (a) Mistake of fact ; (b) Mistake of Indian law ; (c) Misrepresentation ; (d) Fraud

**251. Error in causa means:**

- (a) Absence of consent ; (b) Absence of free consent ; (c) Presence of mistake ; (d) Absence of mistake

**252. Error in consensus means:**

- (a) Absence of consent ; (b) Absence of free consent ; (c) Presence of mistake (d) Absence of mistake

**253. Unlawful agreements comprise**

- (a) Illegal agreements ; (b) Immoral agreements only ; (c) Agreements opposed to public policy only ; (d) All the agreements mentioned above

**254. The period of limitation for simple contract in India is**

- (a) 2 years ; (b) 3 years ; (c) 6 years ; (d) 8 years

**255. The exceptions to the rule that an agreement in restraint of trade is void, are contained in**

- (a) The provisions of Sec. 27 of the Contract Act only
- (b) Secs. 11, 36, 54 and 55 of the partnership Act only
- (c) Both the above mentioned provisions of the Contract Act & Partnership Act respectively
- (d) None of the above provisions

**256. A contract to trade with an enemy is**

- (a) an immoral agreement ; (b) a valid agreement ; (c) an agreement opposed to public policy (d) an enforceable agreement

**257. An agreement to share the emoluments of a public office is**

- (a) Void ; (b) Voidable ; (c) Valid ; (d) Defective

**258. An agreement, the object of which is to procure a public post, is**

- (a) Void ; (b) Voidable ; (c) Valid ; (d) Defective

**259. Under which section of Indian Contract Act, agreements of wager are void?**

- (a) Section 28 ; (b) Section 29 ; (c) Section 30 ; (d) Section 27

**260. An agreement in restraint of parental rights is**

- (a) Void ; (b) Valid ; (c) Voidable ; (d) Defective

**261. An agreement will be unlawful if:**

- (a) There is no consent ; (b) Consent is not free ; (c) There is no consideration ; (d) The object is forbidden by law

**262. An agreement in restraint of marriage is:**

- (a) Voidable ; (b) Void ; (c) Valid ; (d) Illegal

**263. An agreement in restraint of trade is:**

(a) Voidable ; (b) Valid ; (c) Void ; (d) Illegal

**264. A wagering agreement is:**

(a) Voidable ; (b) Void ; (c) Valid ; (d) Illegal

**265. A contract of insurance is a :**

(a) Contract of guarantee ; (b) Contract of indemnity ; (c) Wagering agreement  
(d) Contingent contract

**266. In a wagering agreement:**

(a) Both the parties win ; (b) Both the parties loose ; (c) None of the parties wins  
(d) One party wins and the other loses

**267. Which one of the following statements is correct?**

(a) Void agreements are always illegal ; (b) Illegal agreements are voidable  
(c) Illegal agreement can be ratified by the parties ; (d) Illegal agreements are always void

**268. Which one of the following is not a wagering agreement?**

(a) A lottery ; (b) An agreement to buy a ticket for a lottery  
(c) Commercial transaction, the intention of which is not to deliver the goods but only to pay the difference in price ; (d) A contract of insurance

**269. A wagering agreement in India is declared by the Contract Act as**

(a) Illegal and void ; (b) Void but not illegal ; (c) Voidable at the option of the aggrieved party ;  
(d) Immoral

**270. Which one of the following is a void agreement?**

(a) An agreement without consideration ; (b) An agreement in restraint of marriage ;  
(c) An agreement in restraint of trade ; (d) All of the above

**271. Agreement to do an impossible act has been declared**

(a) Void ; (b) Voidable ; (c) Enforceable ; (d) None of these

**272. Agreement in restraint of marriage has been defined in**

(a) Section 23 ; (b) Section 24 ; (c) Section 25 ; (d) Section 26

**273. An agreement which restricts a person's freedom to marry or to marry any person of his choice is against public policy and is**

(a) Lawful ; (b) Illegal ; (c) Void ; (d) None of these

**274. An agreement of service under which an employee agrees that he will serve a particular employer for a certain duration and that he will not serve anybody else during that period, is a**

(a) Valid agreement (b) Void agreement ; (c) Illegal agreement ; ) None of these

**275. If the seller agrees to supply all the goods produced by him to a certain buyer and to nobody else, and the buyer also, in turn undertakes to accept the whole of the quantity, the agreement is**

(a) Void agreement ; (b) Solus agreement ; (c) Illegal agreement ; (d) None of these

**276. Section 28 of the Indian Contract Act, speaks about**

(a) Agreement in restraint of legal proceedings ; (b) Agreement in restraint of trade  
(c) Agreement in restraint of marriage ; (d) None of these

**277. Ambiguous and uncertain agreements are defined in**

(a) Section 26 ; (b) Section 27 ; (c) Section 28 ; (d) Section 29

278. If an agreement suffers from any uncertainty, it is  
(a) Voidable ; (b) Void ; (c) Unenforceable ; (d) None of these
279. If the contract is impossible in itself physically or legally the agreement is  
(a) Void contract ; (b) Voidable ; (c) Void ab initio ; (d) None of these
280. If the consideration or object of an agreement is regarded by the court to be immoral or opposed to public policy. The agreement is  
(a) Void ; (b) Voidable ; (c) Unenforceable ; (d) None of these
281. M, who is a dealer in mustard oil only, agrees to sell to N '500 litres of oil'. This agreement is  
(a) Valid contract ; (b) Void contract ; (c) Voidable contract ; (d) Unenforceable contract
282. A and B agree that A shall pay ₹ 1000 for which B shall afterwards deliver to an either rice or smuggled opium. In this case  
(a) The first agreement is void and the second voidable  
(b) The first is voidable and the second is void ; (c) The first is valid and the second is void  
(d) The first is void and the second is valid
283. A agrees to sell to B a 'hundred tons of oil'. There is nothing whatever to show what kind of oil was intended. The agreement is  
(a) Valid ; (b) Void for uncertainty ; (c) Voidable ; (d) Illegal
284. A agrees to sell to B 'my white horse for ₹500 or ₹ 1,000'. There is nothing to show which of the two prices was to be given. The agreement is  
(a) Valid ; (b) Void ; (c) Voidable ; (d) Unenforceable
285. Agreements between a husband and wife living in friendly environment are  
(a) Valid contracts ; (b) A void contracts ; (c) Domestic arrangements ; (d) Voidable contract
286. A promised to marry none else than Miss B and in default to pay her a sum of ₹ 1,000. Subsequently A married Miss C and Miss B sued for recovery of ₹ 1,000. The contract is  
(a) Valid ; (b) Void ; (c) Voidable ; (d) Enforceable
287. A promises B to pay ₹ 100 if it rains on Monday, and B promises A to pay ₹ 100 if it does not rain on Monday. This agreement is  
(a) a valid agreement ; (b) a voidable agreement ; (c) a wagering agreement  
(d) an illegal agreement
288. P engages B to kill C and borrows ₹ 100 from D to pay B. If D is aware of the purpose of the loan, the transaction is  
(a) Valid ; (b) Void ; (c) Illegal ; (d) Not enforceable
289. A leaves a firm doing a particular business in Mumbai. He agrees with the other partners of the firm not to start a similar business as that of the firm in and around Mumbai for 3 years. This agreement is  
(a) Valid ; (b) Immoral ; (c) Illegal ; (d) Void
290. A, while filling up the insurance application form, states his age as 25 believing it to be true. His actual age was 27. The Life Insurance Corporation issued a policy in his favour charging a lower premium than what it should have charged if the actual age had been given. This is a case of  
(a) Fraud ; (b) Misrepresentation ; (c) Undue influence ; (d) Mistake of fact
291. B, having discovered a vein of ore on the estate of A, adopts means to conceal, and does conceal, the existence of the ore from A. Owing to A's ignorance B is enabled to buy the estate at a low- price. The contract is  
(a) Valid ; (b) Void ; (c) Voidable at the option of A ; (d) Invalid

292. B let a cabin on hire to P a prostitute, knowing that it would be used for immoral purposes. The agreement is  
(a) Enforceable ; (b) Valid ; (c) Voidable ; (d) Void
293. A enters into an agreement with B who has robbed A of ₹10,000 to drop prosecution against him (B) in consideration of B's returning ₹ 8,000. Afterwards B refused to pay. A can get from B  
(a) ₹ 8,000 ; (b) ₹ 100 ; (c) Nothing ; (d) ₹ 10,000 plus damages
294. A agrees with B to discover treasure by magic for a consideration of ₹ 500. This is  
(a) A void agreement ; (b) A void contract ; (c) A valid agreement ;  
(d) An unenforceable contract
295. X, a tailor, employed Y as his assistant under an agreement that Y, on termination of his employment shall not start the business of a tailor. This restraint is  
(a) Void ; (b) Valid ; (c) Illegal ; (d) Voidable
296. X leaves a firm doing a particular business in Delhi. He agrees with other partners of the firm not to start a similar business as that of the firm in Delhi for 2 years. This agreement is  
(a) Void ; (b) Valid ; (c) Voidable at X's option ; (d) Invalid
297. X promises to supply Y one tola of gold brought from the sun. This is  
(a) a valid contract ; (b) an illegal contract ; (c) a void agreement ; (d) a voidable agreement
298. A promises B not to carry on a similar business as that of B if B pays him a certain amount. B pays the money but A continues to carry on the business. B can  
(a) Do nothing ; (b) Compel A to stop the business ; (c) Get him imprisoned for fraud  
(d) Sue A for damages
299. A purchases B's business of selling neckties in Delhi. A can restrain B from  
(a) Doing the business of selling neckties again in his life ; (b) Doing any business in Delhi  
(c) Doing the business of selling neckties in Delhi for a limited period ; (d) None of the above
300. A promised to marry B and none else and promised her to pay a sum of ₹5000 in addition to what he gets from the other party if he marries someone else. A marries C and gets ₹ 10,000 from C. B can get from A  
(a) ₹ 15,000 ; (b) ₹ 10,000 ; (c) Nothing ; (d) ₹ 15,000 plus damages
301. A promised B to obtain an employment for him in a public office. B promised to pay ₹2,000 to A for this. B gets a job through A but refuses to pay the money. A can  
(a) Challenge B's appointment on the ground of non-payment of money  
(b) Sue B for ₹2,000 ; (c) Do nothing ; (d) Do both given at (a) and (b) above
302. A, a Hindu already married with a living wife B, enters into a marriage agreement with a widow of 30 years of age. This agreement is  
(a) Void, because of being opposed to public policy ; (b)  
(b) Valid and can be enforced by either party  
(c) Voidable, because A has obtained B's consent by exercising undue influence against her ; (d) Void, because of being forbidden by law
303. Rajeev entered into a contract with Lata to marry her on a fixed date. However, before the marriage date. Rajeev went mad. With reference to the Indian Contract Act which is the valid response?  
(a) Lata can't marry till Rajeev dies ; (b)  
(b) The executors of Rajeev can enforce the contract against Lata  
(c) The contract becomes void ; (d) All the statements are correct

- 304. A and B agree to deal in smuggled goods and share the profits. A refuses to give B's share of profit. In this case:**  
(a) B can enforce the agreement in the court. ; (b) B can only claim damages.  
(c) B has no remedy as the contract is illegal. ; (d) B can enforce the contract or claim damages
- 305. A and B agree that law of limitation shall not apply to them. A debt becomes time barred and A refuses to pay the amount. Can B recover the amount under the terms of the agreement?**  
(a) yes, the agreement between them is valid and enforceable.  
(b) yes, the agreement is not opposed to public policy.  
(c) no, the agreement is a voidable agreement and can be avoided by A.  
(d) no, the agreement falls under section 23 and hence void
- 306. A borrows ₹ 5,000 from B to purchase a revolver to shoot C. Can B recover his loan of ₹ 5,000.**  
(a) yes, the agreement between them is valid and enforceable.  
(b) yes, the agreement is not opposed to public policy.  
(c) no, the agreement is a voidable agreement and can be avoided by A.  
(d) no, the agreement falls under section 23 and hence void
- 307. A borrows from B ₹ 500 to bet with C. Can B recover the amount of his loan?**  
(a) yes, the agreement between them is collateral to a wagering agreement and hence enforceable  
(b) yes, the agreement is not opposed to public policy  
(c) no, the agreement is a voidable agreement and can be avoided by A  
(d) no, the agreement is a wagering agreement and falls under section 23 and hence void
- 308. A paid ₹500 to a Government servant to get him a contract for the canteen. The Government servant could not get the contract. Can A recover ₹500 paid by him to the Government servant?**  
(a) yes, the agreement between them is valid and enforceable  
(b) yes, the agreement is not opposed to public policy  
(c) no, the agreement is a voidable agreement and can be avoided by A  
(d) no, the agreement is void
- 309. A person contracted to deliver a part of a specific crop of potatoes. The potatoes were destroyed by blight though no fault of the party. The contract is**  
(a) Valid ; (b) Voidable ; (c) Void due to frustration of contract ; (d) Illegal
- 310. A contracts to sing for B at a concert for ₹ 1,000 which are paid in advance. A is too ill to sing. Which of the following options is correct?**  
(a) A is bound to make compensation  
(b) A is not bound to make compensation to B for the loss of the profit which B would have made if A had been able to sing, but must refund to B ₹ 1,000 paid in advance  
(c) A is not liable to refund to B ₹ 1,000 paid in advance  
(d) A is liable for loss of profit as well as for refund
- 311. A contractor entered into an agreement with Government to construct a godown and received advance payments for the same. He did not complete the work and the Government terminated the contract.**  
(a) The Government can claim damages  
(b) The Government under sec. 65 could recover the amount advanced to the contractor  
(c) The Government cannot claim damages ; (d) Both (a)&(b)
- 312. A and B agree to deal in smuggled goods and share the profits. A refuses to give B's share of profit. In this case:**  
(a) B can enforce the agreement in the court ; (b) B can only claim damages

(c) B has no remedy as the contract is illegal ; (d) B can enforce the contract or claim damages

**313. A and B agree that law of limitation shall not apply to them. A debt becomes time barred and A refuses to pay the amount. Can B recover the amount under the terms of the agreement?**

- (a) Yes, the agreement between them is valid and enforceable
- (b) No, the agreement is opposed to public policy
- (c) No, the agreement is a voidable agreement and can be avoided by A
- (d) No, the agreement falls under section 23 and hence illegal

**314. A borrows ₹ 5,000 from B to purchase a revolver to shoot C. Can B recover his loan of ₹ 5,000, assuming that B knows the purpose of the loan.**

- (a) yes, the agreement between them is valid and enforceable
- (b) no, the agreement is opposed to public policy
- (c) no, the agreement is a voidable agreement and can be avoided by A
- (d) no, the agreement falls under section 23 and hence illegal

**315. A borrows from B ₹ 500 to bet with C. Can B recover the amount of his loan?**

- (a) yes, the agreement between them is collateral to a wagering agreement and hence enforceable
- (b) no, the agreement is opposed to public policy
- (c) no, the agreement is a voidable agreement and can be avoided by A
- (d) no, the agreement falls under section 23 and hence illegal

**316. A paid ₹ 500 to a Government servant to get him a contract for the canteen. The Government servant could not get the contract. Can A recover ₹ 500 paid by him to the Government servant?**

- (a) yes, the agreement is opposed to public policy
- (b) no, the agreement is opposed to public policy
- (c) no, the agreement is a voidable agreement and can be avoided by A
- (d) no, the agreement falls under section 23 and hence illegal

**317. A makes a contract with B to buy B's horse if A survives C. This is**

- (a) a Quasi-contract ; (b) a Void contract ; (c) a Contingent contract ; (d) a Conditional contract

**318. An insurance contract is**

- (a) Contingent contract ; (b) Wagering agreement ; (c) Unenforceable contract ;
- (d) Void contract

**319. If the contingent depends on the mere will of the promisor it would be-**

- (a) Valid ; (b) Void ; (c) Illegal ; (d) Depends on the circumstances

**320. For a contingent contract the event must be:**

- (a) Certain ; (b) Uncertain ; (c) Independent ; (d) Uncertain and collateral

**321. Which of the following is a contingent contract:**

- (a) A promises to pay B if he repairs his scooter
- (b) A promises to pay B ₹ 10,000 if his scooter is stolen
- (c) A promises to sell his car if his wife permits
- (d) A promises to buy a car if his employer approves it

**322. A contract of life insurance, the performance of which depends upon a future event falls under the category of**



- (a) Contract of Indemnity ; (b) Contract of Guarantee ; (c) Contingent Contract  
(d) Special type of Contract

**323. Which one of the following is not a characteristic of a contingent contract?**

- (a) Performance depends upon a future event ; (b) The event must be uncertain  
(c) The event must be collateral to the contract ; (d) There must be reciprocal promises

**324. Which one of the following is not an essential feature of a wagering agreement?**

- (a) Insurable interest ; (b) Uncertain event ; (c) Mutual chances of gain or loss  
(d) Neither party to have control over the event

**325. Which of the following types of contracts are generally termed uberrimae fidei contracts?**

1. Insurance contracts.
2. Contract for purchase of car.
3. Partnership contracts.
4. Quasi-contract.

Select the correct answer using the code given below:

- (a) 1,3 and 4 ; (b) 1 and 3 ; (c) 1,2 and 4 ; (d) 2, 3 and 4

**326. A makes a contract with B to buy his house for ₹ 50,000 if he is able to secure to bank loan for that amount. The contract is**

- (a) Void for vagueness ; (b) Wagering contract ; (c) Contingent contract ; (d) Voidable contract

**327. Contingent contracts to do or not to do anything if a specified uncertain event does not happen within a fixed time become**

- (a) Void, if before the time fixed, such event becomes impossible  
(b) Valid, if before the time fixed, such event becomes impossible  
(c) Voidable, if before the time fixed, the promisor becomes lunatic  
(d) Illegal, if before the time fixed, the promisor dies

**328. Which of the following statements is true in connection with the contingent contract:**

- (a) The collateral event is contingent  
(b) The collateral event may be certain or uncertain  
(c) The contingency event may be the mere will of the promisor  
(d) The main event should be contingent

**329. Which of the following statement is false in connection with the contingent contract:**

- (a) The event must be collateral ; (b) The event must be uncertain  
(c) The event should not be mere will of the promisor ; (d) None of the above

**330. The contingent contract dependent on the happening of the future uncertain event can be enforced when such event:**

- (a) Happens ; (b) Does not happen ; (c) Does not become a impossible ; (d) Both (a)&(c)

**331. Contract contingent upon the happening of a future uncertain event becomes void.**

- (a) If the event becomes impossible ; (b) If the event happens ; (c) If the event does not happen  
(d) None of the above

**332. Contracts contingent upon the non-happening of the future uncertain event becomes void when such event:-**

(a) Happen ; (b) Does not happen ; (c) The event becomes impossible ; (d) None of the above

**333. Contract contingent upon the non-happening of the future uncertain event becomes enforceable**

- (a) When the happening of that event becomes impossible and not before
- (b) When the happening of that event becomes possible and not before
- (c) When the event happens ; (d) None of the above

**334. A promises to pay B a sum of money if a certain ship does not return within a year. The ship is sunk within a year. The contract is**

- (a) Enforceable ; (b) Void ; (c) Voidable ; (c) Illegal

**335. Contingent contract to do or not to do anything, if an impossible event happens are:-**

- (a) Valid ; (b) Void ; (c) Voidable ; (d) Illegal

**336. Contingent contract dependent on the non-happening of the event within a fixed time can be enforced, if the event:-**

- (a) Does not happen within the fixed time
- (b) Before the time fixed such event becomes impossible ; (c) Both (a) & (b)
- (d) None of the above

**337. In a contingent contract which event is contingent**

- (a) Main event ; (b) Collateral event ; (c) Both(a)&(b) ; (d) None of the above

**338. The obligation of a finder of lost goods is laid down in:**

- (a) Sec. 71 of the Contract Act ; (b) Sec. 65 of the Contract Act
- (c) Sec. 68 of the Contract Act ; (d) Sec. 66 of the Contract Act

**339. Secs. 68 to 72 of the Indian Contract Act deal with:**

- (a) The performance of contract ; (b) The discharge of contract
- (c) Certain relations resembling those created by contract ; (d) Contingent contract

**340. Under section 70 of the Indian Contract Act, 1872, if a person who enjoys the benefit of any other person's work, the beneficiary must pay to the benefactor for the services rendered, provided the intention of the benefactor was :**

- (a) Gratuitous ; (b) Non-gratuitous ; (c) To create legal relations ; (d) None of these

**341. A finder of goods can:**

- (a) file a suit to recover his expenses ; (b) sell the goods if he likes ; (c) can sue for a reward, if any
- (d) None of the above

**342. A finder of goods can sell the goods if the cost of finding the true owner exceeds:**

- (a) 1/4 of the value of the goods, ; (b) 1/3 of the value of the goods, ;
- (c) 1/2 of the value of the goods, ; (d) 2/3 of the value of the goods.

**343. The phrase "Quantum Meruit" literally means**

- (a) As much as earned ; (b) The fact in itself ; (c) A contract for the sale ; (d) None of these

**344. Liability of a person getting benefit under mistake has been described in the Indian Contract Act under:**

- (a) Section 68 ; (b) Section 69 ; (c) Section 71 (d) Section 72

**345. Quasi-contracts or implied contracts are exceptional kinds of contracts by which:**

- (a) One party is bound to pay money in consideration of something done or suffered by the other party

; (b) No contractual relation exists between the parties  
(c) No contract has been made by the parties ; (d) All of these

**346. A gives a recognizance binding him in a penalty of ₹500 to appear in the court on a certain day. He forfeits his recognizance. He is:**

(a) Liable to pay the whole penalty ; (b) Is not liable to pay the penalty  
(c) Is liable to pay partially ; (d) None of these

**347. Which one of the following conditions must be satisfied for making claim under 'Necessaries supplied to a person incapable of contracting?'**

(a) The articles supplied should be necessaries  
(b) The articles supplied should be necessaries at the time of sale and not delivery  
(c) Necessaries must have been supplied gratuitously out of mere kindness  
(d) Necessaries should be supplied only to person in competent to contract

**348. A contract implied by law is known as:**

(a) Contingent contract ; (b) Quasi-contract ; (c) Expressed contract ; (d) Implied contract

**349. The juridical basis of quasi-contractual obligation can be explained through the theory of:**

(a) Indebitatus assumpsit ; (b) Unjust enrichment ; (c) Just and reasonable solution ;  
(d) Voluntary benefits

**350. An implied contract is made:**

(a) Orally ; (b) In writing ; (c) By conduct of parties ; (d) None of the above

**351. Who is liable for necessaries supplied to a minor?**

(a) The guardian of the minor ; (b) The minor ; (c) His property ; (d) None of the above

**352. Under the Indian Contract Act some persons have the duty similar to that of a bailee but under which of the following sections:**

(a) Section 69 ; (b) Section 70 ; (c) Section 71 ; (d) Section 72

**353. The contract uberrimae fidei means a contract**

(a) Of goodwill ; (b) Guaranteed by a surety ; (c) Of utmost good faith ; (d) Of good faith

**354. The term 'quasi-contracts' is:**

(a) Defined by section 68 of the Indian Contract Act  
(b) Named 'implied in fact contract' by Section 69 of the Indian Contract Act  
(c) Found as 'unjust' enrichment' is Section 70 only of the Indian Contract Act  
(d) Conspicuous by its absence in the Indian Contract Act

**355. Which of the following statement is true in connection with Quasi-contract.**

(a) It is imposed by law ; (b) A Quasi-contract is a revoking contract  
(c) Damages cannot be claimed for breach of Quasi-contractual right.  
(d) It arises out of an agreement

**356. Which of the following statements regarding Quasi-contracts is incorrect**

(a) It resembles a contract ; (b) It is imposed by law  
(c) It is based on the doctrine of unjust enrichment ; (d) It is voluntarily created

**357. Which of the following transactions cannot be described as Quasi-contracts**

- (a) Claims of necessities supplied to incompetent person
- (b) Right to recover money paid for another person
- (c) Right to claim money if given under coercion or mistake
- (d) Right to claim money if given under fraud or misrepresentation

**358. Quasi-contracts are:**

- (a) not contracts in the real sense of the word
- (b) relations which create certain obligations resembling those created by a contract
- (c) implied contracts ; (d) unenforceable contracts

**359. A finder can sell the goods if:**

- (a) the goods are ascertained. ; (b) the goods are un- ascertained,
- (c) the goods are valuable, ; (d) the goods are perishable

**360. Mr. Kamal was levied Sales Tax on his forward transactions in bullion, which he paid. The levy of this tax was declared ultra vires. Mr. Kamal demanded refund on the amount of Sales Tax on the ground that payment was under a mistake of law. Which of the following is correct?**

- (a) Mr. Kamal will not succeed as once the payment is made to government it cannot be refunded
- (b) Mr. Kamal will not succeed as his forward transaction of bullion attracted sales tax at that time
- (c) Mr. Kamal will succeed
- (d) Mr. Kamal will not succeed as mistake of law is not good defence

**361. An insurance company paid money by mistake on a policy which had lapsed. Though the company was not ignorant of the fact of the lapse, this was overlooked at the time of payment. Can the company recover the amount?**

- (a) The company cannot recover the amount ; (b) The company can recover the amount
- (c) The company once paid the money is estopped to demand back by virtue of 'Doctrine of Estoppel'
- (d) The company can revive the lapsed policy and thus regularize the payment

**362. Where a party to a contract fails to perform at or before a specified time and it was the intention of the parties that time should be of the essence**

- (a) The contract becomes voidable
- (b) The contract does not become voidable but the aggrieved party is entitled to compensation
- (c) The contract becomes void ; (d) None of these

**363. Contracts which need not be performed are spelt out in**

- (a) Sees. 60-65 of the Contract Act ; (b) Sees. 61-66 of the Contract Act
- (c) Sees. 62-67 of the Contract Act ; (d) Sees. 68-70 of the Contract Act

**364. Reciprocal promises include**

- (a) Mutual and independent promises ; (b) Mutual and dependent promises
- (c) Mutual and concurrent promises ; (d) All of these

**365. A contracts with B to construct a building for a fixed price, B supplying the necessary timber. This reciprocal promise is**

- (a) Mutual and Independent ; (b) Mutual and Dependent ; (c) Mutual and Concurrent
- (d) None of the above

**366. A contract of personal nature can be performed by**

- (a) The promisor. ; (b) The agent ; (c) The legal representative. ; (d) None of the above.

**367. Liability of the joint promisor is**

- (a) Joint ; (b) Several ; (c) Joint and several ; (d) None of the above

**368. Where the order of performance is not fixed the contract will be performed as per**

- (a) The wish of the promisor ; (b) The wish of the promisee (c) The wish of both the parties  
(d) The nature of transactions

**369. If neither the debtor nor the creditor appropriates the payment, the payment will be appropriated:**

- (a) As per the desire of the promisor. ; (b) As per the desire of the promisee. ; (c) In order of time,  
(d) None of the above.

**370. Agreement by way of wager are**

- (a) Valid and enforceable by law ; (b) Void ; (c) Voidable at the option of party ; (d) Illegal

**371. An offer of performance is known as**

- (a) Offer ; (b) Proposal ; (c) Tender ; (d) Acceptance

**372. Which one of the following is correct about the essentials of a valid tender?**

- (a) The tender must be unconditional ; (b) The tender must be made at proper time and place  
(c) The promisee must be given an opportunity to ascertain that the goods are according to the contract ;  
(d) All of the above are correct

**373. A, B and C jointly promise to pay D ₹ 3,000. D may compel**

- (a) A, B and C jointly to pay him ₹ 3,000 ; (b) A to pay him ₹ 3,000 ; (c) A or B or C to pay him ₹ 3,000  
(d) A, B and C jointly and separately to pay ₹ 3,000

**374. A contract stands discharged :**

- (a) By performance of the contract ; (b) By breach of the contract ;  
(c) By agreement and novation ; (d) All of these

**375. Where by the contract, a promisor is to perform his promise without application by the promisee and no time for performance is specified the engagement must be performed within a reasonable time. The question "What is a reasonable time" in each particular case is a :**

- (a) A question of fact ; (b) A question of law ; (c) A question of general custom ; (d) All of these

**376. When time is not the essence of contract:**

- (a) It is expected that the promisor would perform the contract within the time  
(b) It must be performed within a reasonable time  
(c) The promisor would perform the contract within the stipulated time ; (d) None of these

**377. How many contracts are there in a contract of guarantee?**

- (a) Two contracts ; (b) Three contracts ; (c) Four contracts ; (d) None of these

**378. When a contract ceases to bind the parties to it, it is said to be :**

- (a) Discharged ; (b) Performed ; (c) Obligated ; (d) None of these

**379. Each party to a contract is bound to perform his part of the obligation. After the parties have made due performance of the contract comes to an end. In such a case the contract is said to be discharged :**

- (a) By breach of contract ; (b) By impossibility of performance ; (c) By agreement and novation  
(d) By performance of contract

380. A, a singer enters into a contract with B, the manager of a theatre to sing at his theatre two nights in every week during the next two months and B engages to pay her ₹100 for each night's performance. On the sixth night, A willfully absents herself from the theatre.  
(a) B is at liberty to put an end to the contract ; (b) B cannot put an end to the contract  
(c) The contract is left at the liberty of A ; (d) None of these
381. A and B contract to marry each other before the time fixed for the marriage. A goes mad. The contract becomes:  
(a) Void ; (b) Voidable ; (c) Unenforceable ; (d) None of these
382. If a contract is based on personal skill or confidence of parties, the death of a party in such a case:  
(a) Puts an end to the contract ; (b) Does not put an end to the contract  
(c) The representatives of the deceased can be made liable to perform such a contract  
(d) None of these
383. When the performance of a contract becomes impossible, the purpose which the parties had in mind is frustrated. If the purpose becomes impossible because of supervening event, the promisor is excused from the performance of the contract. This is known as :  
(a) The doctrine of frustration ; (b) Initial impossibility ; (c) Subsequent impossibility ;  
(d) None of these
384. If a person accepts a lesser sum of money than what was contracted for in discharge of the whole debt, it is known as :  
(a) Waiver ; (b) Rescission ; (c) Alteration ; (d) Remission
385. Are rights under a contract assignable?  
(a) Yes ; (b) No ; (c) Depends ; (d) Any of the above
386. Are rights under a contract assignable unless the contract is personal in its nature?  
(a) Yes ; (b) No ; (c) Not in normal cases ; (d) Depends
387. Is offer of performance discharge of obligation?  
(a) Yes ; (b) No ; (c) Depends ; (d) Any of the above
388. A modification or revocation of the contract requires a ..... of each contracting party.  
(a) Denial ; (b) Consensus ; (c) Modification ; (d) Revocation
389. Essence of ..... lies not in the dissimilarity of the terms between the two contracts but in the intention of the parties to supersede the old by the new.  
(a) Acceptance ; (b) Offer ; (c) Novation ; (d) Proposal
390. A change of nature of obligation of a contract is known as:  
(a) Novation ; (b) Rescission ; (c) Alteration ; (d) Repudiation
391. In case of conflict of jurisdiction of the courts, the incidence of a contract shall be governed by the law of the place where the :  
(a) Contract is made ; (b) Contract is performed ; (c) Acceptor resides ; (D) Proposer resides
392. If the performance of contract becomes impossible because the subject matter of contract has ceased to exist then :  
(a) Both the parties are liable ; (b) Neither party is liable ; (c) Only offerer is liable  
(d) Only acceptor is liable
393. A, B and C jointly promise to pay ₹ 3,000 to X. In the absence of express agreement to the contrary, X can

**bring an action against:**

- (a) Any two of them only ; (b) All of them together ; (c) Any one of them, at this choice
- (d) Either (b) or (c)

**394. Which of the following is not an exception to the rule that the agreement in restraint of trade is void :**

- (a) A partner can be prevented for carrying on similar business
- (b) An outgoing partner can be restrained on carrying similar business
- (c) On dissolution of firm, partners may agree not to carry on similar business
- (d) The seller of goodwill of business can be prevented for carrying any kind of business at any place

**395. A doctor teaching in a medical college prevented from doing private practice, such a restriction is:**

- (a) Valid ; (b) Partially lawful ; (c) Unlawful ; (d) Partially Unlawful

**396. Agreement in restraint of trade is void. The restraint mentioned here is :**

- (a) Partial ; (b) Total ; (c) (a) & (b) ; (d) None of these

**397. A valid tender or offer of performance must be:**

- (a) made at proper time ; (b) made at proper place ; (c) made to the proper person ;
- (d) all the above

**398. A contracts to sing for B for a consideration of ₹ 5,000 which amount is paid in advance. A becomes unwell and is not able to perform. B suffers a loss of ₹ 10,000. A is liable to pay B**

- (a) ₹ 15,000 ; (b) ₹ 10,000 ; (c) ₹ 5,000 ; (d) Nothing

**399. A contractor had to supply the army charpoy in certain quantities by instalments. He failed to supply the requisite number and even after that breach the instalment of charpoy was received by army authorities. Meanwhile, the work orders were however cancelled. The orders cancelling the work order were**

- (a) Valid ; (b) Void ; (c) Without authority ; (d) Contractor could claim damages

**400. By a contract B agreed to take A's son in adoption and A to give B enjoyment of certain properties. A refused to give his son in adoption, he made the adoption impossible by performing the marriage of the boy.**

- (a) The contract is enforceable since A did not give his son in adoption
- (b) B should be given the property as per the agreement
- (c) As adoption was not complete, the contract is not enforceable
- (d) A's action can be considered legitimate as a parent

**401. A promises to paint a picture for B by a certain day at a certain price. A dies before the promised day. Which one of the following is the correct legal position**

- (a) The agreement becomes unlawful ; (b) The agreement lapses for both the parties
- (c) The agreement becomes voidable at the option of A's legal representative ; (d) None of these

**402. A promises to deliver goods at B's warehouse on the 1st January. On that day, A brings the goods to B's warehouse but after the usual hour for closing it and they are not received. Which one of the following is correct?**

- (a) A has not kept his promise ; (b) A kept his promise as time was not specified
- (c) A performs his duty as the time is not the essence of the contract ; (d) All of these

**403. 'A' promises to paint a picture for 'B' by a certain day at a certain price. 'A' dies before that day. In this situation, the contract**

- (a) Cannot be enforced as it becomes void due to personal incapacity

- (b) Will be performed by the legal representative of 'A', who is bound by law to perform it  
(c) Can be performed by an agent of 'A' ; (d) Can be performed by a third person on behalf 'A'
- 404. X, Y and Z are under a joint promise to pay ₹ 8,000 to W. Z is unable to pay anything and Y is compelled to pay the entire amount. What amount can Y successfully claim from X?**  
(a) Y can claim ₹ 8,000 from X by way of contribution  
(b) Y can claim ₹ 4,000 from X by way of contribution  
(c) Y can claim ₹ 6,000 from X by way of contribution ; (d) Y cannot claim anything from X
- 405. A borrowed ₹ 1,000 from B. A dies before paying back the loan. Can B recover the amount from A's legal representative?**  
(a) No, B cannot recover ; (b) Yes, subject to any estate left by him  
(c) B can recover even if no estate is left ; (d) None of the above
- 406. An anticipatory repudiation has the effect of**  
(a) Automatically putting an end to the contract  
(b) Putting an end to the contract only on acceptance of the repudiation by the other party  
(c) Putting an end to the contract only on failure to perform when performance is due  
(d) Not putting an end to the contract
- 407. The law regarding Novation, i.e., where a new contract is substituted in place of the old one by means of an agreement between the parties to a contract or between them and a third party, is contained in**  
(a) Sec. 62 ; (b) Sec. 52 ; (c) Sec. 64 ; (d) Sec. 65
- 408. In case of contractual obligations where the promisor dies before performance:**  
(a) The legal representatives of the promisor must perform the promise irrespective of the promise  
(b) The legal representatives of the promisor must perform the promise provided it is not one dependent on the personal qualifications of the promisor  
(c) The legal representatives need not perform the promise  
(d) The legal representative is not liable to pay damages for non-performance of the promise
- 409. Ordinary damages will be awarded in cases where**  
(a) The loss naturally flows from the breach of contract  
(b) The loss is remotely connected with the breach of contract  
(c) The loss is unusual and arises out of special circumstances peculiar to the contract  
(d) None of these
- 410. The law relating to damages is spelt out in ----- of the contract Act.**  
(a) Sec. 75 ; (b) Sec. 73 ; (c) Sec. 71 ; (d) Sec. 65
- 411. Where the parties to a contract have agreed that a certain sum of money would be paid in case of breach of contract, the Court will ensure that**  
(a) The exact amount mentioned in the contract is paid to the injured party  
(b) An amount not exceeding the stipulated amount is awarded  
(c) Reasonable compensation not exceeding the amount stipulated is awarded  
(d) A sum exceeding the amount stipulated is awarded
- 412. A, dealing in baby foods, sends samples by train for being exhibited at a Consumer Product's Show which fact was made known to the rail way company. The goods reached the destination after the show was over. A sued the railway company for damages. A will be entitled to**  
(a) Ordinary damages ; (b) No damages ; (c) Exemplary damages ; (d) Special damages
- 413. A stipulation in a contract in the nature of penalty is**  
(a) enforceable only under Indian law ; (b) enforceable only under English law  
(c) enforceable only under English and Indian laws ; (d) none of these
- 414. Stipulations in a contract providing for enhanced rate of interest from date of default of payment of**



**principal or compound interest are considered to be in the nature of**

- (a) Liquidated damages ; (b) Penalty ; (c) Unliquidated damages ; (d) None of these

**415. The word 'impossible' in section 56 connotes**

- (a) Physical impossibility ; (b) Literal impossibility ; (c) Commercial impossibility  
(d) Impracticability of performance

**416. A and B contract to marry each other. Before the time fixed for the marriage A goes mad. The contract is**

- (a) Valid ; (b) Void ; (c) Voidable ; (d) Valid till avoided by B

**417. A agrees to pay ₹5,000 for each article written by B, a famous author and the contract was for writing 10 articles in a year. B wrote 4 articles and A did not want him to write the other 6 articles for which B has prepared notes. In this case :**

- (a) B cannot recover anything ; (b) B can recover ₹50,000  
(c) B should first write 10 articles and then claim damages  
(d) B can claim ₹20,000 for 4 articles published (4 X 5000) and compensation for preparation of notes on the basis of quantum meruit

**418. Unliquidated damages connote**

- (a) Ordinary and special damages ; (b) Exemplary damages ; (c) Nominal damages  
(d) All of these

**419. In the case of wrongful dishonour of a cheque by a banker the damages awarded will be**

- (a) Nominal ; (b) Special ; (c) Exemplary ; (d) Ordinary

**420. If loss or damage arose naturally and directly in the usual course of things from a breach of contract, the aggrieved party would be eligible for**

- (a) Special damages ; (b) Nominal damages ; (c) Ordinary damages ; (d) Exemplary damages

**421. Where there is an infringement of a contractual right, but no actual loss has been suffered, the Court will award**

- (a) Nominal damages ; (b) Special damages ; (c) Exemplary damages ; (d) Ordinary damages

**422. Anticipatory breach of contract takes place when there is**

- (a) Breach of contract when performance is actually due  
(b) Breach of contract in the course of performance of the contract  
(c) Breach of contract prior to the date of performance ; (d) None of the above

**423. In case of remote and indirect loss or damage sustained by reason of breach of contract, the aggrieved party is entitled to**

- (a) Ordinary damages ; (b) Special damages ; (c) No damages ; (d) Exemplary damages

**424. Impossibility of performance occurs due to:**

- (a) Strike ; (b) Lock-out ; (c) Partial failure of object ; (d) Destruction of subject-matter

**425. By pre-contractual impossibility an agreement becomes:**

- (a) Voidable ; (b) Void ; (c) Valid ; (d) Illegal

**426. Object of granting damages is:**

- (a) to penalize the party, ; (b) to monetarily compensate the party,  
(c) to set an example before the society, ; (d) none of the above.

**427. Specific performance is ordered where:**

- (a) the contract is of personal nature, ; (b) monetary compensation is an adequate remedy,  
(c) monetary compensation is not an adequate remedy. ; (d) performance is illegal.

**428. An injunction order is granted by the Court in case:**

- (a) specific performance of the contract is possible  
(b) specific performance of the contract is impossible.  
(c) the Court wants to restrain a party from committing a breach of contract.

(d) the contract is against public interest.

**429. The doctrine of frustration is covered by which section of the Indian Contract Act?**

(a) Section 46 ; (b) Section 48 ; (c) Section 56 ; (d) None of these

**430. In the Indian Contract Act, Novation means**

(a) Substitution of an existing contract with a new one ; (b) No frustration of executed contracts  
(c) Frustration due to change of circumstances  
(d) Impossibility does not mean mere commercial difficulty

**431. When there is breach of contract, special damages are awarded**

(a) Only when there are special circumstances ; (b) Only when there is special loss  
(c) Only when there is a notice of the likely special loss ; (d) In all cases

**432. Hadley v. Baxendale case is a leading case on**

(a) Breach of implied term ; (b) Anticipatory breach ; (c) Law of damages ; (d) None of these

**433. Damages which arise naturally in usual course of things from breach itself are called**

(a) Special damages ; (b) Liquidated damages ; (c) Unliquidated damages  
(d) General damages

**434. In case of breach of contract, the Indian law awards damages**

(a) To make good for the profit which may have been earned but for the breach  
(b) Which arose naturally or which parties knew to be likely when they entered into the contract  
(c) To penalise the defaulter  
(d) To compensate for mental anxiety and physical loss caused by the breach

**435. In case of anticipatory breach, the damages will be assessed**

(a) From the date on which the breach occurred ; (b) From the promised date of performance  
(c) From the date the court instructed ; (d) None of these

**436. If the compensation to be paid on breach of contract is the genuine pre-estimate of the prospective damages, it is known as**

(a) Penalty ; (b) Liquidated damages ; (c) Unliquidated damages ; (d) Special damages

**437. A stipulation for increased interest from the date of default is known as**

(a) Compensation ; (b) Penalty ; (c) Liquidated damages ; (d) Damage

**438. In a contract of debt when a sum is expressed to be payable on a certain date and a further sum is stipulated to be payable in the event of default, then latter sum is by way of**

(a) Liquidated damages ; (b) Penalty ; (c) Special damages ; (d) None of the above

**439. The damages awarded by way of punishment are called**

(a) Special damages ; (b) Ordinary damages ; (c) Exemplary or indicative damages ;  
(d) None of these

**440. The remedies open to a person, suffering from breach of contract are**

(a) Damages ; (b) Injunction ; (c) Quantum Meruit ; (d) All of the above

**441. The provisions regarding the measure of damages for breach of contract are laid down in**

(a) Section 71 of the Contract Act ; (b) Section 72 of the Contract Act  
(c) Sections 73 to 75 of the Contract Act ; (d) Section 78 of the Contract Act

**442. Where the parties to a contract agree to substitute a new contract for it, it is known as**

(a) Injunction ; (b) Novation ; (c) Rescission ; (d) Alteration

**443. The rule of impossibility is contained in**

(a) Section 56 of Indian Contract Act ; (b) Section 59 of Indian Contract Act  
(c) Section 60 of Indian Contract Act ; (d) Section 62 of Indian Contract Act

**444. In the matter of liquidated damages**

- (a) The plaintiff is entitled to recover the agreed amount to compensation for the loss suffered
- (b) The plaintiff is not entitled to recover the agreed amount of compensation for the loss suffered
- (c) The plaintiff is entitled to recover the agreed amount of compensation without having to prove the exact loss suffered
- (d) The plaintiff is entitled to recover the agreed amount of compensation and has to prove the exact loss suffered

**445. A person, who sues for damages, under the law of contract**

- (a) Has a duty to mitigate the loss consequent upon the breach of contract
- (b) Has no duty to mitigate the loss consequent upon the breach of contract
- (c) Can claim damages for the sum inclusive of the amount of loss due to his negligence
- (d) Has entire discretion in the matter

**446. The first case on the 'doctrine of frustration' as decided by the Supreme Court of India is**

- (a) Basanti Bastralaya v. River Steam Navigation Co. Ltd.
- (b) Raja Dhuruv Dev Chand v. Raja Harmohinder Singh
- (c) Sushila Devi v. Hari Singh ; (d) Satyabrata Ghosh v. Mugneeram

**447. A party who suffers loss as a result of breach of contract, can, in the usual course, claim**

- (a) Ordinary damages ; (b) Special damages ; (c) Exemplary damages ; (d) Penal damages

**448. A party to a contract committing breach, is liable to pay compensation in respect of**

- (a) The direct consequences flowing from the breach ; (b) Loss or damage caused indirectly
- (c) Losses caused whether directly or indirectly ; (d) Losses caused remotely

**449. A party who does not suffer any loss in case of breach of contract, is entitled to**

- (a) Statutory damages ; (b) Liquidated damages ; (c) Exemplary damages ; (d) Nominal damages

**450. Which one of the following is relevant in normal circumstances in determining the amount of damages for breach of contract?**

- (a) Normally expected loss ; (b) Difference between market price and contract price
- (c) Sudden closure of production ; (d) Additional expenses for procuring the goods

**451. Which one of the following statements explains correctly the law of frustration?**

- (a) Frustration is the result of appellant's own choice
- (b) The legal effect of frustration depends on the intention of the promisor
- (c) Frustration does not exterminate the contract for all purposes
- (d) Waiver of frustration by one party does not bind the other party (promisor) for the remaining part of the contract

**452. In India, the doctrine of impossibility of performance rendering contracts void is based on**

- (a) The theory of implied term ; (b) The theory of just and reasonable solution
- (b) Supervening impossibility as laid down in I Section 56 of the Indian Contract Act
- (c) Principle of unjust enrichment

**453. If the performance of contract becomes impossible, because of a supervening event, the promisor is excused from the performance. This is known as**

- (a) Doctrine of estoppels ; (b) Doctrine of frustration ; (c) Doctrine of eclipse ;
- (d) Doctrine of Caveat emptor

**454. Damages awarded with a view to punish the party who commits the breach of contract are known as**

- (a) Liquidated damages ; (b) Punitive damages ; (c) Special damages ; (d) General damages

**455. The code governing sale of goods was earlier contained in**

- (a) the Indian Contract Act ; (b) the Transfer of Property Act ; (c) the Hire Purchase Act
- (d) None of the above

**456. The Sale of Goods Act, 1930 governs the transfer of property in**

- (a) movable property ; (b) immovable property ; (c) both movable and immovable property

(d) all type of properties

**457. "Goods" means**

- (a) every kind of movable property other than actionable claims and money
- (b) some kinds of immovable property only
- (c) every kind of movable property including actionable claims and money
- (d) Both 'a' and 'b'

**458. Which one of the following does not connote 'goods' as defined in the Sale of Goods Act.**

- (a) Money ; (b) animals ; (c) debt ; (d) both 'a' and 'c'

**459. Which of the following is/are not included in the meaning of 'goods' as defined in the Sale of Goods Act.**

- (a) stocks and shares ; (b) actionable claims ; (c) legal tender money ; (d) both 'b' and 'c'

**460. A contract of sale of goods is a contract whereby**

- (a) the seller transfers the property in goods to the buyer for a price.
- (b) the seller delivers the goods to the buyer in exchange of certain goods.
- (c) the seller transfers or agrees to transfer the property in goods to the buyer for a price.
- (d) the seller gives possession of goods to the buyer

**461. A valid contract of sale**

- (a) includes 'an agreement to sell' ; (b) does not include 'an agreement to sell'
- (c) includes hire purchase contract ; (d) includes contract a work and labour

**462. An essential element of a contract of sale is**

- (a) transfer of ownership in goods ; (b) delivery of goods ; (c) both 'a' and 'b' ; (d) either 'a' or 'b'

**463. Where under a contract of sale the property in goods is transferred from the seller to the buyer, the contract is called.**

- (a) an agreement to sell ; (b) a sale ; (c) both 'a' and 'b' ; (d) either 'a' or 'b'

**464. Where under a contract of sale the property in goods is to be transferred at a future time, the contract is called.**

- (a) an agreement to sell ; (b) a sale ; (c) neither 'a' nor 'b' ; (D) both 'a' and 'b'

**465. A valid sale must have two parties who**

- (a) must be competent to contract ; (b) may not be competent to contract
- (c) must be Indian citizens ; (d) must be residents of the same state

**466. In a valid sale**

- (a) absolute ownership must be transferred to the buyer.
- (b) absolute ownership with the goods must be transferred to the buyer
- (c) conditional transfer of ownership to the buyer
- (d) contingent transfer of ownership to the buyer

**467. The subject matter of a valid sale are such goods which are**

- (a) transferred by seller to the buyer for a price ; (b) transferred by succession
- (c) transferred by a will ; (d) transferred by a buyer to the seller

**468. An agreement to sell is**

- (a) an executory contract ; (b) an executed contract ; (c) neither 'a' or 'b' ; (d) sometime 'a' or 'b'

**469. An 'agreement to sell' becomes 'sale' when**

- (a) the conditions are satisfied ; (b) the parties agree to change the terms of agreement
- (c) when the court orders ; (d) when the agreement is in writing

**470. 'Goods' as defined in Sale of Goods Act will include**

- (a) rare coins, goodwill and money
- (b) growing crops agreed to be severed before sale, old coins, and copyrights
- (c) goodwill, copyright, patent and foreign currency ; (d) both 'b' and 'c'

**471. Specific goods are such goods which are**

- (a) existing and identified at the time of making the contract
- (b) identified after the making of contract but before the performance of contract
- (c) both 'a' and 'b' ; (d) neither 'a' nor 'b'

**472. 'Future goods'**

- (a) can be the subject matter of sale ; (b) cannot be subject matter of sale
- (c) sometimes may be the subject matter of sale ; (d) depends on circumstances

**473. Where a contract of sale purports to effect a present sale of future goods, the contract operates as**

- (a) a sale ; (b) an agreement to sell ; (c) both 'a' and 'b' ; (d) all the above

**474. Where there is a contract for the sale of specific goods, and the goods perish before the making of contract, without the knowledge of the seller, the contract is**

- (a) voidable at the option of the buyer ; (b) void ; (c) illegal ; (d) unenforceable

**475. When there is a contract for unascertained goods, and goods perish without the fault of the seller or buyer before the risk passes to the buyer, the contract**

- (a) can be avoided ; (b) cannot be avoided ; (c) becomes void ; (d) becomes unenforceable

**476. To constitute a Contract of Sale, the transfer of property in goods**

- (a) must be for monetary consideration ; (b) may be for non-monetary consideration ;
- (c) must be for both monetary and nonmonetary consideration ;
- (b) may be either monetary or non monetary consideration

**477. Price must either be certain or definite or**

- (a) determined by some method or criterion prescribed in the contract ;
- (b) by valuation of a third party ; (c) All the above ; (d) None of the above

**478. If a contract of sale stipulates that price will be fixed by a third party on valuation of the goods, and the third party shows inability to do so, then,**

- (a) the agreement is void ; (b) the buyer shall pay reasonable price
- (c) the buyer shall pay market price ; (d) the agreement is valid

**479. Where there is an agreement to sell goods on the price fixed by a third party on valuation, but the third party refuses to do so, and the buyer appropriates part of the goods delivered to him.**

- (a) the buyer shall pay reasonable price ; (b) the agreement is avoided
- (c) the buyer shall pay market price ; (d) none of the above

**480. The Sale of Goods Act, 1930 extends to the whole of India, except the state of—**

(a) Maharashtra ; (b) Jammu and Kashmir ; (c) Tamilnadu ; (d) Uttar Pradesh

**481. The Sale of Goods Act, 1930 came into force on —**

(a) 1st day of July 1930 ; (b) 1st day of September 1930 ; (c) 1st day of January 1930  
(d) 31st day of December 1930

**482. The Sale of Goods Act, 1930 deals with —**

(a) Cash Sales ; (b) Credit Sales ; (c) Hire Purchase Sales ; (d) Sale of Goods in general

**483. Conditions are stipulations**

(a) essential to the main purpose of the contract  
(b) collateral to the main purpose of the contract ; (c) either 'a' or 'b' ; (d) neither 'a' nor 'b'

**484. A warranty is stipulation**

(a) essential to the main purpose of the contract ;  
(b) collateral to the main purpose of the contract ; (c) very important to the seller ;  
(d) very important to the buyer

**485. Breach of a condition gives rise to**

(a) claim for damages ; (b) a right to treat the contract as repudiated ; (c) both 'a' and 'b'  
(d) either 'a' or 'b'

**486. Breach of a warranty gives rise to**

(a) claim for damages ; (b) a right to treat the contract as repudiated ; (c) both 'a' and 'b'  
(d) either 'a' or 'b'

**487. Whether a stipulation is a condition or a warranty depends on**

(a) the construction of the contract ; (b) the conduct of the parties ; (c) the trade custom  
(d) the local law

**488. If a contract of a sale contains a stipulation which is impossible to fulfill then**

(a) the contract becomes illegal ; (b) the law excuses such a stipulation by reason of impossibility  
(c) either 'a' or 'b' ; (d) both 'a' and 'b'

**489. Where a contract of sale is subject to any condition to be fulfilled by the seller and the seller commits a breach of that condition**

(a) the buyer has to compulsorily treat the breach of condition as breach of warranty only  
(b) the buyer may voluntarily waive the condition ; (c) the buyer may do nothing  
(d) the buyer may contact another seller

**490. What are implied stipulations of a contract?**

(a) agreed by the parties. ; (b) incorporated by law unless specifically agreed otherwise.  
(c) implied by the circumstances ; (d) implied by trade customs

**491. Once the buyer decides to waive the condition**

(a) he can insist on its fulfillment later on ; (b) he cannot insist on its fulfillment thereafter  
(c) he is bound by the waiver ; (d) both 'b' and 'c'

**492. When will breach of condition be treated as breach of warranty only?**

(a) when the contract is severable and buyer accepts the goods in full.  
(b) when the contract is indivisible and the buyer accepts the goods in full or part.  
(c) Either 'a' or 'b' ; (d) Both 'a' and 'b'

**493. What is the implied condition as to the title of goods?**

(a) that seller has the right to sell if it is a case of sale ;  
(b) he will have a right to sell in case of agreement to sell  
(c) that the buyer will have the right to reject the goods ; (d) both 'a' and 'b'

**494. If the condition as to the title of goods is not fulfilled, the buyer**

(a) may reject the goods ; (b) has no alternative but to buy the goods

(c) may reject the goods and claim damages ; (d) all the above

**495. The implied condition as to the description of goods means that**

- (a) the goods shall perfectly correspond to the description
- (b) the goods should be capable of being sold in the market by that description
- (c) both 'a' and 'b' ; (d) neither 'a' nor 'b'

**496. In a sale by sample and description, there is an implied condition**

- (a) that bulk of the goods correspond with the sample
- (b) that bulk of goods must correspond to the description as well as the sample thereof
- (c) the bulk of goods must correspond either to the description or to the sample
- (d) the bulk of goods must correspond to the description only

**497. "If you contract to sell peas, you cannot oblige a party to have beans": this statement applies to**

- (a) a implied condition as to be description of goods
- (b) the implied condition as to fitness of goods for a particular purpose
- (c) implied condition as to sample ; (d) implied condition as to title

**498. Where goods are bought by description from a seller who deals in goods of that description, what is the implied condition?**

- (a) that goods shall be of merchantable quality
- (b) that the buyer shall have reasonable opportunity of comparing the bulk with the sample
- (c) the goods shall be in excellent quality ; (d) the goods shall be free from defects

**499. In a contract of sale, unless otherwise stated, there is an implied warranty.**

- (a) that the buyer can reject the goods if goods do not conform to his purpose
- (b) that the buyer shall have and enjoy quiet possession, and if there is a breach of this warranty, he is entitled to sue the seller for damages
- (c) that the buyer shall have right to terminate the contract in the event of non-compliance with the warranties ; (d) none of the above

**500. Where goods are known to be dangerous to the seller, and he also knows that the buyer is ignorant about it, there is an implied warranty**

- (a) that buyer must be informed about the dangerous nature of goods
- (b) that the buyer must examine the goods before taking delivery
- (c) the seller must warn the buyer ; (d) both 'a' and 'c'

**501. Under section 11 of the Sale of Goods Act, 1930, the time of payment can be of the essence of the contract —**

- (a) by agreement between the parties ; (b) by operation of law ; (c) both (a) and (b) ;
- (d) either (a) or (b)

**502. Whether or not any stipulation other than time of payment is of the essence of the contract depends upon —**

- (a) application of section 11 ; (b) operation of law ; (c) terms of the contract ; (d) all of the above

**503. The doctrine of Caveat emptor is not applicable**

- (a) in case of sale under a patent name ; (b) in case of sale under a trade name
- (c) where the seller is guilty of fraud
- (d) where the buyer relies on the skill and judgment of the seller

**504. A stipulation in a contract of sale which is collateral to the main purpose of contract is called as**

- (a) Guarantee ; (b) warranty ; (c) condition ; (d) term

**505. Merchantable quality of goods means**

- (a) that the goods are commercially saleable
- (b) they are fit for the purpose for which they are generally used
- (c) both 'a' and 'b' ; (d) the quality should be of high standard

**506. Property in the goods 'in the Sale of Goods Act means'**

(a) ownership of goods ; (b) possession of goods ; (c) asset in the goods ; (d) custody of goods

**507. It is necessary to determine the precise moment of time at which the ownership of goods passes from seller to the buyer because**

- (a) risk passes with property ; (b) action can be taken only by the owner
- (b) suit for price by the seller does not lie unless the property has passed to the buyer ;
- (d) all the above

**508. Which of the following is not true**

- (a) risk and ownership cannot be separated ; (b) risk and ownership can be separated
- (c) parties may agree that risk will pass sometimes after the property has passed
- (d) parties may agree that risk will pass sometimes before the property has passed

**509. In case of unascertained goods the property in the goods passes:**

- (a) When the goods are ascertained ; (b) When the goods are appropriated ; (c) Both 'a' and 'b'
- (d) Either 'a' or 'b'

**510. In case of appropriation of goods, which are the essential requirements:**

- (a) The goods should confirm to the description and quality stated in the contract.
- (b) The goods must be in a deliverable state.
- (c) The appropriation must be by the seller with the assent of the buyer. ; (d) All the above

**511. Appropriation of goods means**

- (a) separating the goods sold from other goods
- (b) putting the quantity of goods sold in suitable receptacles
- (c) delivering the goods to the carrier or other bailee for the purpose of transmission to the buyer with reserving the right of disposal ; (d) all the above

**512. In case of contract for the sale of specific or ascertained goods the property in goods passes to the buyer:**

- (a) At such time as the parties to the contract intend it to be transferred
- (b) When the price is paid ; (c) When delivery is given ; (d) When the contract is made

**513. For the purpose of ascertaining the intention of the parties for the purpose of transfer of property in goods from the seller to the buyer regard shall be had to:**

- (a) The terms of the contract ; (b) The conduct of the parties ; (c) The circumstances of the case
- (d) All the above

**514. In case of an unconditional contract for the sale of specific goods in a deliverable state, the property in the goods passes:**

- (a) At such time as the parties to the contract intend it to be transferred ;
- (b) When the price is paid ; (c) When delivery is given ; (d) When the contract is made

**515. The ownership in specific goods to be put in deliverable state passes-**

- (a) When the seller has brought the goods into a deliverable state and the buyer has notice thereof ; (b) When the goods are brought in deliverable state by the seller
- (c) The contract is made ; (d) When the intention is clear

**516. The general rule of Sale of Goods Act is, risk prima facie passes with**

- (a) Ownership ; (b) Possession ; (c) Delivery ; (d) Custody

**517. For passing of property in goods, the goods must be in**

- (a) deliverable state ; (b) manufacturing stage ; (c) consumable state ; (d) marketing state

**518. The purpose of weighing, measuring or testing of goods in a contract of sale of specific goods in deliverable state is:**

- (a) To ascertain the price ; (b) To ascertain the time of delivery
- (c) To ascertain the mode of delivery ; (d) To dispatch the goods

**519. When the goods are sent on sale or return basis, the property in the goods passes to the buyer:**



- (a) When the buyer signifies his approval or acceptance to the seller ;
- (b) When the buyer pledges the goods ; (c) When the buyer resells the goods ; (d) All the above

**520. Reserving the right of disposal of goods means**

- (a) The property passes over to the buyer only when the buyer pays the price
- (b) The property passes to the buyer when the buyer promises to pay the price
- (c) The property passes to the buyer irrespective of payment of price
- (d) The property passes to the buyer, when the seller dies

**521. A seller sends the goods and takes the railway receipt in his own name at the buyer's place the seller has-**

- (a) Reserved the right of disposal of goods ; (b) Not reserved the right of disposal of goods
- (c) May reserve the right of disposal of goods ;
- (b) The question of reserving the right of disposal does not arise

**522. "Nemo dat quad non habet", means:**

- (a) no one is greater than god ; (b) none can give who does not himself possess
- (c) every one can give everything he has ; (d) everyone is bound by is habit

**523. Sale of goods by a mercantile agent gives a good title to the purchaser even in cases where the agent acts beyond his authority, provided the following conditions are satisfied-**

- (a) The agent is in possession of the goods or of a document of title to the goods.
- (b) The agent sells the goods in the ordinary course business.
- (c) The purchaser acts in good faith and has no notice that the agent had no authority to sell.
- (d) All the above

**524. In respect of.....Goods, the property in the goods is transferred to the Buyer at such time as the parties intend it to be transferred.**

- (a) Future ; (b) Unascertained ; (c) Contingent ; (d) Specific or Ascertained

**525. Which of the following is relevant for determining the passing of property in ascertained goods?**

- (a) Intention of Parties ; (b) Delivery of Goods ; (c) Payment of Price ; (d) All of the above

**526. For passing of property in respect of specific or ascertained goods, the intention of the parties can be ascertained from —**

- (a) Terms of the contract ; (b) Conduct of the parties ; (c) Circumstances of the case ;
- (d) All of the above

**527. The rule as to passing of property as laid down in section 20 of the Sale of Goods Act, shall apply when—**

- (a) the time of payment of price is postponed ; (b) the time of delivery of the goods is postponed
- (c) even the time of payment of price and the time of delivery of the goods are both postponed
- (d) neither the time of payment of price nor the time of delivery of the goods is postponed

**528. Under the Sale of Goods Act, 1930, the term "Mercantile Agent" means a mercantile agent, having as such agent, authority to —**

- (a) sell goods or consign goods for the purposes of sale ; (b) buy goods
- (c) raise money on the security of goods ; (d) do all of the above

**529. Under the Sale of Goods Act, 1930, "Mercantile Agent" should have authority —**

- (a) in the customary course of business as such agent ; (b) as specified in the contract of agency
- (c) as specified by the Buyer ; (d) as specified by the Seller

**530. The definition of "Documents of title to goods" given in the Sale of Goods Act, is —**

- (a) Exhaustive ; (b) inclusive ; (c) exclusive ; (d) not clear

**531. Transfer of documents of title to the goods sold to the buyer, amounts to**

- (a) actual delivery ; (b) symbolic delivery ; (c) constructive delivery ; (d) none of these

**532. Under Sec.2(4) of the Sale of Goods Act, a delivery order enabling a person to obtain delivery on payment of price is**

- (a) Deemed as a Document of Title ; (b) Not a Document of Title ;
- (c) Document enabling title to Goods ; (d) Not a valid document at all

**533. A Document of Title to Goods enables the per son named therein to transfer the property therein**  
(a) by mere endorsement ; (b) by mere delivery ; (c) both (a) and (b) ; (d) either (a) or (b)

**534. A Share Certificate is a —**

- (a) Document of Title to Goods ; (b) Bill of Exchange ; (c) Document Showing Title to Goods
- (d) Instrument of Transfer

**535. A Bill of Lading is a —**

- (a) Bill of Exchange ; (b) Promissory Note ; (c) Cheque ; (d) Document of Title to Goods

**536. When a bill of exchange in sent together with documents of title, the property in goods passes when the buyer.**

- (a) Receives the Bill of Exchange ; (b) Returns the Bill of Exchange ;
- (c) Accepts the Bill of Exchange ; (d) None of these

**537. A Promissory Note is NOT a Document of Title to Goods.**

- (a) True ; (b) False ; (c) Partly True ; (d) Conditionally True

**538. A Mate's Receipt (given By the Servant/Mate of the Captain of a Ship) is a —**

- (a) Document of Title to Goods ; (b) Document showing Title to Goods
- (c) Acknowledgement for receipt of Goods ; (d) instrument of Transfer

**539. "Warehouse - Keeper's Certificate" is a document of title to 'goods' within the meaning of section 2(4) of the Sale of Goods Act.**

- (a) True ; (b) False ; (c) Partly True ; (d) Conditionally True

**540. Which of these is a Document of Title to Goods?**

- (a) Usance Promissory Note ; (b) International Bill of Exchange ; (c) Bill of Lading
- (d) Account Payee Crossed Cheque

**541. Which of these is NOT a Document of Title to Goods?**

- (a) Bill of Lading ; (b) Railway Receipt ; (c) Dock Warrant ; (d) Bearer Cheque

**542. Dock Warrant is a**

- (a) Document showing title to Goods. ; (b) Document of Title to Goods ; (c) Bill of Exchange
- (d) Warrant for Arrest of a Person

**543. The term "Quality of Goods" in section 2(12) of the Sale of Goods Act, has a reference to —**

- (a) Description ; (b) Fitness for a particular purpose ; (c) State or condition ; (d) None of the above

**544. In case of.....goods, property passes to the Buyer, only when the goods are ascertained.**

- (a) Future ; (b) Specific ; (c) Contingent ; (d) Unascertained

**545. Where there is a contract for the sale of.....goods, no property in the goods is transferred to the Buyer, unless and until the goods are ascertained.**

- (a) Future ; (b) Unascertained ; (c) Contingent ; (d) Specific

**546. For transfer of property in unascertained goods, the basic condition is that —**

- (a) Goods must be ascertained and appropriated. ; (b) Goods must be defined by description.
- (c) Buyer must receive a sample of the goods ; (d) Seller must have produced/purchased the goods

**547. The property, in case of sale of unascertained goods, passes when—**

- (a) Delivery Order is entered ; (b) Goods are identified and appropriated to the contract
- (c) Goods are so far ascertained that the parties have agreed that they shall be taken from some specific larger stock. ; (d) Transfer is made in the books of the warehouse man

**548. In case of sale of unascertained goods, the property in goods passes —**

- (a) when the contract provides that the property in goods shall pass ;
- (b) when the goods are ascertained ; (b) when the contract is made ; (d) all of the above

**549. There was a contract to supply "waste coal and ash for the next six months, as and when the waste is generated by the Seller's Factory". The Buyer paid the lumpsum price for the next six months in advance. When does the property in the goods pass to the Buyer?**

- (a) After the lapse of six months period ; (b) At the time of entering into the contract
- (c) At the time of paying advance money ; (d) As and when the Factory discharges the waste

**550. The process of identifying the goods and setting apart as per the intended quality or description is called —**

- (a) Identification ; (b) Procurement ; (c) Ascertainment ; (d) Allocation

**551. Section 19 of the Sale of Goods Act, deals with passing of property of.....goods.**

- (a) Unascertained Goods ; (b) Future Goods ; (c) Specific or Ascertained Goods ;
- (d) Contingent Goods

**552. In a sale of specific or ascertained goods, the property therein is transferred to the buyer —**

- (a) upon delivery of goods ; (b) upon payment of price
- (c) at such time as the parties intend it to be transferred ; (d) at such time as decided by the Court

**553. The property in goods in a contract for sale of specific or ascertained goods, passes to the buyer —**

- (a) when the price is paid ; (b) when the contract is made
- (c) when the parties intend the property in goods to pass ; (d) all of the above

**554. Pledging of goods obtained on sale or return basis will:**

- (a) complete the sale ; (b) not complete the sale ; (c) complete agreement to sell ;
- (d) none of the above

**555. Which one of the following is not true?**

- (a) Warehouse keeper's certificate is a document of title to goods
- (b) Document showing title is different from document of title
- (c) Specific goods are identified after the contract of sale
- (d) Barter and sale are different from each other

**556. Voluntary transfer of possession from one person to another is called as**

- (a) Ownership ; (b) Delivery ; (c) Gift ; (d) License

**557. Which of the statement is incorrect in connection with duties of seller and buyer:**

- (a) It is the duty of the seller to deliver the goods
- (b) It is the duty of the buyer to accept and pay for them
- (c) It is not the duty of the seller to deliver the goods
- (d) It is the duty of the buyer to take delivery of goods

**558. Delivery of goods means-**

- (a) Voluntary transfer of possession ; (b) Compulsory transfer of possession
- (c) Exchange of goods ; (d) Voluntary transfer of ownership

**559. For a valid contract of sale, delivery may be:**

- (a) Actual delivery ; (b) Symbolic delivery ; (c) Constructive delivery ; (d) All of these

**560. Delivery of the keys of a godown where goods are kept amounts to:**

- (a) Actual delivery ; (b) Symbolic delivery ; (c) Constructive delivery ; (d) All of these

**561. Which of the following is a constructive delivery?**

- (a) When the seller hands over the goods physically
- (b) When the means of obtaining possession is handed over to the buyer
- (c) When there is delivery by attornment ; (d) All the above

**562. There are.....modes of delivery**

(a) Three ; (b) Two ; (c) Four ; (d) Five

**563. Unless otherwise agreed:**

- (a) Delivery of the goods and payment of the price are concurrent conditions
- (b) First delivery of goods and then payment of price
- (c) First payment of price and then delivery of goods ; (d) No payment no delivery

**564. Unless otherwise agreed, the buyer-**

- (a) must apply for delivery ; (b) has no duty to ask for delivery
- (c) must be ready to accept delivery ; (d) must tell the carrier to visit the seller for delivery

**565. The place of delivery can be-**

- (a) The place where the goods are lying at the time of sale ;
- (b) The place where the parties have agreed ; (c) The place where the goods are manufactured
- (d) All the above

**566. If no time is fixed, the seller must sent them within-**

- (a) Six months ; (b) Two months ; (c) Reasonable time ; (d) One month

**567. When goods are in possession of third person, delivery is complete:**

- (a) When such third party acknowledges to the buyer that he holds the goods on his behalf
- (b) Even though such third party does not acknowledge
- (c) When the physical possession of the goods is given ; (d) None of the above

**568. Where the part delivery is made in progress of the whole delivery, then:**

- (a) It is treated as delivery of the whole ; (b) It is treated as delivery of the part
- (c) It is not treated as delivery at all ; (d) None of these

**569. Unless otherwise agreed, the expenses of making delivery are borne by:**

- (a) The carrier ; (b) The buyer ; (c) The seller ; (d) The agent

**570. If the seller delivers to the buyer goods ordered mixed with goods of a different description, the buyer may -**

- (a) reject the whole ; (b) accept the agreed goods and reject the remaining goods
- (c) either 'a' or 'b' ; (d) neither 'a' nor 'b'

**571. Which of the following statements is incorrect?**

- (a) Unless otherwise agreed, the goods are not to be delivered by instalments.
- (b) The delivery of goods to a carrier or a wharfinger in pursuance of a contract of sale, is prima facie deemed to be delivery of goods to buyer.
- (c) Force majeure clause gives an excuse to the parties in case of non-performance of contract.
- (d) Any risk of deterioration in the goods necessarily incident to the course of transit shall be borne by the seller

**572. Where goods are delivered to the buyer and he refuses to accept them, having the right so to do:**

- (a) The buyer is not bound to return them to the seller
- (b) It is sufficient if the buyer intimates to the seller that he refuses to accept them
- (c) It is duty of a seller to take back the goods ; (d) All are correct statements

**573. In case of carriage of goods by sea, where the seller has to put the goods on board a ship at his own expenses, the contract is known as**

- (a) F.O.B. Contract ; (b) CLE Contract ; (c) Ex-ship Contract ; (d) FAS Contract

**574. The events of force majeure render the contract of 'Sale of Goods'**

- (a) Voidable ; (b) void ; (c) enforceable ; (d) unenforceable

**575. In case of carriage of goods by sea, where the seller has to deliver the goods to the buyer at the port of destination, the contract is known as**

- (a) F.O.B. Contract ; (b) CLE Contract ; (c) Ex-ship Contract ; (d) FAS Contract

576. Under a.....contract the seller is required to insure the goods, deliver them to the shipping company, and arrange for their affreightment.  
(a) F.O.B. Contract ; (b) CLE Contract ; (c) Ex-ship Contract ; (d) FAS Contract
577. The general principle regarding transfer of title in case of sale of goods is that—  
(a) The seller cannot transfer to the buyer a better title than he himself has  
(b) The seller can transfer to the buyer a better title than he himself has  
(c) The buyer can transfer to the seller a better title than he himself has  
(d) The seller's representative can transfer to the buyer no title
578. The Seller of Goods is deemed to be an Unpaid Seller when the.....of the price has not been paid or tendered.  
(a) Whole ; (b) part ; (c) substantial portion ; (d) minimal portion
579. The Seller of Goods is deemed to be an Unpaid Seller when a bill of exchange or other negotiable instrument has been received as conditional payment and the condition —  
(a) has been fulfilled ; (b) has not been fulfilled ; (c) has been waived ; (d) has not be waived
580. The Seller of Goods is deemed to be an Unpaid Seller when.....has been received as conditional payment and the condition has not been fulfilled, by way of dishonour or otherwise.  
(a) Cheque ; (b) Promissory Note ; (c) Bill of Exchange ; (d) Any of the above
581. The term "Unpaid Seller" includes —  
(a) Agent of the Buyer ; (b) Agent of the Seller ; (c) Agent of the Carrier/Transporter ;  
(d) All of the above
582. The term "Unpaid Seller" includes —  
(a) Buyer's agent to whom the Bill of Lading is endorsed  
(b) Buyer's agent to whom the goods have been delivered  
(c) Seller's agent to whom the Bill of Lading is endorsed  
(d) Seller's agent to whom the goods have been delivered
583. Which of the following is not included in the term Unpaid Seller?  
(a) any person who is in the position of a Seller  
(b) a consignor or an agent who has himself paid, or is directly responsible for the price.  
(c) Buyer's agent to whom the Bill of Lading is endorsed  
(d) Seller's agent to whom the goods have been delivered
584. Even if a substantial portion of the price is paid and only a small balance is pending, the Seller is still regarded as an Unpaid Seller.  
(a) True ; (b) Partly True ; (c) False ; (d) None of the above
585. Unpaid Seller can exercise his right of lien —  
(a) even when property in goods has passed to the Buyer  
(b) only when property in goods has not passed to the Buyer  
(c) either (a) or (b) ; (d) neither (a) nor (b)
586. Unpaid Seller can exercise his right of stopping the goods in transit —  
(a) even when property in goods has passed to the Buyer  
(b) only when property in goods has not passed to the Buyer  
(c) either (a) or (b) ; (d) neither (a) nor (b)
587. Unpaid Seller can exercise his right of re-sale of goods—  
(a) even when property in goods has passed to the Buyer  
(b) only when property in goods has not passed to the Buyer  
(c) either (a) or (b) ; (d) neither (a) nor (b)
588. Unpaid Seller can exercise his right of withholding delivery of goods —  
(a) even when property in goods has passed to the Buyer  
(b) only when property in goods has not passed to the Buyer  
(c) either (a) or (b) ; (d) neither (a) nor (b)

**589. The right of lien is available to the Unpaid Seller, only when —**

- (a) he is not in possession of the goods ; (b) he is in possession of the goods ;
- (c) he has delivered the goods to the Carrier/ Transporter ;
- (d) he has delivered the goods to the Buyer

**590. The right of lien is available to the Unpaid Seller, u/s 47 of the Sale of Goods Act, when he is in possession of goods —**

- (a) as an agent of the Buyer ; (b) as a Bailee for the buyer ; (c) in his own right ;
- (d) all of the above

**591. In which of the following situations, the right of lien available to the Unpaid Seller is lost?**

- (a) Where the Goods have been sold without any stipulation as to credit;
- (b) Where the Goods have been sold on credit, but the credit period has expired;
- (c) Where the Buyer becomes insolvent;
- (d) Where the Unpaid Seller has parted with the possession of the goods.

**592. Once possession is lost, right of lien of the Unpaid Seller is also lost. This statement is**

- (a) True ; (b) Partly True ; (c) False ; (d) None of the above

**593. Where the goods have been delivered to Rail ways for carriage and the R/R is taken in the name of the seller or his agent:**

- (a) the seller is prima facie deemed to reserve the right of disposal
- (b) the seller did not retain the right of disposal ; (c) the seller cannot retain right of disposal
- (d) none of the above

**594. When the goods have been sold on credit and the credit period ..... lien can he exercised**

- (a) has not expired ; (b) has expired ; (c) has not been extended ; (d) has been extended

**595. The right of lien can be exercised by the Unpaid Seller in respect of—**

- (a) Price ; (b) Any other expenses, eg. Godown Charges, Interest, etc. ; (c) Both (a) and (b)
- (d) Either (a) or (b)

**596. The Unpaid Seller.....to deliver a part of the Goods on payment of a proportionate part of the price by the Buyer.**

- (a) shall be bound ; (b) may refuse ; (c) must honour his commitment ; (d) shall request the carrier

**597. Generally, where an Unpaid Seller has made part delivery of the Goods, he —**

- (a) may exercise his right of lien on the remainder ; (b) has to honour the entire contract
- (c) loses his lien on the remainder of the goods ; (d) can supply defective goods in respect of the remainder

**598. In which of the following cases, the Unpaid Seller does not lose his right of lien —**

- (a) When he delivers the goods to a carrier or other bailee for the purpose of transmission to the Buyer without reserving the right of disposal
- (b) When the Buyer or his agent lawfully obtains possession of the goods;
- (c) When Seller himself waives the right of lien ;
- (d) When Seller obtains a decree for the price of the goods

**599. Where the Unpaid Seller has obtained a decree for the price of the goods, the right of lien —**

- (a) can be exercised ; (b) is lost ; (c) is at the option of the Court ; (d) is at the option of the Seller

**600. Where the Unpaid Seller has parted with the goods by handing it over to a carrier for transmission, and the goods are in transit, he can reclaim possession thereof. This right is called —**

- (a) Right of Lien ; (b) Right of Stoppage of goods in transit
- (c) Right of withholding delivery of goods ; (d) Right of Re-sale

**601. Right of Stoppage in transit can be exercised by the Unpaid Seller, where he —**

- (a) has lost his right of lien ; (b) still enjoys his right of lien ; (c) either (a) or (b) ;
- (d) neither (a) nor (b)

**602. Right of Stoppage in transit can be exercised by the Unpaid Seller, where the Buyer—**

- (a) is solvent ; (b) becomes insolvent ; (c) acts fraudulently ; (d) acts smartly
603. **If, after the arrival of goods at their destination, Carrier or other Bailee acknowledges to Buyer or his agent that he holds goods on his behalf, and continues possession of the goods, the transit—**  
(a) is at an end ; (b) is deemed to continue ; (c) is not at an end ; (d) is not affected at all
604. **If goods are rejected by the buyer and the Carrier or other Bailee continues in possession of them, and the seller has refused to receive them back, then transit —**  
(a) is at an end ; (b) is deemed to be at an end ; (c) is not deemed to be at an end  
(d) is dependent on the Court's decision
605. **If, after the arrival of Goods at their destination, Carrier or other Bailee acknowledges to Buyer or his agent that he holds goods on his behalf, and continues possession of the goods, the transit is at an end —**  
(a) even if the buyer indicates further destination for the goods to the Carrier.  
(b) only when the buyer takes delivery of the goods ; (c) only when the buyer is solvent  
(d) only when the seller's agent takes delivery of the goods
606. **If the Carrier/Bailee wrongfully refuses to deliver the goods to the buyer or his agent, the transit —**  
(a) is at an end ; (b) is deemed to be at an end ; (c) is not deemed to be at an end  
(d) is dependent on the Court's decision
607. **Sub-sale by the buyer with Seller's consent leads to loss of right of stoppage in transit.**  
(a) True ; (b) Right not affected ; (c) False ; (d) None of the above
608. **S sells certain goods to B of Bombay. The goods are handed over to the railways for transmission to B. In the mean time B sells the goods to a third party T for consideration without the consent of S. B. becomes insolvent. In this case —**  
(a) S has the right of stoppage in transit ; (b) S has lost his right of stoppage in transit  
(c) Station Master has the right of stoppage in transit ; (d) None of the above
609. **Right of Stoppage in Transit may be exercised by the Unpaid Seller, by —**  
(a) taking actual possession of Goods ; (b) giving notice of his claim to the Carrier/ Bailee who holds the Goods. ; (c) either (a) or (b) ; (d) Both (a) and (b)
610. **The Unpaid Seller's right of lien or right of stoppage in transit is NOT AFFECTED by any sale or other disposition of the Goods made by Buyer, unless —**  
(a) Buyer becomes solvent ; (b) Buyer obtains delivery of goods before destination  
(c) Seller has assented to such sale ; (d) Seller obtains delivery of goods before destination
611. **Unpaid Seller's right of stoppage in transit can be exercised only when the Buyer is insolvent.**  
(a) True ; (b) Partly True ; (c) False ; (d) None of the above
612. **An Unpaid Seller can re-sell only -when he is in possession of the Goods either by**  
(a) exercise of his lien on the Goods ; (b) regaining possession from Carrier by issuing a notice of stoppage in transit upon Buyer's insolvency ; (c) both (a) and (b) ; (d) either (a) or (b)
613. **The word "perishable" in respect of goods, u/ s 54 of the Sale of Goods Act, means**  
(a) physically perishable;(b) commercially perishable;(c) both (a) and (b) ; (d) either (a) or (b)
614. **Where under a contract of sale the property in goods has passed to Buyer and Buyer wrong fully neglects or refuses to pay the price, the Seller can sue the Buyer for —**  
(a) payment of price of goods ; (b) damages for non-acceptance of goods  
(c) payment of other charges like insurance, forwarding etc. ; (d) all of the above
615. **Where under a contract of sale, the Buyer wrong fully neglects or refuses to pay the price, the Seller can sue the Buyer for the price of goods, if the property in goods -**  
(a) has not passed to buyer ; (b) has passed to buyer ; (c) either (a) or (b)  
(d) remains with the seller
616. **Where under a contract of sale, the price is payable on a certain day irrespective of delivery and Buyer**

wrongfully neglects or refuses to pay the price, the Seller can sue the Buyer for the price of goods. For this purpose, goods —

- (a) should be appropriated to the contract ; (b) need not be appropriated to the contract
- (c) should be delivered to the buyer ; (d) need not be delivered to the buyer

**617. Generally, where the Buyer has paid the price and Seller refuses to deliver the goods, buyer can sue the seller for —**

- (a) specific performance of the contract ; (b) delayed delivery of goods
- (c) refund of price already paid ; (d) non-acceptance of goods

**618. Where there is a breach of warranty -by seller; or where the Buyer elects or is compelled to treat any breach of condition by the seller as breach of warranty, the buyer is entitled to —**

- (a) reject the goods
- (b) set up against the Seller the breach of warranty in diminution or extinction of the price
- (c) sue the Seller for damages for breach of warranty ; (d) either 'b' or 'c'

**619. In case of interest by way of damages and special damages in a suit by the seller u/s 61, the interest may be calculated from —**

- (a) date of tender of goods ; (b) date on which the price was payable ; (c) either (a) or (b)
- (d) both (a) and (b)

**620. When under a contract of sale, buyer has paid the price, but seller neglects to deliver goods, buyer has a right to claim interest on the amount of price. The buyer can claim interest —**

- (a) only when he can recover the price ; (b) only when he is entitled to claim damages
- (c) either (a) or (b) ; (d) both (a) and (b)

**621. If the goods are rejected by the buyer and the carrier or other bailee continues in possession of them, the transit.....even if the seller has refused to receive them back.**

- (a) is deemed to be at an end ; (b) is not deemed to be at an end ; (c) continues ;
- (d) both 'b' and 'c'

**622. In an auction sale of goods, the seller makes use of pretended bidding to raise the price, the sale is —**

- (a) Valid ; (b) void ; (c) voidable at the instance of the buyer ; (d) unenforceable

**623. An auction sale is complete on the -**

- (a) delivery of goods ; (b) payment of price ; (c) fall of hammer ; (d) None of the above

**624. In the case of sale by auction, where goods are put for sale in lots, each lot is prima facie the subject of—**

- (a) a single contract of sale ; (b) a separate contract of sale ; (c) either (a) or (b)
- (d) both (a) and (b)

**625. In the case of sale by auction, the seller of goods has a right to bid at the auction**

- (a) with the permission of the auctioneer
- (b) only when the right to bid has been expressly reserved
- (c) even when the right to bid has been impliedly reserved
- (d) with the permission of the bidder

**626. Where a right to bid at the auction has been expressly reserved by the seller, the seller can depute —**

- (a) not more than one agent to bid on his behalf
- (b) not more than two agents to bid on his behalf
- (c) not more than three agents to bid on his behalf
- (d) any number of agents to bid on his behalf

**627. In case of sale by auction, a bid can be recalled at any time before the fall of hammer.**

- (a) True ; (b) Depends on the auctioneer ; (c) False ; (d) None of the above

**628. In the case of sale by auction, as soon as the hammer falls, goods become the property of the buyer —**

- (a) even if there is a condition that the goods shall be removed before payment
- (b) only on payment
- (c) only if there is a condition that the goods shall not be removed before payment



- (d) only on delivery
- 629. Where the sale is not notified to be subject to a right to bid on behalf of seller, it shall not be lawful for the seller—**  
(a) to bid for himself ; (b) to employ any person to bid at such sale ; (c) either (a) or (b)  
(d) neither (a) nor (b)
- 630. Where the sale is not notified to be subject to a right to bid on behalf of seller, and the Auctioneer knowingly takes any bid from the Seller or any such person, the sale shall be treated as.....by the buyer.**  
(a) Unlawful ; (b) illegal ; (c) immoral ; (d) fraudulent
- 631. An act by which an intending bidder is discouraged or dissuaded from bidding in the auction sale is called**  
(a) Puffer ; (b) Damping ; (c) Dumping ; (d) Knockout
- 632. ....is a form of combination of buyers to prevent competition among themselves at an auction sale.**  
(a) Knock-out agreement ; (b) monopoly agreement ; (c) oligopoly agreement ;  
(d) puffing agreement
- 633. In pretended bidding, sale is**  
(a) voidable at the option of the seller ; (b) valid ; (c) voidable at the option of the buyer ;  
(d) illegal
- 634. In an auction sale, the property shall be sold to be**  
(a) Lowest bidder ; (b) Highest bidder ; (c) Any bidder ; (d) All bidders
- 635. On auctioneer will be liable for damages:**  
(a) If the auctioneer had no authority to sell the goods.  
(b) If there is a defect in principal's title.  
(c) If the buyer's possession is disturbed by auctioneer principal or auctioneer himself.  
(d) All the above
- 636. Unless excluded by an agreement to the contrary, where after a contract has been made but before it has been performed, excise duty is increased**  
(a) The buyer would have to pay increased price ;  
(b) The seller cannot charge increased price ; (c) The seller can charge increased price  
(d) Both 'a' and 'c'
- 637. The Indian Partnership Act came into force on:**  
(a) 1st April 1932 ; (b) 1st June 1932 ; (c) 1st July 1932 ; (d) 1st October 1932, except section 69
- 638. Prior to the enactment of Indian Partnership Act, 1932 the law on this subject was contained in:**  
(a) Code of Civil Procedure, 1908 ; (b) Indian Contract Act, 1872 ; (c) Companies Act, 1913  
(d) Negotiable Instruments Act, 1881
- 639. The term 'partnership' has been defined under.....of the Partnership Act, 1932:**  
(a) Section 3 ; (b) Section 4 ; (c) Section 5 ; (d) Section 6
- 640. The Indian Partnership Act, 1932 extends to the whole of India except:**  
(a) The State of Jammu & Kashmir  
(b) The State of Jammu & Kashmir and the State of Sikkim  
(c) The State of Jammu & Kashmir and the North-eastern States of India  
(d) The North-Eastern States of India
- 641. What among the following is not an essential element of partnership:**  
(a) There must be an agreement entered into by all the persons concerned  
(b) The agreement must be to share the profits of a business  
(c) The business must start within six months from the date of agreement  
(d) The business must be carried on by all or any one of them acting for all

**642. A Joint Hindu Family is created:**

- (a) By a contract ; (b) By operation of law or status ; (c) By registration ;
- (d) By all the above mode

**643. A club is the form of:**

- (a) Association not for profit ; (b) Partnership ; (c) Sole proprietorship ; (d) Public company

**644. The Partnership Act, 1932**

- (a) Specifies the minimum number of partners in a firm
- (b) Specifies the maximum number of partners in a firm ;
- (c) Both (a) and (b) ; (d) None of the above

**645. The ceiling on maximum number of partners in a firm is laid down in:**

- (a) The Partnership Act, 1932 ; (b) The Indian Contract Act, 1872
- (c) The Companies Act, 1956 ; (d) Central Government notification

**646. The test of partnership is laid down in the following case:**

- (a) Cox v. Hickman ; (b) Garner v. Murray ; (c) Mohiribibi v. Dharmodas Ghosh
- (d) None of the above

**647. A partnership firm**

- (a) Is a legal person ; (b) Is not a legal person ; (c) Has a distinct legal personality
- (d) None of the above

**648. A partnership formed for the purpose of carrying on particular venture or undertaking is known as:**

- (a) Limited partnership ; (b) Special partnership ; (c) Joint Venture ; (d) Particular partnership

**649. From among the following who cannot become a partner of the firm?**

- (a) A Hindu joint family ; (b) Minor ; (c) Director of a Company ; (d) A limited Company

**650. Under section 4 of the Indian Partnership Act, 1932, partnership is a:**

- (a) Compulsory legal relationship ; (b) Voluntarily legal relationship ;
- (c) A relation arising from status ; (d) A relation for a charitable purpose

**651. A partnership in a banking business can have:**

- (a) Not more than 2 partners ; (b) Not more than 10 partners ; (c) Not more than 20 partners
- (d) Unlimited partners

**652. A partnership in a non-banking business can have:**

- (a) Not more than 2 partners ; (b) Not more than 10 partners ; (c) Not more than 20 partners
- (d) Unlimited partners

**653. A firm in steel business has 15 partners. It wants to include 15 more persons:**

- (a) It can admit 15 more partners.
- (b) It can enter into partnership with a firm consisting of 15 partners in order to enjoy the same effect. ; (c) Both of above ; (d) None of above

**654. The principle of.....is applicable to partners in a partnership:**

- (a) Uberimae fidei/Utmost Good Faith ; (b) Ultimate Trust ; (c) Insurable Interest ; (d) Blind Faith

**655. Limited Liability partnership is a form of partnership that:**

- (a) Is not possible ;
- (b) Is allowed in certain circumstances in the Partnership Act, 1932 ;
- (c) Is now abolished ; (d) Can be set up by LLP Act, 2008

**656. Which of the following statements is true in respect of an HUF :**

- (a) A member of HUF can ask for an account of past profits
- (b) On the death of a co-parcener the family business is dissolved
- (c) A coparcener is liable to extent of his share in the family state

(d) A coparcener is an agent of another coparcener

**657. Two Hindu Joint Families:**

- (a) Cannot unite to constitute a partnership
- (b) Cannot unite to constitute a partnership, but their managing members may become partners. ; (c) Can constitute partnership ; (d) Both (a) and (b)

**658. A partnership firm is:**

- (a) A legal person ; (b) Not a distinct legal entity from its partners
- (c) A distinct legal entity from its partners ; (d) None of the above

**659. A partnership cannot be constituted by:**

- (a) Two individuals ; (b) Two Hindu Joint families ; (c) Two partnership firms ; (d) Both (b) and (c)

**660. A firm:**

- (a) Cannot become a partner ; (b) Can become a partner ; (c) Can become a partner with the permission of the court ; (d) Can become a partner with unanimous consent of all the partners

**661. Select the odd one :**

- (a) Hindu Unlimited Family ; (b) Partnership ; (c) Company ; (d) Body Corporate

**662. Partnership is a relationship, which arises from:**

- (a) Operation of law ; (b) An agreement ; (c) Status ; (d) Almighty

**663. Which of the following is a valid partnership**

- (a) Partnership between kartas of two Hindu Joint Families
- (b) Partnership between two Hindu Joint Family.
- (c) Partnership between a Hindu Joint Family and firm ; (d) Both (b) and (c)

**664. The relation of partnership arises from contract and not from status and in particular the Indian Partnership Act does not apply to the family business carried on by:**

- (a) Cutchi-Memons ; (b) Christians ; (c) Burmese Buddhist husband and wife ;
- (d) Mohammedans

**665. A partnership for which no period or duration is fixed under the Indian Partnership Act is known as :**

- (a) Unlimited partnership ; (b) Co-ownership ; (c) Particular partnership ; (d) Partnership at will

**666. In a partnership at will:**

- (a) There should be no provision in the contract between the partners for the duration of their partnership ; (b) There should be no provision in their contract for the ending of their partnership ; (c) Either (a) or (b) ; (d) Both (a) and (b)

**667. For constituting a partnership within the meaning of section 4 of the Indian Partnership Act,1932.**

- (a) There has to be a business ; (b) The business must be lawful ;
- (c) It may be temporary or permanent ; (d) All the above

**668. In determining whether a group of persons is OR is not a firm, regards shall be had to :**

- (a) Real relation between the parties ; (b) All relevant facts taken together
- (c) Legal relation between the parties ; (d) Both (a) and (b)

**669. The minimum number of persons required for a partnership is:**

- (a) 2 ; (b) 5 ; (c) 10 ; (d) 20

**670. The essential elements of partnership does not include:**

- (a) Partnership should be registered
- (b) There must be an agreement to share profits of a business
- (c) There must be mutual agency among partners
- (d) There must be an association of two or more persons

**671. The partnership relation does not exist when:**

- (a) A creditor taking a share of profits in lieu of interest and part payment of principal.
- (b) A person receives a share of profit as a part of his remuneration.
- (c) Share of profits given to workers as bonus. ; (d) None of the above.

**672. .... does not take active part in conduct of the business.**

- (a) Dormant partner ; (b) Sub-partner ; (c) Both (a) and (b) ; (d) Partner by estoppels

**673. The partnership firms becomes an illegal association, when:**

- (a) The number of partners in a banking business exceeds 10
- (b) The number of partners in a non-banking business exceeds 10
- (c) The number of partners in a non-banking business exceeds 20 ; (d) Both (a) and (c)

**674. Where the maximum number of partners in a firm carrying on banking business exceeds ten and in any other firm exceeds twenty, then the partnership becomes a:**

- (a) Unlawful partnership ; (b) Illegal association ; (c) Limited liability partnership ;
- (d) Large partnership

**675. If Partnership Act, does not define an expression, then the reference shall be had to**

- (a) Indian Contract Act ; (b) Sale of Goods Act ; (c) Evidence Act ; (d) Companies Act

**676. The unrepealed provisions of the Act shall continue to apply to firms, save insofar as they are inconsistent with the express provisions of the Partnership Act.**

- (a) Transfer of Property Act ; (b) Indian Evidence Act ; (c) Indian Contract Act ;
- (d) Sale of Goods Act

**677. Which of these are not necessary for constituting a partnership?**

- (a) Sharing of business profits ; (b) Mutual agency ; (c) Two are more persons ;
- (d) Written contract

**678. Which of this is not a valid partnership?**

- (a) Minor admitted to benefits of the partnership ; (b) Company admitted as a partner
- (c) Partnership between Indian national & alien friend ; (d) partnership between two HUFs

**679. To form a partnership, the minimum capital contribution should be:**

- (a) ₹ 1 lakh ; (b) ₹ 10 lakh ; (c) ₹ 1 crore ; (d) There is no minimum limit

**680. Property of firm does not include:**

- (a) All property which the partners have originally brought into the common stock of the business ; (b) Goodwill of the business ; (c) Personal properties belonging to the partner
- (d) Property acquired by the funds of the firm

**681. Liability of a partner is —**

- (a) Limited to the extent of his share of the business profits ; (b) Unlimited ; (c) Limited to the extent of capital contributed ; (d) Limited to the extent of net worth of the firm

**682. Which is NOT a characteristic of partnership firms?**

- (a) Perpetual succession ; (b) Unlimited liability of partners ; (c) Mutual agency
- (d) Sharing of profits of business

**683. The maximum number of persons permissible for a valid partnership for doing Banking business is:**

- (a) 2 ; (b) 10 ; (c) 15 ; (d) 20

**684. For which of the following purpose is partner ship formed?**

- (a) Political purpose ; (b) Altruistic purpose ; (c) Social purpose ; (d) Business purpose

**685. Which of these sharing arrangements reflects a partnership?**

- (a) By a lender of money to persons engaged or about to engage in any business
- (b) By a servant or agent as remuneration
- (c) By a partner who does not actively engage himself in the day to day business affairs
- (d) By the widow or child of the deceased partner as annuity

- 686. To form a partnership, the parties should share**  
(a) Only profits ; (b) Only losses ; (c) Both profits and losses  
(d) Profits and losses but some partners may not share losses
- 687. In determining whether a group of persons is or is not a firm; or whether a person is or is not a partner in a firm, regard shall be had to the real relation between the parties. This is ascertained from:**  
(a) All material facts of the case ; (c) All relevant facts taken together  
(c) All relevant provisions of Partnership Act ; (d) The intention of the parties
- 688. Where no time is expressly stated for its duration and there is no contract to fix the duration, the partnership may be terminated at a moment's notice by the other party. This partnership is called -**  
(a) Joint Venture ; (b) Partnership at will ; (c) Particular partnership ; (d) Co-partnership
- 689. When a partner of a firm agrees to share his own share of profits with an outsider, it called:**  
(a) Sub-partnership ; (b) Co-partnership ; (c) Undisclosed partnership ;  
(d) Profit sharing scheme
- 690. Which of the parties may be admitted as a partner?**  
(a) Person of unsound mind ; (b) Minor ; (c) Alien enemies ; (d) An insolvent
- 691. A new partnership may be formed by the following persons:**  
(a) One major and all other minors ; (b) One minor and minimum two other majors.  
(c) Minimum two majors and minor only admitted to the benefits of firm  
(d) One minor and another minor
- 692. Where the goodwill of the firm is sold after dissolution, a partner may carry on a business, competing with that of the buyer and he, subject to the agreement between the buyer and him self, may not:**  
(a) Use the firm name ; (b) Represent himself as carrying on the business of the firm  
(c) Solicit the customers of the old firm. ; (d) All the above
- 693. Out of the following statements which is true-**  
(a) A sleeping partner is also liable to the third parties  
(b) Law of partnership is an extension of the law guarantee  
(c) The registration of firm is compulsory ; (d) Partnership has a separate legal entity
- 694. Registration of the firm under the Partnership Act is:**  
(a) Optional ; (b) Obligatory ; (c) Compulsory ; (d) Necessary
- 695. A partnership firm has to be registered with:**  
(a) Director of firms ; (b) Registrar of firms ; (c) Registrar of companies ; (d) Competent court
- 696. In case of a unregistered partnership firm**  
(a) A partner cannot file a suit against the firm  
(b) A partner cannot file a suit against any partner of the firm  
(c) The firm cannot file a suit against third parties to enforce a contract ; (d) All the above
- 697. The Partnership Act by section 69 indirectly renders the registration firm compulsory by providing:**  
(a) Certain disabilities ; (b) Penalties on partners of un-registered firms  
(c) Penalties on un-registered firms ; (d) Monetary fine on partners
- 698. A firm may be registered :**  
(a) In the beginning when it is being formed ; (b) At a later date, after its formation  
(c) When the court orders the firm to be registered  
(d) When the Income-tax Department insists on its registration
- 699. In the application for registration of a firm, which of the following is not required to be given:**

- (a) Firm name ; (b) The duration of the firm ; (c) Names of any other places where the firm carries on business ; (d) Capital contribution of partners

**700. Which of the following details is required to be given in an application for registration of a firm?**

- (a) Capital contribution of partners ; (b) PAN number of the partners  
(c) Place of business of the firm ; (d) Bank Accounts of the firm

**701. Application for Registration of firms should be signed by -**

- (a) All the partners ; (b) Agents of partners specially authorized in this behalf  
(c) All the active partners ; (d) Either (a) or (b)

**702. A firm name shall not contain any of the following words :**

- (a) Crown, Imperial ; (b) Emperor, Empress ; (c) King, Queen ; (d) All the above

**703. Registration of firm is effective from —**

- (a) The date when the Registrar files the statement and makes entries in the Register of firms  
(b) The date of presentation of the statement to the Registrar of firms  
(c) The date published in the Official Gazette ; (d) The date intimated to the partners

**704. After the registration of a firm, if a partner retires, such a change in the constitution of the firm requires:**

- (a) A notice to be sent to the Registrar ; (b) New registration  
(c) An affidavit of a managing partner about the change ; (d) No intimation

**705. Intimation about closing and opening of a branch, after registration, is required to be given by:**

- (a) All the partners jointly ; (b) Any partner or agent of the firm  
(c) Either (a) or (b) ; (d) Neither (a) or (b)

**706. If an unregistered firm intends to file a suit against a third party, it should get itself registered before filing the suit.**

- (a) False, as such disability can never be removed.  
(b) True, as after registration firm's disability to file such suit is removed.  
(c) It should take permission of the court before filing the suit. ; (d) Either (b) or (c)

**707. Which of the following are the disabilities of an unregistered firm?**

- (a) It cannot file a suit against third parties ; (b) It cannot claim a set-off exceeding ₹ 100  
(c) Its partners cannot file a suit against the firm ; (d) All the above

**708. In case of an unregistered firm the partners can file a suit for the:**

- (a) Dissolution of the firm ; (b) Accounts of dissolved firm ;  
(c) Realization of property of dissolved firm ; (d) All the above

**709. Any person who supplies false information to the Registrar of firms, shall be liable to punishment with imprisonment upto .....**

- (a) Three months ; (b) Six months ; (c) Nine months ; (d) Twelve months

**710. The Register of firms shall be open to inspection:**

- (a) By any person on payment of prescribed fees ; (b) By partners only  
(c) By Government Officials only ; (d) By any person free of cost

**711. Which of the following statements is incorrect?**

- (a) The registration of a firm is a condition precedent to the right to institute a suit  
(b) If a partner refuses to sign the application for registration, than registration can be done only by dropping the name of such a partner from the firm  
(c) A third party cannot file a suit against an un-registered firm  
(d) Application for registration of firm must be signed by all the partners

**712. As per section 18, a partner in a partnership firm functions:**

- (a) In a dual capacity of principal and agent ; (b) As a principal ; (c) As an agent  
(d) Neither as a principal nor as an agent

**713. If a partner commits fraud in the conduct of the business of the firm:**

- (a) He shall indemnify the firm for any loss caused to it by his fraud ; (b) He is not liable to the firm ; (c) He is liable to the partners ; (d) He is liable to the third parties

**714. Partners are bound to carry on the business of the firm —**

- (a) To the greatest common advantage ; (b) For the welfare to the society  
(c) For the advantage of the family members ; (d) For earning personal profits

**715. Which of the following statements is / are false :**

- (a) A partner has a right to share profits; (b) Right to interest on capital  
(c) Right of access to books ; (d) Right to receive remuneration

**716. Which of the following statements is correct?**

- (a) A partner can be admitted in a firm by the consent of the majority of partners  
(b) A minor can be a partner in a firm  
(c) The liability of a retired partner to third parties continues even after his retirement  
(d) A partner of an unregistered firm cannot sue for the dissolution of a firm

**717. Which are the matters that require unanimous consent of all the partners:**

- (a) Admission of a partner ; (b) Transfer by a partner of his interest in the firm  
(c) Fundamental change in the nature of the business ; (d) All the above

**718. A partner has an implied authority to bind a firm by his act if he:**

- (a) Acquires immovable property on behalf of the firm  
(b) Opens a banking account on behalf of the firm in his own name  
(c) Withdraws a suit or proceeding filed on behalf of the firm ; (d) None of the above

**719. The liability of a minor partner is limited to the extent of:**

- (a) His share in the firm ; (b) His personal assets  
(c) His share in the firm as well as his personal assets ; (d) He is not liable

**720. A minor who is admitted to the benefit of partnership:**

- (a) Is entitled to such share of property and of the profits of the firm as may be agreed upon.  
(b) Has a right to have access to and inspect and copy any of the accounts of the firm.  
(c) He can sue for an account and profits when he severs his connection from the firm.  
(d) All the above

**721. Subject to contract between the partners, a partner does not have any one of the following rights:**

- (a) Right to receive remuneration ; (b) Right to share profits  
(c) Right to take part in the business; (d) Right to claim interest on capital

**722. The authority of a partner to bind the firm for his acts as contained in section 19 of the Partnership Act is known as:**

- (a) Express authority ; (b) Legal authority ; (c) Implied authority ; (d) Managerial authority

**723. An act is to be said done in implied authority if:**

- (a) Done in the usual way to carry partnership business  
(b) Done in the conduct of the business of the kind carried on by the firm  
(c) Done in the firm name or in any other manner exercising or implying an intention to bind the firm ; (d) All the above

**724. An act done by a partner is binding on the firm if it is done in the name of:**

- (a) The partners own name ; (b) God ; (c) Firm ; (d) Law

**725. A partner can bind a firm by his act if he:**

- (a) Submits a dispute to arbitration ;  
(b) Withdraws suit or proceeding filed on behalf of the firm  
(c) Transfer immovable property belonging to the firm ; (d) Buys goods on behalf of the firm

**726. For ordinary business matters the decisions in the firm are taken on the basis of :**

- (a) Decision of majority of partners ; (b) Unanimous decision of partners ; (c) 2/3 majority  
(d) 1/3 majority

**727. Which of the following statements is incorrect?**

- (a) A partner is not an agent of other partners
- (b) On becoming major, the liability of a minor admitted to the benefits of partnership and now becoming a partner becomes unlimited from the date of majority
- (c) Partners can change the nature of the business of the firm by majority decision ; (d)
- (d) All the above

**728. When a minor is admitted to the benefit of the partnership, which of the following statements is false:**

- (a) Such minor's share is liable for the acts of the firm ; (b) The minor is also personally liable
- (c) The minor has a right to share in the property and profits of the firm
- (d) The minor cannot sue for the accounts if intends to continue in the firm

**729. For changing the nature of a business :**

- (a) Consent of all the partners is needed ; (b) Consent of majority of partners is needed
- (b) Consent of court is needed ; (d) Consent of Registrar of firm is needed in reference to conduct of the business

**730. The partners take decisions on the basis of majority in:**

- (a) All matters ; (b) Ordinary matters ; (c) Fundamental matters
- (d) No matters since unanimous consent is required

**731. An unregistered partnership:**

- (a) Can sue on matters arising otherwise than out of contract
- (b) Can sue on matters arising out of contract ; (c) Cannot be sued ; (d) Can sue and be sued

**732. Every partner has a right to have access to and inspect and copy any of the books of account of the firm.**

- (a) During the continuation of the partnership ; (b) During the dissolution proceedings
- (c) After dissolution ; (d) All the above

**733. Where a partner is entitled to interest on the capital subscribed such interest shall be payable.**

- (a) Only out of profits ; (b) Out of capital in case of loss ; (c) Out of borrowings
- (d) Out of sale of partnership assets

**734. Subject to contract between the partners, and pursuant to section 13 of the Indian partnership, the following statement is correct:**

- (a) Partner is not entitled to interest on the capital subscribed by him
- (b) Partner is not entitled to interest on the advance made over and above the share of capital
- (c) Partner is not entitled to remuneration for taking part in the conduct of the business
- (d) All the above

**735. Any dispute arising as to ordinary matters connected with the business may be decided by-**

- (a) Unanimous consent of all the partners ; (b) Consent of majority partners
- (c) Decision of Court ; (d) Consent of the Working partners

**736. A change in nature of business can be effected only based on —**

- (a) Unanimous consent of all the partners ; (b) Consent of majority partners
- (c) Consent of the active partners ; (d) Decision of Court

**737. Property of the firm does not include:**

- (a) Trademark owned by the firm ; (b) Property acquired by or for the firm
- (c) Goodwill of the business ; (d) Property belonging to the partners

**738. Where a firm constituted for a fixed term continues to carry on business after the expiry of the said term, the mutual rights and duties of the partners will —**

- (a) Be decided by the Courts ; (b) Be decided upon by the working partners
- (c) Be similar as that of partnership at Will ; (d) Be extinguished

**739. If a partner advances money to the firm he will be entitled to interest on capital:**

- (a) Only in case of profits ; (b) Whether there are profits or not



- (c) At market rate, if the deed does not provide
- (b) Statement is wrong since he is not entitled to interest on advances

**740. Which of this falls outside the implied authority?**

- (a) Taking loan by pledging goods of the firm
- (b) Accepting Bills of Exchange on behalf of the firm
- (c) Submit disputes for arbitration ; (d) Settle accounts with customers

**741. Which of these acts are within the implied authority?**

- (a) Enter into partnership on behalf of the firm
- (b) Admit any liability in a suit against the firm
- (c) Withdraw a suit filed on behalf of the firm ; (d) To issue cheques on behalf of the firm

**742. The implied authority of any partner is subject to:**

- (a) Usage or customs of the trade ; (b) Specific authority of the partners ; (c) Both (a) and (b)
- (d) Either (a) or (b)

**743. Notice to a partner operates as notice to the firm. For such purpose, notice may be given to:**

- (a) All the partners jointly ; (b) A partner who habitually acts in the business of the firm
- (c) Any two partners ; (d) Only the dormant partners

**744. A minor may give public notice of his decision to continue or withdraw from the firm on his attaining majority within:**

- (a) Three months ; (b) Six months ; (c) Nine months ; (d) One year

**745. On attaining majority when the minor partner elects not to become a partner, his share is not liable for any acts of the firm done —**

- (a) After his admission to benefits of partnership ; (b) After the date of giving public notice
- (c) After the date of attaining majority ; (d) After the date of dissolution of firm

**746. A minor, before attaining the age of majority, has the right to:**

- (a) Receive agreed share of property and of profits of the firm
- (b) Access and to inspect the accounts of the firm
- (c) Sue the firm for his share of property or profits if he wants to sever his connection with the firm
- (d) All of the above

**747. When a minor on attaining the age of majority, has elected to become a partner, he becomes personally liable to third parties for all the acts of the firm from the date of his:**

- (a) Decision to become a partner ; (b) Attaining the age of majority
- (c) Admission to the benefits of the firm ;
- (d) Attaining majority or decision to become a partner, whichever is earlier

**748. 'Act of a firm' in the Partnership Act means:**

- (a) Authorized acts
- (b) Any such act or omission which give rise to a right enforceable by or against the firm
- (c) Such acts which do not give rise to a right enforceable by or against the firm ; (d) Actual acts

**749. According to section 31 of the Act, subject to the contract between the partners and to the provisions of section 30, no person shall be introduced as a partner into a firm:**

- (a) Without the consent of majority of partners ; (b) Without the consent of all the existing partners
- (c) Without the consent of Registrar of Firms. ; (d) (a) and (c)

**750. If a partner is adjudicated insolvent which of the following are the consequences?**

- (a) Ceases to be a partner in the firm on the date the order of adjudication is made.
- (b) The estate of the insolvent partner is not liable for the act of the firm even after the date of order of adjudication
- (c) The firm stands dissolved on the date of adjudication unless there is a contract to the contrary
- (d) All the above

**751. A partner may not be expelled from the firm by any majority of partners unless:**

- (a) The terms of partnership agreement confer the power to expel a partner
- (b) The expulsion is made by a majority of the partners of the firm
- (c) The decision of expulsion is made by all the partners in good faith ; (d) All the above

**752. Unless there is a contract to the contrary, a firm is automatically dissolved on:**

- (a) The expiry of fixed term ; (b) Death of a partner ; (c) Insolvency of a partner ;
- (d) All of the above

**753. Under Section 36 of this Act an outgoing partner may carry on business competing with that of the firm and he may advertise such business, but, subject to contract to the contrary he may not**

- (a) Use the firm name ; (b) Represent himself as the partner of the firm
- (c) Solicit the customers who were dealing with the firm before he ceased to be a partner
- (b) All of the above

**754. Agreement in restraint of trade is void. But if an outgoing partner agrees with the firm that he will not carry on any competing business, such an agreement will be valid if:**

- (a) Such restraint is in respect of carrying of any business similar to that of the firm
- (b) Such agreement is made by the partners beforehand i.e. well in advance
- (c) Such agreement is made without any specific reference to time period.
- (d) Such agreement is made without reference to local limits

**755. A notice in writing by one partner must be given to all the partners of the firm in case of:**

- (a) Dissolution on the happening of contingencies ; (b) Dissolution of partnership at will
- (c) Dissolution by court ; (d) Compulsory dissolution

**756. The following is a ground for dissolution of partnership by the Court:**

- (a) Insanity of a partner ; (b) Incapacity of a partner to perform his duty as a partner
- (c) Wilful misconduct by a partner likely to affect prejudicially the carrying on of the business
- (d) All the above

**757. A firm is compulsorily dissolved**

- (a) By adjudication of any partner of the firm as insolvent ; (b) By the death of a partner
- (b) By adjudication of all the partners or of all the partners but one is insolvent
- (c) In any of the above circumstances

**758. In settling the account of the firm after dissolution, the assets of a firm are to be applied in paying**

- (a) Joint debts to third parties ; (b) Advances of each partner ;
- (c) To each partner what is due from the firm in respect of capital ; (d) All of the above

**759. The partners authority to act for the firm and to bind their co-partners continues even after the dissolution of the firm:**

- (a) To wind up the affairs of the firm ; (b) To complete the unfinished transactions
- (c) Both of above ; (d) None of the above

**760. A public notice under the Partnership Act is given according to section 72 in the following cases:**

- (a) Admission of new partner ; (b) Retirement or expulsion of a partner ;
- (c) Minor attaining majority ; (d) All the above

**761. The dissolution of a partnership firm does not take place**

- (a) By operation of law on the happening of certain events
- (b) In accordance with the partnership deed ; (c) By mutual agreement of all the partners
- (c) On the death of a partner, if the partnership deed provides that death of the partner shall not dissolve the firm

**762. Which of the following is not a mode of retirement of partner?**

- (a) Retirement with other partners' consent
- (b) Retirement in accordance with an express agreement
- (c) In case of a partnership at will by giving written notice of his intention to retire
- (d) Retirement on attaining the age of superannuation

**763. In case of partnership at will, a retiring partner has to give a written notice —**

(a) To all the partners ; (b) To all the active partners ; (c) To the firm ; (d) To the Registrar of Firms

**764. Retiring partner continues to remain liable to third parties for acts of the firm :—**

(a) Until public notice is given of the retirement. ; (b) From the date of retirement  
(c) Upto the close of the financial year in which he retires. ; (d) So long as the firm uses his name

**765. To avoid liability to third parties, public notice of retirement should be given. Such public notice must be given—**

(a) By retired partner only ; (b) By any partner of the reconstituted firm ; (c) Either (a) or (b)  
(d) Neither (a) nor (b)

**766. A partner can be expelled from a firm:**

(a) If power to expel is conferred by express agreement.  
(b) If the power is exercised in good faith.  
(c) By majority of partners after giving opportunity of explanation. ; (d) All of the above

**767. A retired partner may be liable:**

(a) For debts incurred before retirement.  
(b) For debts incurred after retirement until public notice is given.  
(c) Either (a) or (b) ; (d) Both (a) and (b)

**768. Which of the following conditions is not necessary for expulsion of a partner?**

(a) The power of expulsion must be given in the partnership deed.  
(b) Such power has been exercised by a majority of the partners.  
(c) Such power has been exercised in good faith for the interest of the firm and not used as vengeance against a partner ; (d) An FIR has been filed in the Police Station

**769. Unless there is a contract to the contrary, the effect insolvency of a partner is that:**

(a) The firm is dissolved ; (b) The firm is not automatically dissolved  
(c) The firm is also deemed insolvent ; (d) The firm is reconstituted

**770. No public notice is required:**

(a) On the death of a partner ; (b) On minor attaining majority ; (c) Retirement of partner  
(d) Dissolution of firm

**771. An outgoing partner can carry on a competing business and also advertise such business. For this purpose, in the absence of contract to the contrary —**

(a) He can use the firm's name  
(b) He cannot use the firm's name  
(c) He cannot represent himself as carrying on the business of the firm.  
(d) Both (b) and (c)

**772. As per section 38 when constitution of the firm is changed, the continuing guarantee given to the firm or to a third party in respect to the transactions of the firm:**

(a) Is not affected at all ; (b) Is revoked as to future transactions ;  
(c) Is revoked with retrospective effect ; (d) Ceases to be continuing guarantee

**773. Dissolution of partnership between all the partners of a firm is called:**

(a) Dissolution of partnership ; (b) Dissolution of partners ; (c) Dissolution of the firm ;  
(d) Reconstitution of firm

**774. If all partners, or all but one partner, of the firm are declared insolvent:**

(a) Firm is automatically dissolved ; (b) Firm becomes illegal association ;  
(c) Firm is also declared insolvent ; (d) Firm becomes illegal entity

**775. A firm is compulsorily dissolved on the:**

(a) Death of a partner ; (b) Adjudication of a partner as an insolvent  
(c) Expiry of a fixed period for which the firm was constituted  
(d) Business of the firm becoming illegal due to happening of an event

- 776. If any event happens which makes it unlawful for the business of the firm to be carried on or for the partners to carry it on in partnership, then**  
(a) Firm is compulsorily dissolved ; (b) Partnership is reconstituted  
(c) Firm becomes an illegal association ; (d) Firm is declared insolvent
- 777. Unless agreed otherwise, a firm is dissolved by the death of a partner.**  
(a) True ; (b) False ; (d) Partly True ; (d) None of the above
- 778. A partnership may be dissolved by any partner by giving a notice to other partners in case of:**  
(a) Partnership at will ; (b) Partnership for a fixed duration ; (c) Particular partnership  
(d) Limited liability partnership
- 779. Which of the following do not constitute a ground- for dissolution by Court?**  
(a) Misconduct by partner ; (b) Transfer of interest by partner ; (c) Just and equitable grounds  
(d) Insolvency of a partner
- 780. Upon dissolution of firm, losses, including deficiencies of capital, shall be paid first:**  
(a) Out of Profits ; (b) Out of Capital ; (c) By the partners in their profit sharing ratio  
(d) By the partners equally
- 781. Upon dissolution of firm, losses, including deficiencies of Capital, shall be paid first out of Profits and then out of Capital and finally —**  
(a) Out of Profits ; (b) Out of Capital ; (c) By the partners individually in their profit sharing ratio  
(d) By the partners equally
- 782. In settling the account after dissolution, the firm's assets shall be first applied in:**  
(a) Payment of Debts of the firm to third parties ; (b) Payment of partner's Loan  
(c) Payment of partner's Capital ; (d) Distribution to partners in their Profit Sharing Ratio
- 783. Upon dissolution, the firm's assets after settlement of the debts of the firm to third parties and partners' Loans, shall then be applied in —**  
(a) Payment of debts of the firm ; (b) Advances of each partner ; (c) Payment of partner's capital  
(d) Distribution to partners in their Profit Sharing Ratio
- 784. Where a partnership contract is rescinded on grounds of fraud or misrepresentation, the party entitled to rescind, is also entitled to rank, in respect of any payment made by him for the firm's debts as a:**  
(a) Creditor ; (b) Debtor ; (c) Lender ; (d) Guarantor
- 785. After a firm is dissolved, every partner or his representative may restrain any other partner or his representative from carrying on similar business in the firm's name or by using firm's property for own benefit, until:**  
(a) The affairs of the firm are completely wound up ; (b) Dissolution of the firm  
(c) Date of public notice of dissolution ; (d) Date of signing of dissolution deed
- 786. In settling the accounts of a firm after dissolution, the goodwill of the firm:**  
(a) Must be included in the assets ; (b) May be sold separately ;  
(c) May be sold along with the assets of the firm ; (b) All of the above
- 787. When goodwill of the firm is sold upon dissolution, and a partner carries on a competing business, which of the following is permissible?**  
(a) Use of firm's name ; (b) Holding out as carrying on the business of the firm.  
(c) Soliciting the custom of the firm's customers/suppliers etc. ; (d) None of the above
- 788. Public notice in case of a firm is not required in case of:**  
(a) Admission of a partner ; (b) Retirement of a partner ; (c) Expulsion of a partner  
(d) Dissolution of the firm
- 789. Public notice is required to be given in the case**  
(a) admission of minor  
(b) exercising option to continue or not, on attainment of majority by the minor

(c) death of a partner ; (d) retirement by sleeping partner

**790. When goodwill of the firm, the selling partners may agree with the buyer that they will not carry on similar business, within a specified period or within specified local limits. Such agreement in restraint of trade shall be :**

- (a) Valid, if the restrictions imposed are reasonable  
(b) Valid (whether restrictions are reasonable or not) ; (c) Void ; (d) Voidable

**791. Public Notice under the Partnership Act, is given in the following manner:**

- (a) Serving a copy of the Notice to the Registrar of firms  
(b) Publishing the Notice in the Official Gazette  
(c) Publishing the Notice in one vernacular newspaper circulating in the district where the firm's principal place of business is situated ; (d) All of the above

**792. Identify the incorrect statements:**

- (1) When a firm is constituted for a fixed duration it cannot be dissolved before the expiry of that duration.  
(2) A partnership at will can be dissolved by the wish of even a single partner.  
(3) When a partner of a firm becomes lunatic, the firm dissolves automatically.  
(4) Even after dissolution, partners of a firm continue to be liable for acts of the firm until the affairs of the firm are finally wound up.

Code:

- (a) 1,2 and 3 ; (b) 1,3 and 4 ; (c) 1,2 and 4 ; (d) 2, 3 and 4

**793. A, B and C are partners of an unregistered firm. D owns this firm ₹ 1000 on a contract. The firm filed a suit against D the suit is dismissed for non-registration of the firm. The firm is registered later on. In this case which one of the following statements is MOST appropriate.**

- (a) The firm can successfully bring the suit against D  
(b) Registration must have been effected by the firm, before a suit is filed in the court  
(c) The firm cannot file suit against D ; (d) None of the above

**794. X, Y and Z are partners in a firm. X, without the authority of Y and Z buys certain shares in his name out of partnership money. Will 'shares' constitute partnership property?**

- (a) Yes ; (b) No ; (c) Can't say ; (d) Depends on the facts of the case

**795. A, B and C are partners. C is a sleeping partner who is not known to the creditors. C retires without giving public notice of his retirement. Is C liable for subsequent debts incurred by A and B.**

- (a) No, since he is a sleeping partner ; (b) Yes, since public notice of retirement must be given  
(c) Difficult to say ; (d) None of the above

**796. The Negotiable Instruments Act, 1881 applies to**

- (a) the whole of India ; (b) the whole of India except the State of Jammu and Kashmir  
(c) those states as notified by the Union Government from time to time in the Official Gazette  
(d) the whole of India except the State of Jammu and Kashmir and the North- Eastern States

**797. The Negotiable Instruments Act, 1881 came into force on**

- (a) 9<sup>th</sup> December, 1881 ; (b) 19<sup>th</sup> December, 1881 ; (c) 1<sup>st</sup> March, 1882 ; (d) none of the above

**798. The undertaking contained in a promissory note, to pay a certain sum of money is**

- (a) Conditional ; (b) Unconditional  
(c) may be conditional or unconditional depending upon the circumstances ;  
(d) none of the above

**799. A bill of exchange contains a/an**

- (a) unconditional undertaking ; (b) unconditional order ; (c) conditional undertaking  
(d) conditional order

**800. Cheque is a**

- (a) promissory note ; (b) bill of exchange ; (c) both (a) and (b) above ; (d) None of the above

**801. The term 'Negotiable instrument' is defined in the Negotiable Instruments Act, 1881, under section**

(a) 12 ; (b) 13 ; (c) 13A ; (d) 2(d)

**802. The term 'negotiation' in section 14 of the Negotiable Instruments Act, 1881 refers to**

- (a) the transfer of a bill of exchange, promissory note or cheque to any person, so as to constitute the person the holder thereof
- (b) the payment by a bank on a negotiable instrument after due verification of the instrument
- (c) the bargaining between the parties to a negotiable instrument ; (d) all of the above

**803. If an instrument may be construed either as a promissory note or bill of exchange, it is**

- (a) a valid instrument ; (b) an ambiguous instrument ; (c) a returnable instrument ;
- (d) none of the above

**804. Under section 16 of the Negotiable Instrument Act, 'endorsement in blank' of an instrument means**

- (a) where the endorser does not write anything on the instrument
- (b) where the endorser signs his name only on the instrument
- (c) where the endorser writes the name of the person who is directed to pay
- (d) none of the above

**805. 'At sight' and 'on presentation' under section 21 of the Negotiable Instrument Act, 1881, means**

- (a) on presentation ; (b) on demand ; (c) on coming into vision ; (d) none of the above

**806. If a minor draws, endorses, delivers or negotiates an instrument, such instrument binds**

- (a) all parties to the instrument including the minor
- (b) only the minor and not other parties to the instrument
- (c) all parties to the instrument except the minor ; (d) none of the above

**807. In a promissory note, the amount of money payable**

- (a) must be certain ; (b) may be certain or uncertain ; (c) is usually uncertain ;
- (d) none of the above

**808. Liability of drawer to compensate the holder in case of dishonour is primarily provided under**

- (a) Sec 30 ; (b) Sec 29 ; (c) Sec 31 ; (d) Sec 32

**809. Issuance of notice by the holder in case of dishonour is primarily provided in .....**

- (a) Sec.93 ; (b) Sec. 58 ; (c) Sec. 138 ; (d) Sec. 86

**810. A cheque is crossed ..... when it bears across its face an addition of the name of a banker, either with or without the words "not negotiable".**

- (a) Specially ; (b) General ; (c) Restrictive ; (d) None of the above

**811. A note under section 99 of the Negotiable Instruments Act should contain among other things**

- (a) place of the notary ; (b) charges of notary ; (c) both (a) and (b) ; (d) none of the above

**812. A notice of protest under section 102 of the Negotiable Instruments Act, 1881**

- (a) may be given by the notary public who makes the protest
- (b) must always be given by the notary public who makes the protest
- (c) must be given by the holder ; (d) none of the above

**813. Under section 118 of the Negotiable Instruments Act, 1881, it is presumed, until the contrary is proved, that every transfer of a negotiable instrument was made**

- (a) after its maturity ; (b) before its maturity ; (c) at its maturity ; (d) none of the above

**814. The provisions of section 87 of the Negotiable Instruments Act, 1881, are subject to the provisions of**

- (a) sections 20,48, 68 and 125 of the Act ; (b) sections 20, 49, 68 and 122 of the Act
- (c) sections 20, 49, 86 and 125 of the Act ; (d) sections 20, 49, 66 and 125 of the Act

**815. Under section 97, of the Negotiable Instruments Act when the party to whom notice of dishonour is dispatched is dead, but the party despatching the notice is ignorant of his death, the notice is**

- (a) Sufficient ; (b) not sufficient ; (c) null and void and has no effect ; (d) none of the above

- 816. Who among the following cannot cross a cheque?**  
(a) Drawer ; (b) Holder ; (c) Banker ; (d) Foreigner
- 817. As per section 147 of the Negotiable Instruments Act, 1881, every offence punishable under the Act are**  
(a) Compoundable ; (b) non-compoundable ; (c) cognizable ; (d) both (b) and (c) above
- 818. Under the provisions of section 143 of the Negotiable Instruments Act, 1881, all offences under the Act are to be tried by**  
(a) any Judicial Magistrate  
(b) Judicial Magistrate of the First Class or by a Metropolitan Magistrate  
(c) only a District Judge ; (d) none of the above
- 819. For what term of imprisonment an offender under section 138 of the Negotiable Instruments Act can be punished?**  
(a) for a term which may extend to two years ; (b) for a term which may extend to one year  
(c) for a term not exceeding three years ; (d) none of the above
- 820. The presumption as to the date of a negotiable instrument under section 118 is that, every negotiable instrument bearing a date was made or drawn**  
(a) prior to that date ; (b) on such date ; (c) may be on or prior to that date ;  
(d) none of the above
- 821. Chapter XVII contain sections**  
(a) 138 to 142 ; (b) 136 to 142 ; (c) 112 to 124 ; (d) none of the above
- 822. Who should make a complaint to a court for the purpose of taking cognizance of an offence under section 138?**  
(a) the payer or as the case may be, the holder in due course of the cheque  
(b) any person who is effected can make a complaint  
(c) the payee with the written permission of the drawee ; (d) none of the above
- 823. A complaint against an offence under section 138 of the Negotiable Instrument Act, 1881**  
(a) must be in writing (section 142)  
(b) may be oral or in writing (section 142)  
(c) must be in writing containing a declaration by the drawee that he consents to such filing of the complaint (section 142) ; (d) none of the above
- 824. Under section 143 of the Negotiable Instruments Act, an endeavour shall be made to conclude the trial within..... months from the date of filing of the complaint**  
(a) 9 ; (b) 3 ; (c) 6 ; (d) 12
- 825. The provision of section 147 of the Negotiable Instruments Act, 1881, that every offence punishable under this Act shall be compoundable was inserted by the**  
(a) amending Act of 1988 ; (b) amending Act of 1980 ; (c) amending Act of 2002 ;  
(d) none of the above
- 826. As per the provisions of section 93, when a cheque is dishonoured by non-acceptance or non-payment the holder**  
(a) may or may not give notice to the parties whom the holder seeks to make liable thereon  
(b) must give notice to the parties whom the holder seeks to make liable  
(c) must give notice to the parties whom the holder seeks to make liable, but after noting  
(d) must not give any notice to anyone
- 827. Where a cheque is crossed generally the banker on whom it is drawn**  
(a) shall not pay it otherwise than to a banker ; (b) shall not pay it otherwise than to the holder  
(c) shall not pay it to a banker ; (d) none of the above
- 828. The Scanlon plan of profit sharing gives utmost importance to .....**  
(a) Employee participation ; (b) Ratio ; (c) High ; (d) Profit
- 829. Characteristic of a good compensation system is .....**

- (a) Lower the efficiency of worker, higher is compensation
- (b) Higher the efficiency of worker, lower is compensation
- (c) Lower the efficiency of worker, lower is compensation
- (d) Higher the efficiency of worker, higher is compensation

**830. As industrialization taking place, the family values have .....**

- (a) Changed ; (b) Remain unchanged ; (c) Increase ; (d) Decrease

**831. The unique code allotted to each & every employee in the organization is .....**

- (a) Employer No. ; (b) Factory No. ; (c) Employee No. ; (d) Individual No.

**832. .... are assured of a stable amount of money.**

- (a) Employers ; (b) Directors ; (c) Managers ; (d) Employees

**833. To enable employees to participate in profit sharing, employees should have .....**

- (a) Worked for certain no. of years in Company ; (b) Worked for one year in a company
- (c) Worked for six months in a company ; (d) Worked for eight months in a company

**834. Y2K era opened the flood gates for.....**

- (a) IT. Industries ; (b) Telecom ; (c) Factory ; (d) Shop

**835. Person working in MNC's occupying higher positions devote most of their time for their .....**

- (a) Family ; (b) Employment & job ; (c) Friends ; (d) Parents

**836. In case of fatal accident occurred inside the factory , a separate accident report shall be send to the district magistrate in Form No. ....**

- (a) 16 ; (b) 12 ; (c) 18 ; (d) 14

**837. In case of fatal accident occurred inside the factory ,a separate accident report shall be send to the district magistrate in Form No.18 within ..... hrs**

- (a) 8 hours ; (b) 10 hours ; (c) 12 hours ; (d) 14 hours

**838. An accident report shall be confirmed by the manager by sending a separate report in Form No. .... with details of number of person killed or injured to the inspector of factory.**

- (a) 12 ; (b) 14 ; (c) 16 ; (d) 18

**839. An accident report shall be confirmed by the manager by sending a separate report in Form No.18 with details of number of person killed or injured to the inspector of factory within ..... hrs of the accident.**

- (a) 24 hr ; (b) 30hr ; (c) 18 hr ; (d) 12 hr

**840. Annual return under factory act shall be submitted on or before .....**

- (a) 31<sup>st</sup> January ; (b) 31<sup>st</sup> February ; (c) 31<sup>st</sup> March ; (d) 31<sup>st</sup> April

**841. Half Yearly return under factory act shall be submitted on or before .....**

- (a) 31<sup>st</sup> June ; (b) 31<sup>st</sup> July ; (c) 31<sup>st</sup> September ; (D) 31<sup>st</sup> October

**842. The primary purpose of employee safety programme is to preserve the employees'.....**

- (a) Mental health ; (b) Physical health ; (c) Emotional health ; (d) All of the above

**843. The visual presentation of the ranking of work sites in a factory based on the number of accidents reported from each site is called .....**

- (a) Accidental Frequency Method ;(b) Spot map method ;(c) Incidence method ; (d) Severity rate

**844. Which of the following involves redesigning of equipment, machinery and material for the safe performance of the jobs?**

- (a) Safety engineering ; (b) Safety campaigns ; (c) Safety committee ; (d) Safety training

**845. The responsibility for maintenance of employee health and safety is with .....**

- (a) Employees ; (b) Employers ; (c) Government ; (d) All of the above



846. Ensuring the safety, health and welfare of the employees is the primary purpose of the .....
- (a) Factories act, 1948 ; (b) Payment of wages Act, 1936 ; (c) Equal Remuneration Act, 1976  
(d) Industrial Disputes Act, 1947
847. Which of the following is not connected with employee safety and health?
- (a) The Factories Act, 1948 ; (b) The mines Act,1952 ; (c) The payment of Bonus Act, 1965  
(d) The Dock Workers (Safety, Health And Welfare) Act, 1986
848. When the people involved in the process comprehend unlikable results from their interactions with the environment, it is specifically called .....
- (a) Time series ; (b) Anticipatory stress ; (c) Positive stress ; (d) Negative stress
849. Inspections by superiors and interviews for promotion usually come under
- (a) Short-term response stress ; (b) Long-term response stress ; (c) Delayed response stress  
(d) None of the above
850. Which of the following types of personality is comparatively less exposed to internal stress?
- (a) Type A personality ; (b) Type B personality ; (c) Type C personality ; (d) None of the above
851. When the employee perceives threat in the environment even if there is no such threat existing in the environment, it is normally described as .....
- (a) Organizational stress ; (b) Individual stress ; (c) Extra-organizational stress ;  
(d) None of the above
852. The exhaustion suffered by an individual due to continuous exposure to a stress-causing situation is normally known as.....
- (a) Entrapment ; (b) Tiredness ; (c) Irritability ; (d) Burn-out
853. .... is a scientific and systematic effort to modify the characteristics of an employee's job.
- (a) Job redesign ; (b) Time-out ; (c) Mentoring ; (d) Employee empowerment
854. First to lay down the guidelines for fixation of Minimum Wages was.....
- (a) Indian Labour Conference ; (b) England Labour Conference ; (c) London Labour Conference  
(d) American labour Conference
855. Define an employee under section 2 (13).....
- (a) Person employed with salary exceeding ₹ 3500  
(b) Person employed with salary exceeding ₹ 4500  
(c) Person employed with salary exceeding ₹ 3000  
(d) Person employed with salary exceeding ₹ 4000
856. Payment of wages act came into existence .....
- (a) To ensure not regular and timely payment of wages to employed persons  
(b) To ensure regular and timely payment of bonus to employed persons  
(c) To ensure regular and timely payment of wages to unemployed persons  
(d) To ensure regular and timely payment of wages to employed persons
857. The minimum wages to the obligations created by the convention no 26 of .....
- (a) National labour organization ; (b) Labour organization ; (c) International labour organization  
(d) None of the above
858. What do you mean by wages?
- (a) Remuneration by way of salaries , Allowances , Expressed in terms of money  
(b) Remuneration by way of salaries , Allowances , Expressed in terms of monetary  
(c) Remuneration by way of salaries , Allowances , P.F Expressed in terms of money  
(d) Remuneration by way of salaries , gratuity Allowances , Expressed in terms of money
859. To whom does the payment of wages act apply to?
- (a) Persons employed in any service ; (b) Persons employed in any factory  
(c) Persons working in own home ; (d) Persons working for his own business

- 860. What is the minimum salary under which the persons are covered in this act?**  
(a) More than ₹1600 ; (b) Less than ₹1800 ; (c) More than ₹1800 ; (d) Less than ₹1600
- 861. Define an employed person under section 2 of the act.**  
(a) Includes legal representative of a deceased employed person  
(b) Includes illegal representative of a deceased employed person  
(c) Includes representative of a deceased person  
(d) Includes legal representative of a deceased unemployed person
- 862. Wages includes any remuneration payable under any award or settlement between .....**  
(a) Employer & employee ; (b) Employees ; (d) parties or order of court. ; (d) Employers
- 863. When was the minimum wages act passed?**  
(a) 1938 ; (b) 1948 ; (c) 1958 ; (d) 1968
- 864. The term wages include .....**  
(a) Remuneration under any award , Settlement between the parties or order of court  
(b) Remuneration under any award , Settlement between the parties or order of court , idle time  
(c) Remuneration under any Settlement between the parties or order of court , Overtime  
(d) Remuneration under any award , Settlement between the parties or order of court , Overtime
- 865. What is the main purpose of the payment of wages act 1936?**  
(a) Ensure payment of wages to the employed , Prevent authorised deductions , Prevent arbitrary fines  
(b) Ensure payment of wages to the employed , Prevent unauthorised deductions , Prevent arbitrary fines  
(c) Ensure payment of wages to the employed , Prevent unauthorised deductions , Prevent fines  
(d) Ensure payment of wages to the unemployed , Prevent unauthorised deductions , Prevent arbitrary fines
- 866. .... means all remuneration expressed in terms of money.**  
(a) Labour ; (b) Wages ; (c) Overtime ; (d) Factory
- 867. Which person is responsible for the payment of wages act?**  
(a) Director ; (b) Employer ; (c) Manager ; (d) Management
- 868. .... are assured of a stable amount of money.**  
(a) Employees ; (b) Employers ; (c) Managers ; (d) Directors
- 869. Minimum wages are not to be fixed in an industry which employs less than how many employees in the entire state?**  
(a) 800 ; (b) 900 ; (c) 1000 ; (d) 1100
- 870. Remuneration paid for the service of the labour in production is .....**  
(a) Wages ; (b) Cost ; (c) Production Cost ; (d) Profit
- 871. In the 60's salaries of Bargainable workers increased due to .....**  
(a) Success of Union ; (b) Success of company ; (c) Success of Labour ; (d) Profit of Manager
- 872. Employee's State Insurance Act, .... is a pioneering measure in the field of social insurance of our country.**  
(a) 1948 ; (b) 1950 ; (c) 1952 ; (d) 1954
- 873. Minimum wages are not to be fixed in an industry which employs less than how many employees in the entire state?**  
(a) 500 ; (b) 1000 ; (c) 1500 ; (d) 2000
- 874. Wages have at least ..... connotations from stand points of employers and employees.**  
(a) 1 ; (b) 2 ; (c) 3 ; (d) 4
- 875. From economic and ..... point of view woman was subject to man.**

(a) Economically ; (b) Logically ; (c) Social ; (d) Historical

**876. Employees Compensation System is vital for .....**

(a) Motivation ; (b) Innovation ; (c) Moralization ; (d) Demoralization

**877. Wage Policy in general is .....**

(a) To rise living standard of worker ; (b) To motivate for work ;  
(c) To rise living standard of employer ; (d) To do better work

**878. Employees in the railways are entitled of Payment of Wages Act, 1936 who are drawing wages and salaries below .....**

(a) ₹2000/- a month ; (b) ₹1800/- a month ; (c) ₹1600/- a month ; (d) ₹1400/- a month

**879. As per the child labour (prohibition & regulation) Act 1986, "child" means a person who has not completed his**

(a) 11 years ; (b) 12 years ; (c) 13 years ; (d) 14 years

**880. According to census 2001, how many children in the age group of 5-14 are working in India .....**

(a) 1.20 crore ; (b) 1.26 crore ; (c) 1.30 crore ; (d) 1.32 crore

**881. Under E.S.I. employee's contribution .....**

(a) 0.0150 ; (b) 0.0165 ; (c) 0.0175 ; (d) 0.0195

**882. Employee pension scheme is 8.33% of .....**

(a) Employer ; (b) Manager ; (c) Employer contribution ; (d) Manager contribution

**883. Employer & Employee contribution under E.P.F is .....**

(a) 0.10 ; (b) 0.12 ; (c) 0.14 ; (d) 0.14

**884. Under E.S.I, employer's contribution**

(a) 0.425 ; (b) 0.0450 ; (c) 0.0475 ; (d) 0.0485

**885. Child explosion under .....**

(a) Article 29 ; (b) Article 33 ; (c) Article 38 ; (d) Article 39

**886. Wage policy .....**

(a) Increase social welfare ; (b) Decrease economic welfare ; (c) Decrease social welfare  
(d) Increase economic welfare

**887. The institutions of marriage and family are also to be found in every .....**

(a) Town ; (b) Society ; (c) City ; (d) None of the above

**888. The rule nemo dat quod non habet means:**

(a) No-one should interfere in another's business ;  
(b) No-one should be retained in a partnership against his will ;  
(c) No-one can give what he has not got ; (d) None of these

**889. The first Factories Act was enacted in .....**

(a) 1881 ; (b) 1895 ; (c) 1897 ; (d) 1885

**890. Who is an adult as per Factories Act, 1948?**

(a) Who has completed 18 years of age ; (b) Who is less than 18 years ;  
(c) Who is more than 14 years ; (d) Who is more than 15 years

**891. A person who has ultimate control over the affairs of the factory under Factories Act, 1948 is called as .....**

(a) Occupier ; (b) Manager ; (c) Chairman ; (d) Managing director

**892. The space for every worker employed in the Factory after the commencement of Factories Act, 1948 should be ..... Cubic Meters.**

(a) 9.9 ; (b) 10.2 ; (c) 14.2 ; (d) 13.2

**893. The provision for cooling water during hot weather should be made by the organization if it employees ..... or more employees.**

(a) 200 ; (b) 250 ; (c) 300 ; (d) 150

**894. Who is an Adolescent as per Factories Act, 1948?**

(a) Who has completed 17 years of age ; (b) Who is less than 18 years  
(c) Who has completed 15 years but less than 18 years ; (d) None of these

**895. Which one of the following is not a welfare provision under Factories Act, 1948?**

(a) Canteen ; (b) Crèches ; (c) First Aid ; (d) Drinking water

**896. First Aid boxes is to be provided for ..... of persons.**

(a) 125 ; (b) 135 ; (c) 150 ; (d) 160

**897. Safety Officers are to be appointed if Organization is engaging ..... or more employees.**

(a) 1000 ; (b) 2000 ; (c) 500 ; (d) 750

**898. Canteen is to be provided if engaging employees more than ..... persons.**

(a) 250 ; (b) 230 ; (c) 300 ; (d) 275

**899. Leave with wages is allowed for employees if they work for ..... days in a month.**

(a) 15 ; (b) 25 ; (c) 20 ; (d) 28

**900. Welfare Officers are to be appointed if organisation is engaging ..... or more employees.**

(a) 500 ; (b) 250 ; (c) 600 ; (d) 750

**901. The Ambulance Room is to be provided if engaging more than .....**

(a) 400 ; (b) 350 ; (c) 500 ; (d) 450

**902. Creche is to be provided if ..... or more lady employees are engaged.**

(a) 25 ; (b) 32 ; (c) 30 ; (d) 40

**903. An adult worker can work upto ..... hrs in a day as per factories Act, 1948**

(a) 8 ; (b) 9 ; (c) 10 ; (d) 12

**904. Obligations of workers under the Factories Act 1947 was discussed in section .....**

(a) 78 ; (b) 101 ; (c) 111 ; (d) 99

**905. The term Sabbatical is connected with**

(a) Paid leave for study ; (b) Paternity leave ; (c) Maternity leave ; (d) Quarantine leave

**906. Section 49 of the Factories Act 1947 says about**

(a) Welfare officer ; (b) Canteen ; (c) Rest Room ; (d) Creche

**907. Section 2(K) of the Factories Act 1947 says about**

(a) Manufacturing Process ; (b) Factory ; (c) Worker ; (d) None of these

**908. Caveat Emptor rule means:**

(a) Employer beware ; (b) Seller beware ; (c) Creditor beware ; (d) None of these

**909. If the factory employees more than 1000 workers, they should appoint qualified ..... to carry out the prescribed duties**

(a) Safety Officer ; (b) Welfare Officer ; (c) Security Officer ; (d) None of these

**910. For contravention of provisions of Factories Act or Rules, the occupier shall liable for punishment up to**

(a) 2 years or fine upto ₹ 1,00,000 or both ; (b) 6 months or fine upto ₹ 10,000 or both  
(c) 3 years or fine ₹ 10,000 or both ; (d) None of these

911. If any employee found violating the section 20 of Factories Act 1947 shall be fine up to  
(a) ₹10 ; (b) ₹ 5 ; (c) ₹ 15 ; (d) ₹ 20
912. The license fee can be paid to get a license for a factory maximum up to  
(a) One Year only ; (b) Two years only ; (c) Three Years only ; (d) Five Years only
913. The Section 20 of the factories act discusses about  
(a) Drinking water ; (b) Lighting ; (c) Spittoons ; (d) Latrines and Urinals
914. The employment of young person on dangerous machines shall be prohibited the section ..... of Factories Act 1947.  
(a) Section 21 ; (b) Section 22 ; (c) Section 23 ; (d) Section 24
915. The particulars of the accident should be entered in separate registers kept as Accident Book – From for ESI office.  
(a) From No – 14 ; (b) From No – 15 ; (c) From No – 21 ; (d) From No – 20
916. Section ..... of the factories act describes about the rights of the workers  
(a) 111 ; (b) 111A ; (c) 110 ; (d) 112
917. The occupier shall be punishable with imprisonment extend to ..... months or fine .....or both for using false certificate of fitness.  
(a) Two months, ₹1000 ; (b) One year, ₹2000 ; (c) Six months, ₹1000 ; (d) One months, ₹5000
918. The occupier fails to take remedial actions against apprehension of imminent danger to lives or health of the workers (41H), shall liable for punishment which may extended to an imprisonment upto 7 years, fine upto ₹2 lacs or both.  
(a) 5 years, ₹25,000 ; (b) 2 years, ₹1,00,000 ; (c) 7 Years, ₹2,00,000 ; (d) 10 years, ₹1,00,000
919. In case of employee covered under the ESI, the accident report shall be sent in Form No. .... to Local office of the ESI to which the company attached  
(a) Form No. 18 ; (b) Form No. 18A ; (c) Form No. 25 ; (d) Form No. 16
920. Under the factories Act 1948, a register of Adult workers shall be maintained in Form No .....  
(a) From No. 25 ; (b) From No. 25A ; (c) From No. 12 ; (d) From No. 14
921. Under the factories Act 1948, a register of Muster roll shall be maintained in Form no. ....  
(a) Form No. 25B ; (b) Form No. 15 ; (c) Form No. 25A ; (d) Form No. 25
922. Under the factories Act 1948, an inspection book shall be maintained for exemptions granted or availed in Form No.  
(a) From No. 29 ; (b) From No. 27 ; (c) From No. 28 ; (d) From No. 26
923. Where .....or more workers are employed in a factory, then there shall be a Safety Committee in the factory.  
(a) 100 or more workers ; (b) 150 more workers ; (c) 200 or more workers ; (d) 250 or more workers
924. Section 41 G of the Factories Discuss about the Workers participation in Management.  
(a) Section 40 ; (b) Section 41 H ; (c) Section 41 G ; (d) Section 41 F
925. Section 19 of Factories Act discusses about  
(a) Drinking Water ; (b) Lighting ; (c) Latrines and Urinals ; (d) Artificial Humidification
926. Section .....of the factories Act discusses about the nomination of the manager of a factory.  
(a) Section 7 (e) ; (b) Section 7 (f) ; (c) Section 7 (g) ; (d) Section 7 (d)
927. If an employee alleges that he was working for the employer and the employer denies it, who has to prove this fact?  
(a) Employer ; (b) Employee ; (c) Authority ; (d) Employer and authority
928. By an amendment Act of 1987 in Factories act 1947, who is to be appointed as an occupier?

- (a) Manager ; (b) General Manager ; (c) Human resource Manager ; (d) Board of directors
929. The term 'business ethics' came into common use in year .....
- (a) 1950 ; (b) 1960 ; (c) 1970 ; (d) 1980
930. Ethics refers to a .....that guides an individual while dealing with others.
- (a) Code ; (b) Conduct ; (c) Code of conduct ; (d) Rules of conduct
931. The society for Business Ethics was started in .....
- (a) 1950 ; (b) 1960 ; (c) 1970 ; (d) 1980
932. European business schools adopted business ethics after.....commencing with the European Business Ethics Network (EBEN) in.....when the first single-authored books in the field appeared.
- (a) 1987,1982 ; (b) 1980,1982 ; (c) 1982,1980 ; (d) 1977, 1984
933. Ethics is a set of.....of human conduct that govern the behaviour of individuals or organizations.
- (a) Principles ; (b) Standards ; (c) Principles or standards ; (d) None of the above
934. ....is a set of principles and expectations that are considered binding on any person who is member of a particular group.
- (a) Code of conduct ; (b) Code of ethics ; (c) Code of practice ; (d) Any of the above
935. ....made it important for businesses to have an ethics code, something in writing about what one ought to do, and what to strive for.
- (a) The Ethics & Code Conduct Act, 2000 ; (b) The Sarbanes-Ethics of Code Conduct Act, 2001  
(c) The Sarbanes-Oxley Act, 2002 ; (d) None of above
936. The Sarbanes-Oxley Act of 2002 made it important for businesses to have an - .....
- (a) Ethics code ; (b) Code of conduct ; (c) Code of practice ; (d) Business ethics
937. Business Ethics is a code of conduct which society should follow while conducting their social activities.
- (a) True ; (b) False ; (c) Partly true ; (d) None of above
938. Business ethics has a.....application.
- (a) Natural ; (b) Practical ; (c) Universal ; (d) None of the above
939. Which of the following Act made code of ethics mandatory for all organizations?
- (a) The Companies Act, 1956 ; (b) The Sarbanes-Oxley Act, 2002 ;  
(c) The Partnership Act, 1932 ; (d) None of the above
940. Which of the following is a feature of business ethics?
- (a) Business Ethics has a universal application  
(b) It is a relative norm. It differs from business to business.  
(c) Business Ethics is based on well accepted moral and social values ; (d) All the above
941. Which of the following is a feature of business ethics?
- (a) Business ethics is based on well accepted moral and social values  
(b) Practice of business ethics gives protection to customers and other social groups related to a firm  
(c) Business ethics provide the legal, social, moral, economical and cultural limits within which business has to be conducted ; (d) All the above
942. ....is about obeying and adhering to rule and authority.
- (a) Ethics ; (b) Code ; (c) Conduct ; (d) Compliance
943. The ethical issues in finance that companies and employees are confronted with include:
- (a) Fraudulent asset valuations ; (b) Insider trading ; (c) Over billing of expenses ; (d) All the above
944. The issues of ethics faced by HRM include: .....
- (a) Facilitation payments ; (b) Securities fraud leading to manipulation of the financial markets  
(c) discrimination issues ; (d) All of above

- 945. Reasons why business should act ethically .....**  
(a) To protect its own interest and of the business community as a whole.  
(b) To increase its profitability ; (c) To minimize loses ; (d) All of above
- 946. Reasons why business should act ethically .....**  
(a) To keep its commitment to society to act ethically ; (b) To meet stakeholder expectations  
(c) To protect their employees and their reputation ; (d) All of above
- 947. Which of the following reason is/are applicable for unethical business practices?**  
(a) Well organized consumer movement ; (b) Commitment to society  
(c) Greed for quick money ; (d) All of above
- 948. Which of the following reason is / are applicable for unethical business practices?**  
(a) Workplace surveillance ; (b) Administrative corruption  
(c) Profit making by some of the big companies ; (d) All of above
- 949. Which of the following reason is / are applicable for unethical business practices?**  
(a) Absence of well organized consumer movement ; (b) No government support  
(c) Greed for quick money ; (d) All of above
- 950. Measures to improve ethical behaviour of business are framed at which level -**  
(a) Institutional level ; (b) Government level ; (c) Societal level ; (d) All of the above
- 951. Government has placed certain awards like Indira Gandhi Paryavaran Puruskar; the Indira Gandhi Priyadarshini Award for those individuals who carry on ..... in India.**  
(a) Profitable business ; (b) Ethical business ; (c) Good corporate governance ;  
(d) All of above
- 952. Which of the following is not a reason for business to act ethically?**  
(a) To protect its own interest and of the business community as a whole  
(b) To meet stakeholder expectations ; (c) To build trust with key stakeholder groups  
(d) To not protect their employees and their reputation
- 953. Ethical executives abide by ..... relating to their business activities.**  
(a) Laws ; (b) Rules ; (c) Laws, rules and regulations ; (d) None of above
- 954. Which of the following is not a dimension of Corporate Social Responsibility?**  
(a) Economic ; (b) Legal ; (c) Voluntary ; (d) Emotional
- 955. Fraudulent asset valuations, insider trading, securities fraud leading to manipulation of the financial markets and executive compensation etc are a part of scope in .....**  
(a) Production ; (b) Compliance ; (c) Finance ; (d) HR
- 956. State as to why a business should behave ethically?**  
(a) To unprotect its own interest and of the business community as a whole  
(b) To keep its commitment to society to act ethically  
(c) To not meet stakeholder expectations ; (d) To build distrust with key stakeholder groups
- 957. Ethics in compliance means.....**  
(a) It is about obeying and adhering to rules and authority  
(b) It deals with the moral principles behind the operation and regulation of marketing  
(c) It deals with the duties of a company to ensure that products and production processes do not cause harm ; (d) None of the above
- 958. Ethics has become the buzzword in the corporate world because of**  
(a) Globalization ; (b) Communication explosion ; (c) Exploitation ; (d) Both (a) and (b)
- 959. Companies which are responsive to employees' needs have.....**  
(a) Profits ; (b) Lower turnover in staff ; (c) Staff Satisfaction ; (d) Strikes

- 960. A business should have which kind of an approach?**  
(a) Profit earning ; (b) Social responsibility ; (c) Both (a) and (b) ; (d) Either (a) and (b)
- 961. Which functional area in business ethics is about obeying and adhering to rules and authority?**  
(a) Ethics in compliance;(b) Ethics in finance ;(c) Ethics in production ;(d)None of the above
- 962.Which of the following is an unethical business practice?**  
(a) Collusion ; (b) False Communication ; (c) Insider Trading ; (d) All the above
- 963. Which of the following is not a 'code of conduct'?**  
(a) Code of ethics ; (b) Code of practices ; (c) Code of behavior ;  
(d) Code of management
- 964. They are concerned about ethics, social responsibility and reputation of the company in which they invest -**  
  
(a) Employees ; (b) Employers ; (c) Investors ; (d) Student
- 965. Administrative corruption includes "gifts" to the .....**  
(a) Factory inspector ; (b) Boiler inspector ; (c) Pollution control board inspectors  
(d) All of the above
- 966. Compliance is about obeying and adhering to .....**  
(a) Rules an authority ; (b) Discipline ; (c) Laws ; (d) All of the above
- 967. Business Ethics is a code of conduct which businessmen should follow while conducting their .....**  
(a) Normal activities ; (b) Special activities ; (c) Specific activities ; (d) None of the above
- 968. Corporate entities are legally considered as persons in .....**  
(a) USA ; (b) Japan ; (c) China ; (d) None of the above
- 969. The idea of business ethics caught the attention of academics, media and business firms by the end of the.....**  
(a) First world war ; (b) Second world war ; (c) Cold war ; (d) None of the above
- 970. Business ethics is based on well accepted .....**  
(a) Moral and social values ; (b) Social values only ; (c) Moral values only ;  
(d) None of the above
- 971. An expert who is confidentially available to solve the ethical dilemmas is known as.....**  
(a) Ethic coach ; (b) Ethics trainer ; (c) Ethics guide ; (d) None of the above
- 972. A set of principles and expectations that are considered binding on any person who is member of a particular group is known as -**  
(a) Code of ethics ; (b) Values ; (c) Ethics ; (d) None of the above
- 973. Business ethics has a.....application**  
(a) Universal ; (b) Natural ; (c) Practical ; (d) None of the above
- 974. The term 'business ethics' came into common use in year.....**  
(a) 1680 ; (b) 1780 ; (c) 1980 ; (d) 1970
- 975. The process where a person informs on another or makes public disclosure of corruption or wrongdoing-**  
(a) Endeavour ; (b) Whistle blowing ; (c) Dilemmas ; (d) Veteran
- 976. The crucial step in understanding business ethics is**  
(a) Establishing codes of ethics ; (b) Learning to recognize ethical issues ;  
(c) Having efficient operations ; (d) Implementing a strategic plan



**977. Business ethics relates to**

- (a) Society's decisions ; (b) An individual's or work group's decisions
- (c) Customers decisions ; (d) Government decisions

**978. Which of the following statements about business ethics is true?**

- (a) It concerns the impact of a business activities on society
- (b) It refers to principles and standards that determine acceptable behavior in the world of business
- (c) It relates to an individual's values and moral standards and the resulting business decisions he or she makes
- (d) What is ethical is determined by the public, government regulators, interest groups, competitors and individual's personal moral values

**979. Behavior that does not confirm to generally social norms will be considered as:**

- (a) Arrogant Behavior ; (b) Arbitrary Behavior ; (c) Ethical Behavior ; (d) Unethical Behavior

**980. Fairness in employment practices centers on**

- (a) Hiring no family members or friends
- (b) Giving people equal rewards for accomplishing the same tasks
- (c) Obeying equal employment opportunity legislation ; (d) Avoiding conflicts of interests

**981. Ethical and unethical behaviors are determined by**

- (a) The individual ; (b) The culture ; (c) Both the individual and the culture
- (d) Neither the individual nor the culture

**982. Which of the following is NOT necessary to assess ethical behavior?**

- (a) Gather Facts
- (b) Make a judgment based on the Tightness or wrongness of the activity or policy
- (c) Consider appropriate moral values ; (d) Listen to what is the being said in the rumor

**983. Top managers demonstrate commitment to ethical business practices with**

- (a) The adoption of written codes of ethics ; (b) Employee empowerment
- (c) Decentralized decision making practices ; (d) Collusion with other companies

**984. EBEN is**

- (a) European Business Ethics network ; (b) European Business Ethics nation
- (c) European Business Ethics national ; (d) None of the above

**985. Feature that is NOT present in business ethics are**

- (a) It has universal application ; (b) It is Absolute in nature ;
- (c) It Depends from business to business ; (d) It Cannot be enforced by law

**986. If a company has ethics than it gets back from the employees**

- (a) Time ; (b) Skill & energy ; (c) Return out of money ; (d) Both (a) & (b)

**987. Pick the odd one. It is UNCOMMON for business to behave ethically because**

- (a) It has to meet stock holder expectations ; (b) It has to ignore their employees relations
- (c) To build trust with shareholders ; (d) All of the above

**988. It is not UNCOMMON for a business to behave ethically because**

- (a) It has to protect its own interest ; (b) It has to keep its commitment
- (c) It has to protect the interest of employees ; (d) All of the above

**989. For stopping the unethical practices at society level ..... practice should be followed**

- (a) Establishment of consumer associations
- (b) Consumer awareness programs to be stated ; (c) Publish journals on social issues
- (d) All of the above

**990. Corporate codes of ethics:**

- (a) Are always externally audited ; (b) Create guidelines for employees to work by
- (c) Are always compliance based ; (d) Are always integrity based

**PAPER 3: FUNDAMENTALS OF LAWS AND ETHICS (SYLLABUS 2012)\_MCQ**

**991. Effective ethics management within an organization can:**

- (a) Minimize errors, losses and fraud ; (b) Eliminate general e-mail abuses  
(c) Eliminate all errors, fraud and losses ; (d) None of the choices are correct

**992. In business ethics, the stakeholder theory of business ethics maintains that managers have an ethical responsibility to manage a firm for the benefit of all its stockholders, and for people who have a claim on a company.**

- (a) True ; (b) False ; (c) Partially true ; (d) Partially false

**993. . are beliefs about what is right and wrong or good or bad.**

- (a) Mores ; (b) Motivators ; (c) Cultures ; m(d) Ethics

**994. In setting ethical standards, perhaps the most effective step that a company can take is to**

- (a) Adopt a code of ethics  
(b) Demonstrate top management support of ethical standards  
(c) Engage employees in ethics training ; (d) Take an accommodative stance

**995. Ethics has become important because of**

- (a) Globalization ; (b) Communication explosion ; (c) Both a & b ; (d) None of the above

**996. The end of cold was brought a concept before media and business firms it was**

- (a) Business Communication ; (b) Business Ethics ; (c) Business Strategy ;  
(d) None of the above

**997. Business Ethics is in nature**

- (a) Absolute ; (b) Not absolute ; (c) Permanent ; (d) None of the above

**998. The issue of fraudulent asset valuation is included in**

- (a) Ethics in compliance ; (b) Ethic in finance ; (c) Ethics in marketing ;  
(d) Ethics in production

**999. Invariably business have unethical practice because**

- (a) Of government ; (b) Fear of tax ; (c) Greed ; (d) None of the above

**1000. If something is to be improved they have to be improved at**

- (a) Organizational level ; (b) Government level ; (c) Society level ; (d) All of the above

**Answer  
Fundamentals of Laws and Ethics**

1	d	2	b	3	d	4	c	5	b	6	a	7	b
8	a	9	c	10	b	11	a	12	a	13	a	14	c
15	b	16	d	17	a	18	a	19	d	20	a	21	c
22	c	23	c	24	b	25	a	26	a	27	b	28	c
29	a	30	d	31	a	32	a	33	d	34	c	35	d
36	b	37	a	38	a	39	a	40	c	41	b	42	d
43	a	44	a	45	d	46	a	47	b	48	a	49	a
50	b	51	a	52	a	53	a	54	a	55	a	56	d
57	b	58	a	59	b	60	d	61	a	62	a	63	b
64	b	65	a	66	a	67	a	68	b	69	a	70	b
71	b	72	a	73	a	74	a	75	b	76	d	77	c
78	b	79	c	80	c	81	a	82	b	83	a	84	c
85	b	86	c	87	a	88	b	89	d	90	d	91	b
92	c	93	a	94	a	95	d	96	a	97	c	98	b
99	c	100	b	101	a	102	b	103	b	104	a	105	b
106	b	107	b	108	b	109	c	110	b	111	a	112	b
113	b	114	a	115	c	116	c	117	b	118	d	119	c
120	c	121	c	122	d	123	d	124	b	125	c	126	b
127	a	128	b	129	c	130	d	131	c	132	d	133	c
134	a	135	d	136	a	137	d	138	d	139	d	140	d

**PAPER 3: FUNDAMENTALS OF LAWS AND ETHICS (SYLLABUS 2012)\_MCQ**

141	c	142	d	143	d	144	a	145	d	146	a	147	d
148	b	149	d	150	c	151	d	152	a	153	d	154	a
155	d	156	d	157	b	158	c	159	c	160	a	161	c
162	a	163	d	164	a	165	c	166	a	167	a	168	b
169	c	170	c	171	a	172	d	173	b	174	b	175	c
176	c	177	d	178	b	179	d	180	d	181	c	182	c
183	b	184	d	185	d	186	c	187	b	188	a	189	a
190	c	191	c	192	b	193	c	194	b	195	b	196	b
197	d	198	b	199	c	200	a	201	a	202	a	203	a
204	c	205	d	206	d	207	c	208	b	209	b	210	d
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218	b	219	a	220	c	221	c	222	b	223	d	224	b
225	c	226	d	227	b	228	d	229	a	230	a	231	c
232	c	233	c	234	d	235	b	236	b	237	a	238	b
239	a	240	a	241	b	242	d	243	b	244	c	245	b
246	c	247	a	248	c	249	c	250	b	251	b	252	a
253	a	254	b	255	c	256	c	257	a	258	a	259	c
260	a	261	d	262	b	263	c	264	b	265	d	266	d
267	d	268	d	269	b	270	d	271	a	272	d	273	c
274	a	275	d	276	a	277	d	278	b	279	c	280	a
281	a	282	c	283	b	284	b	285	c	286	b	287	c
288	c	289	a	290	b	291	c	292	d	293	c	294	a
295	a	296	b	297	c	298	a	299	c	300	c	301	c
302	d	303	c	304	c	305	d	306	d	307	d	308	d
309	c	310	b	311	d	312	c	313	d	314	d	315	d
316	d	317	c	318	a	319	b	320	d	321	b	322	c
323	d	324	a	325	a	326	c	327	b	328	a	329	d
330	a	331	a	332	a	333	a	334	a	335	b	336	c
337	b	338	a	339	c	340	b	341	c	342	d	343	a
344	d	345	d	346	a	347	d	348	b	349	b	350	c
351	c	352	c	353	c	354	d	355	a	356	d	357	d
358	b	359	d	360	c	361	b	362	a	363	c	364	d
365	b	366	a	367	c	368	d	369	c	370	b	371	c
372	d	373	d	374	d	375	d	376	b	377	b	378	a
379	d	380	a	381	a	382	a	383	a	384	d	385	a
386	a	387	a	388	b	389	c	390	c	391	a	392	b
393	d	394	d	395	a	396	c	397	d	398	b	399	b
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407	a	408	b	409	a	410	b	411	c	412	d	413	d
414	b	415	d	416	b	417	d	418	d	419	c	420	c
421	a	422	c	423	c	424	d	425	b	426	b	427	c
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442	b	443	a	444	c	445	a	446	d	447	a	448	a
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456	a	457	a	458	d	459	d	460	c	461	a	462	a
463	b	464	a	465	a	466	b	467	a	468	a	469	a
470	b	471	a	472	a	473	b	474	b	475	b	476	a
477	c	478	a	479	a	480	b	481	a	482	d	483	a
484	b	485	c	486	a	487	a	488	b	489	b	490	b
491	b	492	b	493	d	494	c	495	a	496	b	497	a
498	a	499	b	500	d	501	a	502	c	503	c	504	b
505	c	506	a	507	d	508	a	509	c	510	d	511	d
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519	d	520	a	521	a	522	b	523	d	524	d	525	a
526	d	527	c	528	d	529	a	530	b	531	b	532	a
533	d	534	c	535	d	536	c	537	a	538	a	539	a
540	c	541	d	542	b	543	b	544	d	545	b	546	a

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547	b	548	b	549	d	550	c	551	c	552	c	553	c
554	a	555	c	556	b	557	c	558	a	559	d	560	b
561	c	562	a	563	a	564	a	565	d	566	c	567	a
568	a	569	c	570	c	571	d	572	d	573	a	574	b
575	c	576	b	577	a	578	a	579	b	580	d	581	b
582	c	583	c	584	a	585	a	586	a	587	a	588	a
589	b	590	d	591	d	592	a	593	a	594	b	595	a
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617	c	618	d	619	b	620	d	621	d	622	c	623	c
624	c	625	b	626	a	627	a	628	a	629	c	630	c
631	b	632	a	633	c	634	b	635	d	636	d	637	d
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785	a	786	d	787	d	788	a	789	b	790	a	791	d
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848	b	849	a	850	b	851	b	852	d	853	a	854	a
855	a	856	d	857	c	858	a	859	b	860	d	861	a
862	c	863	b	864	d	865	b	866	b	867	c	868	a
869	c	870	a	871	a	872	a	873	b	874	b	875	c
876	a	877	a	878	c	879	d	880	b	881	c	882	a
883	b	884	c	885	d	886	d	887	b	888	c	889	a
890	a	891	a	892	c	893	b	894	c	895	d	896	c
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904	c	905	a	906	a	907	a	908	d	909	a	910	a
911	b	912	d	913	c	914	c	915	b	916	b	917	a
918	b	919	d	920	c	921	d	922	c	923	d	924	c
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939	b	940	d	941	d	942	d	943	d	944	c	945	a
946	d	947	c	948	b	949	d	950	d	951	b	952	d

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953	c	954	d	955	c	956	b	957	a	958	d	959	b
960	c	961	a	962	d	963	d	964	c	965	d	966	a
967	a	968	a	969	c	970	a	971	a	972	a	973	a
974	d	975	b	976	b	977	b	978	b	979	d	980	d
981	c	982	d	983	a	984	a	985	b	986	d	987	b
988	d	989	d	990	b	991	a	992	b	993	d	994	b
995	c	996	b	997	b	998	b	999	a	1000	d		

## Paper 4 - Fundamentals of Business Mathematics & Statistics

1. If  $A : B = 2 : 3$ ,  $B : C = 4 : 5$ , then  $A : C =$   
 (a) 6 : 7 (b) 7 : 6 (c) 8 : 15 (d) 15 : 8
2. The inverse ratio of  $1\frac{3}{5} : 2\frac{1}{4}$  is  
 (a) 32 : 45 (b) 45 : 32 (c) 18 : 5 (d) 5 : 18
3. The ratio of 10 meters to ₹ 15  
 (a) The ratio Cannot be Determined (b) 2 : 3 (c) 3 : 2 (d) 5 : 10
4. If twice of money of A = 5 times of money of B, then the ratio of money of A to that of B  
 (a) 2 : 5 (b) 15 : 25 (c) 12 : 30 (d) 5 : 2
5. The ratio  $\frac{5}{3} : 2\frac{1}{4}$  is  
 (a) Ratio of lesser in equality (b) Ratio of greater inequality (c) 20 : 9 (d) 5 : 27
6. The ratio of present age of Jadu to that of Madhu is 4 : 5. If the present age of Madhu is 30 years, then the present age of Jadu is :  
 (a) 20 years (b) 25 years (c) 24 years (d) 35 years
7. The ratio of 5 kg 55 gm to 35 kg 50gm :  
 (a) 5 : 7 (b) 1,011 : 7,010 (c) 111 : 710 (d) None of these
8. The ratio 1 year 6 month : 2 years : 2 years 6 months  
 (a) 3 : 4 : 5 (b) 2 : 3 : 5 (c) 2 : 4 : 5 (d) None of these
9. If  $\frac{1}{2}$  of money of A =  $\frac{1}{3}$ rd money of B =  $\frac{1}{4}$  of money of C, then the continued ratio of money of A, B and C  
 (a) 2 : 3 : 4 (b) 6 : 4 : 3 (c) 4 : 3 : 2 (d) 3 : 2 : 1
10. Some money is distributed between A and B in the ratio 2 : 3 . If A receives Rs 72 , then B receives  
 (a) ₹ 90 (b) ₹ 144 (c) ₹ 108 (d) None of these
11. ₹ 2530 is distributed between Ram and Hari such that Ram gets  $\frac{11}{12}$  part that Hari gets. Then Hari gets:  
 (a) ₹ 1320 (b) ₹ 1210 (c) ₹ 1230 (d) ₹ 1310
12. Some amount of money is distributed among Rama, Mita and shipra such that twice the money that Rama gets = thrice the amount of money that Mita gets = four times the amount of money that Shipra gets. Then the continued ratio of their money is :  
 (a) 2 : 3 : 4 (b) 4 : 3 : 2 (c) 6 : 4 : 3 (d) 3 : 2 : 1
13. In a map 2 cm denotes a distance of 3 km., then the scale in the map is :  
 (a) 1 : 1,50,000 (b) 1 : 15,000 (c) 1 : 1,500 (d) 2 : 3
14. The ratio of two numbers is 2 : 3. If 6 is subtracted from the second number then the number which is subtracted from the first number so that the new ratio becomes the same as that of the previous, is  
 (a) 2 (b) 6 (c) 8 (d) 4
15. The sub- duplicate ratio of 49 : 81 is :  
 (a) 81 : 49 (b) 7 : 9 (c) 9 : 7 (d)  $\sqrt{7} : 3$
16.  $(\frac{1}{2} : \frac{1}{3}) : (\frac{1}{2} \times \frac{1}{3})$   
 (a) 2 : 3 (b) 3 : 2 (c) 5 : 1 (d) 1 : 5

17. The compound ratio of 1.2 : 2.5, 2.1 : 3.2 and 5 : 3 is :  
(a) 21 : 25 (b) 27 : 40 (c) 21 : 40 (d) None of these
18. If A : B = 3 : 4, B : C = 2 : 5, then A : B : C :  
(a) 3 : 4 : 5 (b) 3 : 4 : 10 (c) 4 : 3 : 10 (d) 3 : 4 : 8
19. Two numbers are in the ratio is 5 : 8 and if 6 be subtracted from each of them then the remainders are in the ratio 1 : 2, then the numbers are :  
(a) 15, 12 (b) 12, 18 (c) 15, 24 (d) None of these
20. If the price of a pair of pens is ₹ 95, the price of 3 books of Mathematics is ₹ 197.50, then the continued ratio of the price per piece of each item is :  
(a) 19 : 25 : 2 (b) 21 : 25 : 2 (c) 19 : 30 : 3 (d) None of these
21. If  $3x + 4y : 5x - 3y = 5 : 3$ , then  $x : y$  :  
(a) 16 : 27 (b) 27 : 16 (c) 8 : 9 (d) None of these
22. The ratio of two numbers is 12 : 5. If the antecedent is 45, then the consequent is :  
(a) 108 (b) 15 (c) 18.75 (d) 20
23. If the ratio of two positive numbers is 4 : 5 and their L. C. M. is 140, then the numbers are :  
(a) 28, 35 (b) 28, 40 (c) 35, 45 (d) none of these
24. If the ratio of positive numbers is 5 : 9 and their H. C. F. is 4, then the L. C. M. of the number is  
(a) 90 (b) 180 (c) 45 (d) None of these
25. If the ratio of two positive numbers is 7 : 8 and their L. C. M. is 224, then their H. C. F. is :  
(a) 6 (b) 8 (c) 4 (d) None of these
26. The compound ratio of sub-duplicate ratio and sub-triplicate ratio of 729 : 64 is  
(a) 81 : 8 (b) 81 : 16 (c) 729 : 16 (d) 243 : 32
27. The ratio of two numbers is 11:15. The sum of 3 times the first number and twice the second number is 630. The H. C. F. of the number is :  
(a) 10 (b) 12 (c) 15 (d) None of these
28. The mean proportional of  $4X$  and  $16X^3$  is:  
(a)  $10X^2$  (b)  $12X^2$  (c)  $8X^2$  (d)  $64X^4$
29. The third proportional of 1 hour 20 minutes, 1 hour 40 minutes is:  
(a) 1 hrs 50 minutes (b) 2 hrs (c) 2 hrs 5 minutes (d) 2hrs 25 minutes
30. The fourth proportional of ₹5, ₹3.50, 150 gm is:  
(a) 100 gm (b) 105 gm (c) 125 gm (d) None of these
31. If A : B = B : C = C : D = 5 : 6, then A : B : C : D  
(a) 125 : 150 : 180 : 216 (b) 25 : 30 : 36 : 48 (c) 75 : 84 : 96 : 108 (d) None of these
32. If the first and third numbers of four positive numbers in continued proportion be 3 and 12 respectively then fourth number is  
(a) 27 (b) 36 (c) 48 (d) None of these
33. A purse contains 1 rupee coin, 50 paisa coin, 25 paisa coin. The ratio of their numbers are X : Y : Z. The ratio of their values:  
(a)  $4x : 2y : z$  (b)  $2x : 3y : z$  (c)  $4x : 3y : z$  (d)  $x : 2y : 4z$
34. Of the four numbers in proportion, if the product of two middle numbers is 48, the other numbers are :  
(a) 32,16 (b) 18, 30 (c) 3, 16 (d) 6, 24

35. If 0.5 of A = 0.6 of B = 0.75 of C and  $A+B+C = 60$ , then the number which is to be added to A so that the result of this addition and B, C will be in continued proportion, is :  
 (a) 1 (b) 2 (c) 3 (d) 4
36. The mean proportion of three numbers in continued proportion is 16, then the other numbers are :  
 (a) 12, 8 (b) 64, 2 (c) 80, 5 (d)  $\sqrt{01}$ , 2560
37. If A : B = 5 : 8, A : C = 6 : 11, then A : B : C :  
 (a) 30 : 36 : 55 (b) 24 : 30 : 55 (c) 30 : 48 : 55 (d) None of these
38. If X : Y = 2 : 3, X : Z = 5 : 7, then  $(3X + 2Y) : (5Y - 2Z)$  :  
 (a) 60 : 49 (b) 60 : 47 (c) 47 : 60 (d) None of these
39. The distance between two places in a map of 1 : 25,00,000 scale is 8 cm. Then the actual distance between the two places is:  
 (a) 200 km (b) 300 km (c) 100 km (d) None of these
40. 5 years ago, the ages of father and son were in the ratio 5 : 3. If the sum of their present ages is 90 years. The present age of father is:  
 (a) 50 years (b) 60 years (c) 55 years (d) None of these
41. If A:B = 5:7 and B:C = 6:11, then A:B:C is :  
 (a) 55:77:66 (b) 30:42:77 (c) 35:49:42 (d) None of these
42. If p:q = 3:4 and q:r = 8:9, then p:r is:  
 (a) 1:3 (b) 3:2 (c) 2:3 (d) 1:2
43. If A:B = 8:15, B:C = 5:8 and C:D = 4:5, then A:D is equal to:  
 (a) 2:7 (b) 4:15 (c) 8:15 (d) 15:4
44. A and B decides to meet at 2 to 3 PM, but agrees that they would not wait more than 10 minutes for each other. The probability that they actually meet is .....  
 (a) 10/36 (b) 11/36 (c) 25/36 (d) 26/36
45. If 15% of x is the same as 20% of y, then x:y is :  
 (a) 3: 4 (b) 4:3 (c) 17:16 (d) 16:17
46. If 7:x = 17.5 : 22.5, then the value of x is :  
 (a) 9 (b) 7.5 (c) 6 (d) 5.5
47. If  $\frac{1}{5}x = \frac{1}{x} = \frac{1}{1.25}$ , the value of x is :  
 (a) 1.5 (b) 2 (c) 2.5 (d) 3.5
48. If 0.4 : 1.4 :: 1.4 : x, the value of x is:  
 (a) 49 (b) 4.9 (c) 0.49 (d) 0.4
49. The compounded ratio of (2:3), 6:11) and (11:2) is:  
 (a) 1:2 (b) 2:1 (c) 11:24 (d) 36:121
50. If 2A = 3B = 4C, then A:B:C is:  
 (a) 2:3:4 (b) 4:3:2 (c) 6:4:3 (d) 3:4:6
51. If  $\frac{1}{3}A = \frac{1}{4}B = \frac{1}{5}C$ , then A:B:C is :  
 (a) 4:3:5 (b) 5:4:3 (c) 3:4:5 (d) 20:15:12
52. If A = 1/3 B and B = 1/2 C, then A:B:C is :  
 (a) 1:3:6 (b) 3:1:2 (c) 2:3:6 (d) 3:2:6



53. If  $2A = 3B$  and  $4B = 5C$ , then A:C is:  
 (a) 4:3 (b) 8:15 (c) 15:8 (d) 3:4
54. If  $x : y = 5:2$ , then the value of  $(8x + 9y) : (8x + 2y)$  is  
 (a) 26:61 (b) 61 : 26 (c) 29:22 (d) 22:29
55. If  $x:y = 2:1$ , then  $(x^2 - y^2) : (x^2 + y^2)$  is :  
 (a) 3:5 (b) 5:3 (c) 1:3 (d) 3:1
56. If  $(4x^2 - 3y^2) : (2x^2 + 5y^2) = 12 : 19$ , then  $x : y$  is :  
 (a) 2:3 (b) 1:2 (c) 3:2 (d) 2:1
57. The fourth proportional of 0.2, 0.12 and 0.3 is:  
 (a) 0.13 (b) 0.15 (c) 0.18 (d) 0.8
58. The third proportional to 0.36 and 0.48 is:  
 (a) 0.64 (b) 0.1728 (c)  $24\sqrt{.0003}$  (d) None of these
59. The mean proportion between 0.32 and 0.02 is:  
 (a) 0.8 (b) 0.08 (c) 0.008 (d) 0.4
60. The third proportional to  $(x^2 - y^2)$  and  $(x - y)$  is :  
 (a)  $\frac{x+y}{x-y}$  (b)  $\frac{x-y}{x+y}$  (c)  $x + y$  (d)  $(x - y)$
61. The ratio of third proportional to 12 and 30 and the mean proportional of 9 and 25 is:  
 (a) 2:1 (b) 5:1 (c) 7:15 (d) 9:14
62. In a ratio which is equal to 3:4, if the antecedent is 12, then consequent is :  
 (a) 9 (b) 16 (c) 20 (d) 24
63. If 0.4 of a number is equal to 0.06 of another number, then the ratio of the numbers is :  
 (a) 2:3 (b) 3:4 (c) 3:20 (d) 20:3
64. A fraction which bears the same ratio to  $\frac{1}{27}$  that  $\frac{3}{11}$  does to  $\frac{5}{9}$  is  
 (a)  $\frac{1}{55}$  (b) 55 (c)  $\frac{1}{11}$  (d)  $\frac{3}{11}$
65. If  $a + b : b+c : c+a = 6 : 7 : 8$  and  $a+b+c = 14$ , then the value of  $c$  is :  
 (a) 6 (b) 7 (c) 8 (d) 14
66. If  $\frac{a}{3} = \frac{b}{4} = \frac{c}{7}$ , then  $\frac{a+b+c}{c}$  is equal to:  
 (a) 7 (b) 2 (c)  $\frac{1}{2}$  (d)  $\frac{1}{7}$
67. If  $a^x = b^y = c^z$  and  $b^2 = ac$ , then  $xy + yz =$   
 (a)  $xz$  (b)  $- Xz$  (c)  $2xz$  (d) None of these
68. If  $\left(\frac{p+1}{q}\right)^p \cdot \left(\frac{p-1}{q}\right)^p = \left(\frac{p}{q}\right)^x$ , then the value of  $X$   
 $\left(\frac{q+1}{p}\right)^p \left(\frac{q-1}{p}\right)^q = \left(\frac{p}{q}\right)^x$   
 (a)  $p - q$  (b)  $p + q$  (c)  $q - p$  (d) None of these
69. The digit in the unit place of  $(2 \times 4^x)^2 + 1$  (where  $x$  is a positive integer) is:  
 (a) 1 (b) 5 (c) 3 (d) None of these

70. If  $\frac{(2^{x+1})^y \cdot (2^{2x}) \cdot 2^x}{(2^{y+1})^x \cdot 2^{2y}} = 1$ , then the value of y is :  
 (a) 0 (b) 1 (c) X (d) 2X
71. If it rains on Republic Day parade an Auto Riksha earns ₹ 240, on the other hand it does not rain he losses ₹ 60. The probability of rain on Republic Day parade is 0.6. What is the value of expected income of an Auto Riksha on Republic Day parade.  
 (a) ₹ 150 (b) ₹ 45 (c) ₹ 120 (d) ₹ 10
72. If  $3^x = 5^y = (225)^z$ , then Z :  
 (a)  $\frac{xy}{x+y}$  (b)  $2\frac{xy}{(x+y)}$  (c)  $2(X + y)$  (d) None of these
73. If  $X \neq 1$  and  $X^{x^4 \sqrt{x}} = (X - \sqrt[4]{X})^x$ , then X :  
 (a) -1 (b) 0 (c)  $\frac{625}{256}$  (d) None of these
74. If  $\frac{1}{a^3} + \frac{1}{b^3} + \frac{1}{c^3} = 0$ , then  $(a+b+c)^3$  :  
 (a) 3 abc (b) 27 abc (c) -27 abc (d) None of these
75. If  $y = \frac{1}{x^3} - \frac{1}{x^3}$ , then  $Y^3 + 3y$  :  
 (a)  $x - \frac{1}{x}$  (b)  $x + \frac{1}{x}$  (c)  $\frac{1}{x} - x$  (d) None of these
76. If  $a = 2 + \alpha = 2 + \sqrt[3]{2} + \sqrt[3]{4}$ , then  $a^3 - 6a^2 + 6a$  :  
 (a) 1 (b) 0 (c) 2 (d) None of these
77. If  $3x = 9y$ , then  $\frac{1}{x} - 1$   
 (a) 1 (b) 2 (c)  $\frac{1}{2}$  (d) 0
78. If  $64^x = 2\sqrt{2}$ , then X  
 (a)  $\frac{1}{6}$  (b)  $\frac{1}{2}$  (c)  $\frac{1}{4}$  (d) None of these
79. If  $X = 8$ ,  $Y = 27$ , then the value of  $(x^{\frac{4}{3}} + y^{\frac{2}{3}})^{\frac{1}{2}}$  is  
 (a) 2 (b) 5 (c) 1 (d) 4
80. If  $9 \times 81^x = \frac{1}{27^{x-3}}$ , then the value of x is  
 (a) 2 (b) 1 (c) 0 (d) None of these
81. If  $5^{4x} = 1,00,000$ , then  $5^{-x}$  :  
 (a)  $\frac{1}{10}$  (b)  $\frac{1}{5}$  (c)  $\frac{1}{2}$  (d) 2
82. If  $X = \sqrt[3]{\sqrt{2}+1} - \sqrt[3]{\sqrt{2}-1}$ , then the value of  $X^3 + 3X$  is:  
 (a) 0 (b) 1 (c) 2 (d) None of these
83. If  $X = 5 + 2\sqrt{6}$  and  $Xy = 1$ , then  $\frac{1}{x^2} + \frac{1}{y^2}$  :  
 (a) 22 (b) 98 (c) 49 (d) None of these

84. The probability of an ordinary year having 53 Tuesdays is .....
- (a)  $\frac{2}{7}$  (b)  $\frac{1}{7}$  (c)  $\frac{3}{7}$  (d)  $\frac{4}{7}$
85. If  $X = 3 + 2\sqrt{2}$ , then the value of  $\left(x^3 + \frac{1}{x^3}\right) - 5\left(x^2 + \frac{1}{x^2}\right) - 5\left(x + \frac{1}{x}\right)$  is :
- (a) 0 (b) 1 (c) -2 (d) None of these
86.  $\frac{\sqrt{3}}{\sqrt{7+\sqrt{11}}} - \frac{2\sqrt{7}}{\sqrt{11+\sqrt{3}}} - \frac{\sqrt{11}}{\sqrt{3+\sqrt{7}}}$
- (a) 0 (b)  $2\sqrt{7} + \sqrt{3} - \sqrt{11}$  (c) 21 (d) None of these
87. If  $2^{x+2y} = 2^{2x-y} = \sqrt{8}$ , then:
- (a)  $x = \frac{3}{10}, y = \frac{9}{10}$  (b)  $x = \frac{9}{10}, y = \frac{3}{10}$  (c)  $x = \frac{3}{5}, y = \frac{6}{5}$  (d) None of these
88. The mean proportional between  $\sqrt{11}-\sqrt{5}$  and  $13\sqrt{11}+19\sqrt{5}$  is:
- (a)  $\sqrt{33}-\sqrt{15}$  (b)  $\sqrt{33}+\sqrt{15}$  (c)  $\sqrt{11}+\sqrt{5}$  (d) None of these
89. Two coins are tossed five times, find the probability of getting an even number of heads
- (a) 0.5 (b) 1 (c) 0.4 (d) 0.25
90. If  $x=2+\sqrt{5}$ , then  $x^3+3x^2-29x$  :
- (a) 7 (b) 10 (c) 0 (d) None of these
91. Mean of a Binomial distribution is 24, Standard deviation = 4, n, p, q respectively are :
- (a) 72,  $\frac{1}{3}$ ,  $\frac{2}{3}$  (b) 60,  $\frac{1}{3}$ ,  $\frac{2}{3}$  (c) 87,  $\frac{1}{4}$ ,  $\frac{3}{4}$  (d) 90,  $\frac{1}{5}$ ,  $\frac{4}{5}$
92. If  $a = \frac{1}{2+\sqrt{3}}$  and  $b = \frac{1}{2-\sqrt{3}}$ , then the value of  $2a^2 + 3ab - 2b^2$  :
- (a)  $3-16\sqrt{3}$  (b)  $3+16\sqrt{3}$  (c)  $2+8\sqrt{3}$  (d)  $2-8\sqrt{3}$
93. If  $x=7+4\sqrt{3}$ , then  $\sqrt{x} + \frac{1}{\sqrt{x}} =$
- (a) 3 (b) 6 (c) 4 (d) 2
94. The value of  $\sqrt{6+\sqrt{6+\sqrt{6+\dots}}}$  to infinity is:
- (a) 6 (b) 4 (c) -2 (d) 3
95. If  $\frac{(x-\sqrt{24})(\sqrt{75}+\sqrt{50})}{\sqrt{75}\cdot\sqrt{50}} = 1$ , then the value of X is:
- (a) 6 (b) 5 (c) 8 (d) None of these
96. If  $x \propto a^2$ , then  $a \propto$  .....
- (a)  $x^4$  (b)  $\sqrt{x}$  (c)  $\frac{1}{\sqrt{x}}$  (d) None of these
97. If  $x^2+y^2 \propto x^2-y^2$ , then  $X \propto$  .....
- (a) y (b)  $\sqrt{y}$  (c)  $\frac{1}{\sqrt{y}}$  (d) None of these
98. If  $x \propto \frac{1}{\sqrt{a}}$ , then  $a \propto$  .....
- (a)  $x^2$  (b)  $\sqrt{x}$  (c)  $\frac{1}{x}$  (d)  $\frac{1}{x^2}$

99. If  $A \propto B^2$  and  $A = 4$  then  $B = 4$ . When  $A = 3$ , the value of  $B^2$  is :  
 (a) 12 (b) 16 (c) 9 (d) None of these
100. If  $X$  varies inversely with  $Y$  and if  $Y = 3$ , then  $X = 8$ . The value of  $Y$  when  $X = 2$  are:  
 (a) 24 (b) 18 (c) 12 (d) None of these
101. If  $x^2 \propto yz, y^2 \propto zx, z^2 \propto xy$ , then the product of three constant of variation is :  
 (a) 0 (b) 1 (c) 3 (d) xyz
102. In a public library 40% of the readers read Economic Times, 25% read Financial Express, 15 read both. If ne reader is selected at random, what is probability that he reads Economic Times, if it is known that he read Financial Express .  
 (a) 1/5 (b) 3/5 (c) 2/5 (d) 4/5
103. If  $x$  is proportional directly to  $x$  and inversely with  $z$ ;  $y = 5, z = 9$  then  $x = \frac{1}{6}$ . The relation among  $x, y, z$  is:  
 (a)  $x \propto \frac{3y}{10z}$  (b)  $x \propto \frac{10z}{3y}$  (c)  $x \propto \frac{5y}{3z}$  (d) None of these
104. If  $y$  varies inversely with the square  $x$  and  $x = 2$  when  $y = 9$ , then the value of  $y$  when  $X = 3$  is :  
 (a) 6 (b) 12 (c) 4 (d) 9
105. If  $x \propto yz^2, y \propto ab^2$  and  $z \propto \frac{b}{a}$ , then the relation of  $x$  with  $a$  and is:  
 (a)  $x \propto \frac{a^4}{b}$  (b)  $x \propto \frac{a}{b^4}$  (c)  $x \propto \frac{b^2}{a}$  (d)  $x \propto \frac{b^4}{a}$
106. If  $b \propto a^3$  and  $a$  increases in the ratio 3 : 2, then  $b$  increases in the ratio:  
 (a) 8 : 27 (b) 27 : 8 (c) 2 : 3 (d) None of these
107.  $\frac{(1-i)^2}{(2-i)^2}$  can be expressed in the form  $A+iB$ , then  
 (a)  $\frac{8}{25} - i\frac{6}{25}$  (b)  $-\frac{8}{25} + i\frac{6}{25}$  (c)  $-\frac{8}{25} - i\frac{6}{25}$  (d) None of these
108. Modulus of  $\frac{2+i}{2-3i}$  is :  
 (a)  $\frac{5}{13}$  (b)  $\sqrt{\frac{5}{13}}$  (c)  $\sqrt{\frac{13}{5}}$  (d) None of these
109. The conjugate complex number of  $\frac{(3+i)(2-3i)}{1+2i}$  is:  
 (a)  $-1+5i$  (b)  $1+5i$  (c)  $-5-$  (d) None of these
110. Square root of  $7-24i$  is:  
 (a)  $\pm(4-3i)$  (b)  $\pm(3-4i)$  (c)  $\pm(4+3i)$  (d) None of these
111. If  $z = \frac{1-i}{\sqrt{2}}$ , then  $z^2 + z^4 + z^6$  :  
 (a) 0 (b) 1 (c) -1 (d) 2
112. The least positive integer  $n$  for which  $\left(\frac{1+i}{1-i}\right)^n = -i$  is:  
 (a) 2 (b) 3 (c) 4 (d) None of these

113. If  $x-2 + i3y = i(x-2i)$ , then  
 (a)  $x=4, Y=\frac{4}{3}$  (b)  $x=3, y=4$  (c)  $x = -4, y= -\frac{4}{3}$  (d) None of these
114. The least positive integer n, for which  $\left(\frac{1+i}{1-i}\right)^n = -i$  is :  
 (a) 2 (b) 3 (c) 4 (d) 1
115. The square root of  $2i$  is  
 (a)  $\pm (1-i)$  (b)  $\pm (\sqrt{2} + i)$  (c)  $\pm (1 + \sqrt{2} i)$  (d)  $\pm (1 + i)$
116. If  $|x - 1 + 3i| = 3\sqrt{2}$  then x:  
 (a) 4,-2 (b) -4,2 (c) 4,2 (d) None of these
117. If  $Z = \frac{1+i}{1-i}$ , then  $z+z^2+z^3+z^4$  :  
 (a) 1 (b) 2 (c) 2i (d) 0
118. If  $x=3+2i$  and  $y=3-2i$ , then  $x^2+xy+y^2$ :  
 (a) 32 (b) 23 (c) 25 (d) 13
119. If  $Z=x+iy$  and  $|z - 2| = |2z - 1|$ , then  $x^2 + y^2$ :  
 (a) 9 (b) 4 (c) 1 (d) 0
120. If  $A+iB = \frac{2+i}{2-3i}$ , then  $A^2 + B^2$ :  
 (a)  $\frac{5}{13}$  (b)  $\frac{13}{5}$  (c) 5 (d) 13
121. Modulus of  $\frac{1+6i}{7-5i}$  is:  
 (a)  $\sqrt{2}$  (b)  $\frac{1}{\sqrt{2}}$  (c) 1 (d) 2
122. If  $iz^3+z^2-z+i = 0$  then the value of  $|z|$  is:  
 (a) 1 (b) 2 (c) 3 (d) None of these
123. Let  $z_1 = 2 + 3i$  and  $z_2 = 3+2i$  be two complex numbers, then  
 (a)  $z_1 > z_2$  (b)  $z_1 < z_2$  (c)  $z_1^2$  (d) None of these
124. Modulus of  $\frac{\sqrt{3}-i\sqrt{2}}{\sqrt{2}+i\sqrt{3}}$  is:  
 (a) 2 (b) 1 (c)  $\frac{2}{3}$  (d) None of these
125. 1 out of 10 electrical switches inspected are likely to be defective. The mean and standard deviation of 900 electrical switches inspected are .....  
 (a) 90,9 (b) 81,9 (c) 88,10 (d) 91,11
126. If  $(1+i)(2-i) = a+ib$ , then the value of  $a^2 + b^2$  is:  
 (a) 3 (b) 5 (c) 10 (d) None of these
127. If  $z + \frac{1}{z} = 1$ , then the value of  $z^{14} + \frac{1}{z^{14}}$  is:  
 (a) 0 (b) 2 (c) 1 (d) -1

128. If  $\alpha, \beta$  are the complex cube roots of unity, then the value of  $\alpha^4 + \beta^4 + \alpha^{-1} \cdot \beta^{-1}$  is:  
 (a) -1 (b) 0 (c) 1 (d) None of these
129. In how many ways 1 boy and 1 girl can be selected out of 12 boys and 7 girls for a Kho Kho team  
 (a) 120 (b) 84 (c) 19 (d) 5
130. How many numbers can be formed between 100 to 1000 out of 1,3,4,7,8 without repetition of any number  
 (a) 60 (b) 84 (c) 120 (d) 92
131. How many numbers can be formed between 100 to 1000 out of 1,3,4,7,8 if repetition of any number is allowed  
 (a) 60 (b) 84 (c) 125 (d) 92
132. The value of  ${}^{12}P_2 + {}^8P_3$  is:  
 (a) 648 (b) 468 (c) 846 (d) None of these
133. If  ${}^nP_3 = 120$ , then n :  
 (a) 8 (b) 4 (c) 6 (d) None of these
134. If  ${}^{11}P_r = 110$ , then the value of r is:  
 (a) 2 (b) 10 (c) 4 (d) None of these
135. If  ${}^nP_5 = 20$ .  ${}^nP_3$ , then the value of n is:  
 (a) 6 (b) 8 (c) 7 (d) None of these
136. If  ${}^{n-1}P_3 : {}^{n+1}P_3 = 28 : 55$ , then n :  
 (a) 6 (b) 8 (c) 10 (d) 12
137. If  ${}^{m+n}P_2 = 42$  and  ${}^{m-n}P_2 = 6$ , then the values of m and n are:  
 (a) m=6, n=2 (b) m=5, n=2 (c) m=6, n=1 (d) None of these
138. If  ${}^{2n+1}P_{n-1} : {}^{2n-1}P_n = 3 : 5$ , then n :  
 (a) 4 (b) 6 (c) 5 (d) None of these
139. If  ${}^9P_5 + 5 \cdot {}^9P_4 = {}^{10}P_r$ , then the value of r is  
 (a) 3 (b) 4 (c) 5 (d) None of these
140. The number of permutations if the letters in the word "BANANA" in which two letters N do not come together is:  
 (a) 40 (b) 60 (c) 80 (d) 100
141. There are 11 distinct books. Among them 6 books can be arranged in a shelf. The number of arrangements so that 3 particular books will be always side by side is:  
 (a) 2,016 (b) 8,064 (c) 144 (d) None of these
142. The number of different numbers of 6 digits (without repetition) can be formed from the digits 3, 1, 7,0,9,5 is  
 (a) 600 (b) 120 (c) 720 (d) None of these
143. An urn contain 25 tickets from 1 to 7. A person is given chance to draw two tickets one by one. If the tickets number bear the multiple of 7 he wins a gift voucher of 1 10,000. What is the probability that a person will win two gift voucher  
 (a) 1/625 (b) 3/625 (c) 6/625 (d) 5/625
144. The total number of arrangements of the letters in the expression  $x^3y^2z^4$  when written in full length is  
 (a) 2520 (b) 1260 (c) 610 (d) None of these

145. The number of arrangements of the letters of the word BANANA in which the two N's do not appear adjacently is:  
(a) 100 (b) 80 (c) 40 (d) 60
146. The number of different words that can be formed from the letters of the word "TRIANGLE" so that no vowels are together is  
(a) 7200 (b) 36000 (c) 14400 (d) 1240
147. The number of ways in which the letters of the word "VOWEL" can be arranged so that the letters O,E occupy even places is:  
(a) 12 (b) 18 (c) 24 (d) None of these
148. 5 letters can be posted in 4 letters in:  
(a) 256 ways (b) 1024 ways (c) 625 ways (d) None of these
149. 3 distinct prizes can be distributed among 10 boys (any boy can get more than once) in:  
(a) 310 ways (b) 720 ways (c) 1000 ways (d) None of these
150. Total number of ways in which the letters of the word "STRANGE" can be arranged so that the vowels may appear in the odd places is:  
(a) 1370 (b) 1440 (c) 1470 (d) None of these
151. The number of six letter word that can be formed using the letters of the word "assist" in which s's alternate with other letters is:  
(a) 12 (b) 24 (c) 6 (d) 18
152. If  ${}^n C_{12} = {}^n C_8$ , then n :  
(a) 20 (b) 12 (c) 6 (d) None of these
153. If  ${}^8 C_r - {}^7 C_3 = {}^7 C_2$ , then r :  
(a) 3 (b) 4 (c) 2 (d) 6
154. If  ${}^n C_r + {}^n C_{r+1} = {}^{n+1} C_x$ , then x :  
(a) 2 (b) r (c) r+1 (d) None of these
155. If  ${}^n C_6 : {}^{n-3} C_3 = 33 : 4$ , then n :  
(a) 9 (b) 10 (c) 11 (d) None of these
156. If  ${}^{15} C_r : {}^{15} C_{r-1} = 11 : 5$ , then r :  
(a) 4 (b) 5 (c) 6 (d) 7
157. If  ${}^n P_r = 720 {}^n C_r$ , then r :  
(a) 4 (b) 5 (c) 6 (d) 8
158. A man has 6 friends. The total number of ways so that he can invite one or more of his friends is equal to:  
(a) 64 (b) 60 (c) 720 (d) 63
159. The total number of factors of 210 (excluding 1 and 210) is:  
(a) 14 (b) 16 (c) 18 (d) 20
160. Everybody in a room shakes hands with everybody else. The total number of handshakes is 66. The total number of persons in the room is :  
(a) 11 (b) 12 (c) 10 (d) 14

161. There are 10 lamps in a room. Each one of them can be switched on independently. The number of ways in which the hall can be illuminated is:  
(a) 100 (b) 10 24 (c) 1023 (d) 10!
162. There are 11 questions in an examination paper of Mathematics. A candidate has to answer 6 questions of which the question under 1 is compulsory. The total number of selections of his answering in questions is:  
(a) 462 (b) 252 (c) 210 (d) None of these.
163. There are two groups in a questions paper; each group contains 7 questions. A candidate has to answer questions but taking not more than 5 from any group. Total number of selections of 9 questions:  
(a) 1470 (b) 735 (c) 145 (d) None of these
164. In an election, there are 5 candidates and among them only 3 are to be selected. A voter can give vote to any number of candidates not more than the numbers to be elected. Then the total number of voter may give his votes is equal to:  
(a) 10 (b) 5 (c) 15 (d) None of these
165. There are 10 points in a plane and among them 4 are collinear. Then total number of triangles formed by joining them is:  
(a) 120 (b) 60 (c) 116 (d) None of these
166. Out of 18 points in a plane, no three are in the same straight line except 5 points which are collinear. Then the number of straight lines obtained by joining them is  
(a) 140 (b) 142 (c) 144 (d) 146
167. The number of diagonals that can be drawn by joining the vertices of an octagon is:  
(a) 28 (b) 28 (c) 20 (d) None of these
168. The number of ways in which a committee of 5 can be chosen from 10 candidates so as to exclude the youngest if it includes the oldest is:  
(a) 178 (b) 196 (c) 202 (d) None of these
169. The number of committees of 5 consisting at least one female member, that can be formed from 6 males and 4 females is :  
(a) 246 (b) 252 (c) 6 (d) None of these
170. A polygon has 44 diagonals, then the number of its sides are:  
(a) 11 (b) 7 (c) 8 (d) None of these
171. There are 8 questions in an examination paper and each question has an alternative. The number of ways in which a student can give his answer is :  
(a) 6561 (b) 256 (c) 6560 (d) None of these
172. Total number of 9 digit numbers which have all different digit is:  
(a) 10! (b) 9! (c)  $9 \times 9!$  (d)  $10 \times 10!$
173. The total number of selections of one or more fruits from same size of 5 apples, same size of 4 oranges and same size of 3 mangoes is:  
(a) 120 (b) 119 (c) 60 (d) 59
174. The total number of selections of one or more fruits from different sizes of 5 apples, different sizes of 4 oranges and different sizes of 3 mangoes is:  
(a) 4095 (b) 4096 (c) 120 (d) 119
175. The total number of selections of at least one fruit of each kind from different sizes of 5 apples, different sizes of 4 oranges and different sizes of 3 mangoes is:  
(a) 4096 (b) 120 (c) 3255 (d) 4095



176. In a football competition, there were 153 matches. A match occurs between two teams. The total number of teams took part in the competition is:  
 (a) 17 (b) 18 (c) 19 (d) None of these
177. Total number of words formed by taking 3 letters from the word "MARCH" and 2 letters from the word "JUNE" is:  
 (a) 60 (b) 120 (c) 119 (d) 7,200
178. There are 5 points on a straight line and 10 points on another straight line and these two straight lines are parallel. The total number of triangles formed by joining them is:  
 (a) 325 (b) 455 (c) 120 (d) None of these
179. The total number of arrangements in which 5 positive signs and 3 negative signs can be placed in a row such that no two negative signs never come side by side is:  
 (a) 15 (b) 20 (c) 720 (d) None of these
180. Total number of committees formed of 4 men and 3 women from 7 men and 5 women so that Mr. X and Mr. Y do not come in the same committee is:  
 (a) 350 (b) 120 (c) 230 (d) None of these
181. A box contains 10 electric lamps of which 4 are faulty. The number of samples of 6 lamps drawn from the box so that each sample contains 2 faulty lamps is:  
 (a) 90 (b) 35 (c) 60 (d) None of these
182. If  $f(x) = 5$ , then  $f(5)$  :  
 (a) 25 (b) 5 (c) 1 (d) None of these
183. If  $f(x) = 2^x$ , then  $f(\log_2^x)$  :  
 (a)  $\log_2$  (b) 0 (c) 1 (d) x
184. If  $f(x) = \frac{2x+3}{4x-1}$ , then  $f(x) \cdot f\left(\frac{1}{x}\right)$  :  
 (a) 1 (b)  $\frac{6x^2+13x+6}{17x-4-4x^2}$  (c)  $\frac{6x^2-13x+6}{4x^2-4n17x}$  (d) None of these
185. If  $f(x-1) = 2x-3$ , then  $f(x)$  :  
 (a)  $2x-1$  (b)  $2x+1$  (c)  $x-2$  (d)  $3x+2$
186. If  $f(x) = \frac{x^2}{x}$ , then  $f(0)$  :  
 (a) 0 (b) 1 (c) x (d) Does not exist
187. If  $f(x) = |x-1| - x$ , then  $f(-5)$  :  
 (a) 1 (b) -1 (c) 11 (d) None of these
188. If  $f(x) = x - [x]$  where  $[x]$  denotes the greatest integer contained in  $x$  but not greater than  $x$ , then  $f(2.9)$  :  
 (a) 0.1 (b) -0.1 (c) 0.9 (d) None of these
189. If  $f(x) = x - |x|$ , then  $f(-3)$  :  
 (a) -6 (b) 6 (c) 0 (d) None of these
190. If  $f(x) = \sqrt{x-4} + \sqrt{6-x}$ , then the domain of  $f(x)$  is:  
 (a)  $-6 \leq x \leq 4$  (b)  $4 \leq x \leq 6$  (c)  $-4 \leq x \leq 6$  (d)  $-6 \leq x \leq -4$
191. If  $f(x) = x^2$  and  $g(x) = \log$ , then  $g\{f(e)\}$  :  
 (a) e (b) 2 (c)  $e^2$  (d) None of these

192. The domain of  $f(x) = \frac{x^2 - 4}{x - 2}$  is :  
 (a) {2} (b) {-2} (c)  $-\infty < x < 2, 2 < x < \infty$  (d)  $-2 < x < 2$
193. If  $2f(x) + 3f(-x) = 5 - 6x$ , then  $f(x)$  :  
 (a)  $6x + 1$  (b)  $1 - 6x$  (c)  $6x - 1$  (d) None of these
194. If  $f(x) = +\sqrt{x^2}$  and  $g(x) = x$  are identical then:  
 (a)  $-\infty < x < \infty$  (b)  $0 < x < \infty$  (c)  $-\infty < x \leq$  (d)  $0 \leq x < \infty$
195. If  $f(x) = 2^{px+q}$ , then  $f(a) \cdot f(b) \cdot f(c)$  :  
 (a)  $f(a+b+c) \cdot 4^q$  (b)  $f(a+b+c) \cdot 2^q$  (c)  $f(a+b+c)$  (d) None of these
196. If  $x$  is a real number and  $f(x) = \frac{x}{\log(2+x)}$ , then the domain of  $f(x)$  is:  
 (a)  $-\infty < x < 2$  (b)  $-\infty < x < -1$  (c)  $-2 < x < \infty$  (d) None of these
197. If  $f(x) = x - \frac{1}{x}$  and  $f\left(\frac{1}{x}\right) = k \cdot f(x)$ , then  $k$  :  
 (a) 1 (b) -1 (c)  $\frac{1}{2}$  (d) 2
198. If  $f(x) = \frac{1+x}{1-x}$ , then  $f\left\{f\left(\frac{1}{x}\right)\right\}$  :  
 (a)  $x$  (b)  $\frac{1}{x}$  (c)  $-\frac{1}{x}$  (d)  $-x$
199. If  $f(x) = 2x^2 - 5x + 4$ , and  $2f(x) = f(2x)$ , then  $x$  :  
 (a) 1 (b) -1 (c)  $\pm 1$  (d) 2
200. If  $f(x) = \sqrt{25 - x^2}$ , ( $-5 \leq x \leq 5$ ), then the range of  $f(x)$  is:  
 (a)  $0 \leq f(x) \leq 5$  (b)  $0 < f(x) < 5$  (c)  $-5 \leq f(x) \leq 0$  (d) None of these
201. If  $f(x) = \frac{3x - 5}{5x - 3}$ , then  $f(x) \cdot f\left(\frac{1}{x}\right)$  :  
 (a)  $x$  (b)  $\frac{1}{x}$  (c) 1 (d)  $-1$
202. A can't buy more than 100 qtl of raw material X and Y. X and Y can be related by which of the following inequalities.....  
 (a)  $(x+y=100)$  (b)  $(x+y \leq 100)$  (c)  $(x+y \geq 100)$  (d)  $(x+y < 100)$
203. A requires at least 200 pieces of shirt and trouser for his newly opened showroom. If X stands for shirts and Y stands for trousers, this can be expressed as.....  
 (a)  $(x+y \geq 200)$  (b)  $(x+y \leq 200)$  (c)  $(x+y = 200)$  (d)  $(x+y \neq 100)$
204. A manufacturer produces two items X and Y. X requires 20kg of raw material and Y requires 25 kg. If raw material availability with him is 2 tons. This can be expressed in the form of which of the following linear equation.  
 (a)  $(20x+25y \leq 2000)$  (b)  $(20x+25y = 2000)$  (c)  $(25x+20y > 2000)$  (d)  $(20x+25y \geq 2000)$
205. A, B & C produces two items X and Y. He has only ₹25,000 to invest and storage capacity of 300 items only. X cost him ₹400 per piece and Y cost him ₹250 per piece. This can be expressed in the form of which of the following set equation  
 (a)  $x+y \leq 300$   
 $400x+250y \geq 25000$   
 $x \geq 0, y \leq 0$  (b)  $x + y \leq 300$   
 $400x+250y \leq 25000$   
 $x \geq 0, y \geq 0$  (c)  $x+y = 300$   
 $400x+250y \geq 25000$   
 $x=0, y \leq 0$  (d)  $x+y \leq 300$   
 $400x+250y \leq 10000$   
 $x, y \geq 0$

206. A wholesale dealer deals in only two items X & Y. Due to sluggish demand he cannot sell more than 50 and 100 pieces of X & Y respectively per day. If he has only ₹10,000 to invest and if the cost of each item is ₹50 and 40 respectively, this can be expressed in the following equation
- (a)  $x \leq 50$   
 $y \leq 100$   
 $50x + 40y \geq 10000$
- (b)  $x \leq 50$   
 $y \geq 100$   
 $50x + 40y \leq 10000$
- (c)  $x + y \leq 50$   
 $50x + 40y \leq 10000$
- (d)  $x \leq 50, y \leq 100$   
 $150x + 40y \leq 10000$
207. A company produces two items X and Y. Both the items are produced in two machines I and II. The total time available in each machine and the time required for each product in each machine are given below:
- | MACHINE | X | Y | TIME Available (Hours) |
|---------|---|---|------------------------|
| I       | 3 | 1 | 20                     |
| II      | 3 | 4 | 40                     |
- This situation can be expressed in the following set of linear equation:
- (a)  $2x + y \leq 20$   
 $3x + 4y \leq 40$   
 $x \geq 0, y \geq 0$
- (b)  $x + y \leq 20$   
 $x + 4y \leq 240$   
 $x \geq 0, y \geq 0$
- (c)  $2x + 4 \leq 20$   
 $3x + 4y \geq 40$   
 $x \geq 0, y \geq 0$
- (d)  $2x + 3y \geq 20$   
 $x + y \leq 40$   
 $x \geq 0, y \geq 0$
208. A company produces two items X and Y. Both the items are produced in two machines I and II. The total time available in each machine and the time required for each product in each machine are given below:
- | MACHINE | X | Y | TIME AVAILABLE |
|---------|---|---|----------------|
| I       | 1 | 1 | 24             |
| II      | 2 | 3 | 36             |
- This situation can be expressed in the following set of linear equation:
- (a)  $x + 2y \leq 24$   
 $3x + 4y \leq 36$   
 $x \geq 0, y \geq 0$
- (b)  $x + 2y \leq 24$   
 $x + 3y \leq 36$   
 $x \geq 0, y \geq 0$
- (c)  $x + 24 = 24$   
 $2x + 3y = 36$   
 $x, y \geq 0$
- (d)  $x + 2y \leq 24$   
 $2x + 3y \geq 36$   
 $x \geq 0, y \geq 0$
209. ABC Ltd. deals in the products X and Y. Both the products are in great demand. The firm can sell at least 100 units of X and 150 units of Y per day. If X & Y give a profit of ₹20 and ₹25 per unit and the objective of the firm is to maximize the total profit. This situation can be expressed in the form of which of the following set equation:
- (a)  $x \geq 0$   
 $y \geq 0$   
maximize  
 $20X + 25y$
- (b) maximize  
 $20x + 25y$   
 $x \geq 100$   
 $y \geq 150$
- (c) minimize  
 $20x + 25y$   
 $x \leq 100$   
 $y \leq 150$
- (d) minimize  
 $20x + 25y$   
 $x \geq 100$   
 $y \geq 150$
210. ABC Ltd. combines two products X and Y to form a gift during the Dewali season in order to increase its sale. Each pack must weigh at least 10kg and should contain at least 2 kg of X and not more than 6 kg of Y. This can be expressed
- (a)  $x + y = 10$   
 $x \geq 2$   
 $y \leq 6$   
 $x, y \geq 0$
- (b)  $x + y \geq 10$   
 $x \geq 2$   
 $y \leq 6$   
 $x, y \geq 0$
- (c)  $x + y \leq 10$   
 $x \geq 0$   
 $y \geq 6$   
 $x, y \geq 0$
- (d)  $x + y \leq 10$   
 $x = 2$   
 $y = 6$   
 $x, y \geq 0$
211. The standard weight of a gift pack is 5 kg. It contains two items X and Y. The gift pack should contain at least 2 kg of X and not more than 3 kg of Y. This situation can be expressed as
- (a)  $x + y = 5$   
 $x \geq 2$   
 $y \leq 3$   
 $x, y \geq 0$
- (b)  $x + y \leq 5$   
 $x \geq 2$   
 $y \leq 3$   
 $x, y \geq 0$
- (c)  $x + y \geq 5$   
 $x \geq 2$   
 $y \leq 3$   
 $x, y \geq 0$
- (d)  $x + y = 0$   
 $x \geq 2$   
 $y \geq 6$   
 $x, y \geq 0$
212. Two types of ties are available in a departmental store. Tie X is available for ₹120 per piece and Y for ₹175 per piece. If Z is retail dealer in tie has only ₹30,000 to spend on purchase of tie and his storage capacity is limited to 500 piece of ties. This situation can be expressed in the following equation
- (a)  $x + y \leq 500$   
 $120x + 175y \leq 30000$   
 $x, y \geq 0$
- (b)  $x + y \geq 500$   
 $120x + 175y \leq 30000$   
 $x, y \geq 0$
- (c)  $x + y = 200$   
 $120x + 175y = 30000$   
 $x, y \geq 0$
- (d)  $x + y \geq 500$   
 $20x + 175y \leq 30000$   
 $x, y \geq 0$

213. A is a dealer in two types of shaving creams X & Y. He has ₹20,000 to spent and has space to store 250 packets of shaving creams at most at a time. Shaving cream X cost ₹240 per box and Y cost ₹420 per box. This situation can be expressed in the following equation
- |                        |                        |                        |                   |
|------------------------|------------------------|------------------------|-------------------|
| (a) $x+y \leq 200$     | (b) $x+y \leq 200$     | (c) $x+y \geq 200$     | (d) $x+y=200$     |
| $240x+420y \leq 20000$ | $240x+420y \leq 20000$ | $240x+420y \leq 20000$ | $240x+420y=20000$ |
| $x \geq 0, y \geq 0$   | $x, y \geq 0$          | $x, y \geq 0$          | $x, y \geq 0$     |
214. If  $3X-5=4X-10$ , then X is equal to .....
- |       |        |       |       |
|-------|--------|-------|-------|
| (a) 5 | (b) -5 | (c) 6 | (d) 4 |
|-------|--------|-------|-------|
215. If  $-3X+18=4X-3$ , then X is equal to .....
- |       |        |       |       |
|-------|--------|-------|-------|
| (a) 2 | (b) -5 | (c) 3 | (d) 1 |
|-------|--------|-------|-------|
216. Find the value of K if  $5X+37=K-3X$ , when X is equal to .....
- |        |        |        |        |
|--------|--------|--------|--------|
| (a) 16 | (b) 15 | (c) 21 | (d) 10 |
|--------|--------|--------|--------|
217. If  $X+Y=3$ ,  $3X+4Y=11$ , then (X,Y) are equal to .....
- |           |            |           |           |
|-----------|------------|-----------|-----------|
| (a) (1,2) | (b) (-5,1) | (c) (6,2) | (d) (4,1) |
|-----------|------------|-----------|-----------|
218. If  $3X+Y=7$ ,  $2X+3Y=7$  then X, Y are equal to .....
- |           |           |           |           |
|-----------|-----------|-----------|-----------|
| (a) (5,1) | (b) (2,1) | (c) (6,1) | (d) (1,4) |
|-----------|-----------|-----------|-----------|
219. For which value of X,Y,  $3X-2Y-6 = 2X+3Y-17 = 0$
- |           |           |           |           |
|-----------|-----------|-----------|-----------|
| (a) (4,3) | (b) (2,3) | (c) (3,1) | (d) (1,2) |
|-----------|-----------|-----------|-----------|
220. If  $5X+Y=15$ ,  $2X-2Y=-6$  then X,Y are equal to .....
- |           |           |           |           |
|-----------|-----------|-----------|-----------|
| (a) (5,2) | (b) (2,5) | (c) (6,3) | (d) (1,1) |
|-----------|-----------|-----------|-----------|
221. For which value of X,Y  $\frac{X}{4} + \frac{Y}{5} - 6 = \frac{X}{2} + \frac{Y}{3} - 11 = 0$  are equal to .....
- |           |           |           |             |
|-----------|-----------|-----------|-------------|
| (a) (1,2) | (b) (2,3) | (c) (6,1) | (d) (12,15) |
|-----------|-----------|-----------|-------------|
222. If  $X/3+Y/2=7$ ,  $2X+Y=26$  then X,Y are equal to .....
- |           |           |           |           |
|-----------|-----------|-----------|-----------|
| (a) (1,5) | (b) (1,3) | (c) (9,8) | (d) (6,3) |
|-----------|-----------|-----------|-----------|
223. The point, ----- is on the line  $Y=X-3$ .....
- |            |           |           |            |
|------------|-----------|-----------|------------|
| (a) (2,-1) | (b) (4,3) | (c) (0,1) | (d) (3,-1) |
|------------|-----------|-----------|------------|
224. The point, ----- is on the line  $Y=2X-3$  .....
- |            |           |           |            |
|------------|-----------|-----------|------------|
| (a) (2,-1) | (b) (4,3) | (c) (4,5) | (d) (3,-1) |
|------------|-----------|-----------|------------|
225. For the line  $2X-Y=5$  if  $X=4$  then  $Y=$  .....
- |       |       |        |       |
|-------|-------|--------|-------|
| (a) 2 | (b) 3 | (c) -1 | (d) 0 |
|-------|-------|--------|-------|
226. For the line  $3X-2y=5$  if  $X=2$  then  $Y=$
- |         |         |         |       |
|---------|---------|---------|-------|
| (a) 1/2 | (b) 3/4 | (c) 3/5 | (d) 1 |
|---------|---------|---------|-------|
227. The solution to  $3X+2Y=-25$ ,  $-2X-Y=10$  is.....
- |           |         |         |         |
|-----------|---------|---------|---------|
| (a) 5,-20 | (b) 2,9 | (c) 5,8 | (d) 4,9 |
|-----------|---------|---------|---------|
228. The solution to  $3X-2Y=11$ ,  $-2X-Y=8$  is .....
- |            |         |          |         |
|------------|---------|----------|---------|
| (a) (5,-2) | (b) 2,1 | (c) 5,-2 | (d) 4,9 |
|------------|---------|----------|---------|
229. The solution to  $5X+2Y=-16$ ,  $-2X-2Y=-10$  is.....
- |           |         |         |         |
|-----------|---------|---------|---------|
| (a) 5,-20 | (b) 2,3 | (c) 5,8 | (d) 4,9 |
|-----------|---------|---------|---------|
230.  $2X+3Y-5=0$  and  $KX-6Y-8=0$  have unique solutions if  $K =$
- |       |       |        |        |
|-------|-------|--------|--------|
| (a) 4 | (b) 3 | (c) -2 | (d) -4 |
|-------|-------|--------|--------|

231. If the numerator of a fraction is multiplied by 3 and denominator is reduced by 3 we get  $\frac{18}{11}$ . But if the numerator is increased by 8 and denominator is doubled we get  $\frac{2}{5}$ , then the fraction is.....  
 (a)  $\frac{13}{25}$  (b)  $\frac{20}{21}$  (c)  $\frac{12}{25}$  (d)  $\frac{11}{19}$
232. If 1 is added to the denominator to a certain fraction it becomes  $\frac{1}{3}$  and if 1 is subtracted from denominator it becomes  $\frac{1}{2}$ , then the fraction is .....  
 (a)  $\frac{2}{5}$  (b)  $\frac{3}{7}$  (c)  $\frac{2}{6}$  (d)  $\frac{3}{10}$
233. A two digit No. is six times the sum of its digits. The number obtained by interchanging the digit is less by 9. The original number is.....  
 (a) 68 (b) 72 (c) 54 (d) 63
234. If sum of digits of two digit No. is 9 and the digits obtained by interchanging the digits exceeds the given number by 27, then the number is  
 (a) 36 (b) 45 (c) 23 (d) 65
235. In the equation  $2x-y=5$  if  $x=4$  then  $y=$   
 (a) 3 (b) 4 (c) -2 (d) -5
236. Point =----- are on  $3X+2Y=1$   
 (a) (1,1) (b) (-1,-1) (c) (1,-1) (d) (0,1)
237. If  $x+4=4$ ,  $2x-5y=1$  then  $x$  &  $y$  are.....  
 (a) (1,0) (b) (0,-1/5) (c)  $1, 1/5$  (d)  $1/5, 0$
238. If  $2x+3y=1$ ,  $x+3y=-1$ , then  $x$  and  $y$  are.....  
 (a) (2,-1) (b) (1,-2) (c) (-1,2) (d) (0,2)
239. If  $2x+3y=7$ ,  $x+3y=5$ , then  $x$  and  $y$  are.....  
 (a) (2,-1) (b) (1,-2) (c) (-1,2) (d) (2,1)
240. If  $2x-3y=1$ ,  $x-3y=-1$ , then  $x$  and  $y$  are.....  
 (a) (2,1) (b) (1,-2) (c) (-1,2) (d) (0,2)
241. If  $x+3y=1$ ,  $x+2y=2$ , then  $x$  and  $y$  are.....  
 (a) (2,-1) (b) (4,-1) (c) (-1,2) (d) (0,2)
242. If  $3x-y=0$ ,  $x+3y=10$ , then  $x$  and  $y$  are.....  
 (a) (2,-1) (b) (1,3) (c) (-1,2) (d) (0,2)
243. If  $x-y=0$ ,  $x+3y=4$ , then  $x$  and  $y$  are.....  
 (a) (2,-1) (b) (1,1) (c) (-1,2) (d) (0,2)
244. What is the slope of the line passing through (4,2) and (3,5)  
 (a) -3 (b) 3 (c) 2 (d) -2
245. What is the slope of the line passing through (5,3) and (3,6)  
 (a)  $-\frac{3}{2}$  (b)  $\frac{3}{2}$  (c) 2 (d) -2
246. What is the slope of the line passing through (5,2) and (3,7)  
 (a) -3 (b)  $-\frac{5}{2}$  (c)  $\frac{5}{2}$  (d) -2
247. What is the slope of the line passing through (4,3) and (3,-5)  
 (a) 3 (b) 8 (c) 2 (d) -3
248. What is the slope of the line passing through (-4,2) and (3,-5)  
 (a) -1 (b) -3 (c) 2 (d) -2

249. What is the slope of the line passing through (4,-2) and (3,7)  
(a) -3 (b) -9 (c) 2 (d) -2
250. At the rate of 6% p.a. simple interest, a sum of ₹ 2,500 will earn how much interest by the end of 5 years?  
(a) ₹ 150 (b) ₹ 700 (c) ₹ 750 (d) ₹ 3,250
251. A person borrowed ₹ 500 at the rate of 5% per annum S.I. What amount will he pay to clear the debt after 4 years?  
(a) ₹ 200 (b) ₹ 550 (c) ₹ 600 (d) ₹ 700
252. If A lends ₹ 3,500 to B at 10% p.a. and B lends the same sum to C at 11.5% p.a., then the gain of B (in ₹) in a period of 3 years is:  
(a) 107.50 (b) 115.50 (c) 157.50 (d) 177.50
253. In what time will ₹ 500 give ₹ 50 as interest at the rate of 5% p.a. S.I.?  
(a) 2 Years (b)  $2\frac{1}{2}$  Years (c) 3 Years (d) 4 Years
254. Avinash borrowed ₹ 5,000 from Sanjay at simple interest. After 3 years, Sanjay got ₹ 300 more than what he had given to Avinash. What was the rate of interest per annum?  
(a) 2% (b) 5% (c) 8% (d) 10%
255. Ashok took a loan of ₹ 15,000 for 3 years at simple interest. If the total interest paid is ₹ 2,700, what is the rate of interest per annum?  
(a) 5.4% (b) 6% (c) 9% (d) 18%
256. Rakesh took a loan for 6 years at the rate of 5% p.a. S.I. If the total interest paid was ₹ 1,230, the principal was:  
(a) ₹ 4,100 (b) ₹ 4,920 (c) ₹ 5,000 (d) ₹ 5,300
257. How much should a person lend at simple rate of interest of 15% in order to have ₹ 784 at the end of  $1\frac{1}{2}$  Years?  
(a) ₹ 640 (b) ₹ 620 (c) ₹ 610 (d) ₹ 680
258. Satish took a loan at 10% p.a. S.I. After 4 years, he returned the principal along with the interest. If he returns in all ₹ 3,500, what is the principal amount?  
(a) ₹ 3,250 (b) ₹ 2,500 (c) ₹ 3,150 (d) ₹ 2,100
259. ₹ 800 amount to ₹ 920 in 3 years at simple interest. If the interest rate is increased by 3%, it would amount to how much?  
(a) ₹ 992 (b) ₹ 1,056 (c) ₹ 1,112 (d) ₹ 1,182
260. The simple interest at x% for x years will be ₹ X on a sum of:  
(a) ₹ x (b) ₹ 100x (c) ₹  $\left(\frac{100}{x}\right)$  (d) ₹  $\left(\frac{100}{x^2}\right)$
261. If ₹ 64 amount to ₹ 83.20 in 2 years, what will ₹ 86 amount to in 4 years at the same rate percent per annum?  
(a) ₹ 127.40 (b) ₹ 124.70 (c) ₹ 114.80 (d) ₹ 137.60
262. The simple interest on a sum of money at 5% is ₹ 48 for 4 years. The simple interest on the same sum for 5 years at 4% will be:  
(a) ₹ 40 (b) ₹ 48 (c) ₹ 50 (d) ₹ 60
263. A certain sum of money lent out at S.I. amounts to ₹ 690 in 3 years and ₹ 750 in 5 years. The sum lent is:  
(a) ₹ 400 (b) ₹ 450 (c) ₹ 500 (d) ₹ 600

264. A certain sum of money at simple interest amounts to ₹ 1,012 in  $2\frac{1}{2}$  Years and to ₹ 1,067.20 in 4 years. The rate of interest per annum is:  
(a) 2.5% (b) 3% (c) 4% (d) 5%
265. A sum of money at simple interest amounts to ₹ 2,240 in 2 years and to ₹ 2,600 in 5 years. What is the principal amount?  
(a) ₹ 1,520 (b) ₹ 1,880 (c) ₹ 2,120 (d) None
266. For how many years should ₹ 600 be invested at 10% p.a. in order to earn the same simple interest as is earned by investing ₹ 800 at 12% p.a. for 5 years?  
(a) 6 (b) 8 (c) 12 (d) 16
267. The simple interest on a certain sum of money at the rate of 5% p.a. for 8 years is ₹ 840. At what rate of interest the same amount of interest can be received on the same sum after 5 years?  
(a) 6% (b) 8% (c) 9% (d) 10%
268. The simple interest on ₹ 10 for 4 months at the rate of 3 paise per rupee per month is  
(a) ₹ 1.20 (b) ₹ 12 (c) ₹ 120 (d) ₹ 1200
269. A person takes a loan of ₹ 200 at 5% simple interest. He returns ₹ 100 at the end of 1 year. In order to clear his dues at the end of 2 years, he would pay:  
(a) ₹ 115.50 (b) ₹ 110 (c) ₹ 115 (d) ₹ 100
270. The interest on a certain deposit at 4.5% p.a. is ₹ 202.50 in one year. How much will the additional interest in one year be on the same deposit at 5% p.a.?  
(a) ₹ 22.5 (b) ₹ 20.25 (c) ₹ 225 (d) ₹ 427.50
271. A sum of money was lent at simple interest at 11% p.a. for  $3\frac{1}{2}$  years and  $4\frac{1}{2}$  years respectively. If the difference in interests for two periods was ₹ 412.50, then the sum is:  
(a) ₹ 3,250 (b) ₹ 3,500 (c) ₹ 3,750 (d) ₹ 4,250
272. Gulshan Kumar borrows ₹ 300 at 5% and ₹ 450 at 6% at the same time and on the condition that the whole loan will be repaid when the total interest amounts to ₹ 126. The loan will have to be repaid after how many years:  
(a) 2 (b) 3 (c) 4 (d) 5
273. Prabhat took a certain amount as a loan from a bank at the rate of 8% p.a. S.I. and gave the same amount to Ashish as a loan at the rate of 12% p.a. If at the end of 12 years, he made a profit of ₹ 320 in the deal, what was the original amount:  
(a) ₹ 2,000 (b) ₹ 3,000 (c) ₹ 4,000 (d) None of these
274. Vishal lent ₹ 150 to Sandeep for 4 years and ₹ 600 to Deepak for 2 years. If he receives ₹ 90 as simple interest altogether, the rate of interest is:  
(a) 12% (b) 10% (c) 5% (d) 4%
275. A lent ₹ 1,200 to B for 3 years at a certain rate of simple interest and ₹ 1,000 to C for the same time at the same rate. If he gets ₹ 50 more from B than from C, then the rate percent is:  
(a)  $8\frac{1}{3}$  (b)  $6\frac{2}{3}$  (c)  $10\frac{1}{3}$  (d)  $9\frac{2}{3}$
276. Rahul borrowed ₹ 830 from Mr. Lal at 12% p.a. S.I. for 3 years. He then added some more money to the borrowed sum and lent it to Shobha for the same period at 14% p.a. rate of interest. If Rahul gains ₹ 93.90 in the whole transaction, how much money did he add from his side:  
(a) ₹ 35 (b) ₹ 55 (c) ₹ 80 (d) ₹ 105
277. The difference between the interests received from two different banks on ₹ 500 for 2 years, is ₹ 2.50. The difference between their rates is:  
(a) 1% (b) 0.5% (c) 0.25% (d) 42.5%

278. The simple interest on ₹ 1,820 from March 9, 1994 to May 21, 1994 at  $7\frac{1}{2}$  % rate will be :  
(a) ₹ 29 (b) ₹ 28.80 (c) ₹ 27.30 (d) ₹ 22.50
279. A sum was put at simple interest at a certain rate for 2 years. Had it been put at 3% higher rate, it would have fetched ₹ 72 more. The sum is:  
(a) ₹ 1,200 (b) ₹ 1,500 (c) ₹ 1,600 (d) ₹ 1,800
280. The amount of ₹ 7,500 at compound interest at 4% per annum for 2 years, is:  
(a) ₹ 7,800 (b) ₹ 8,100 (c) ₹ 8,112 (d) ₹ 8,082
281. If the simple interest on a sum of money at 5% per annum for 3 years is ₹ 1,200, the compound interest on the same sum for the same period at the same rate, is:  
(a) ₹ 1,260 (b) ₹ 1,261 (c) ₹ 1,264 (d) ₹ 1,265
282. The difference between the compound interest and the simple interest on a sum of money for 2 years at  $12\frac{1}{2}$  % per annum is ₹ 150. The sum is:  
(a) ₹ 9,000 (b) ₹ 9,200 (c) ₹ 9,500 (d) ₹ 9,600
283. If the difference between the compound interest, compounded half yearly and the simple interest on a sum at 10% per annum for one year is ₹ 25, the sum is:  
(a) ₹ 9,000 (b) ₹ 9,500 (c) ₹ 10,000 (d) ₹ 10,500
284. The difference in compound interest and simple interest on a certain amount at 10% per annum at the end of the third year is ₹ 620. What is the principal amount?  
(a) ₹ 40,000 (b) ₹ 1,20,000 (c) ₹ 10,000 (d) ₹ 20,000
285. A man borrowed ₹ 800 at 10% per annum simple interest and immediately lent the whole sum at 10% per annum compound interest. What does he gain at the end of 2 years?  
(a) ₹ 6 (b) ₹ 8 (c) ₹ 10 (d) ₹ 12
286. On what sum of money will the simple interest for 3 years at 8% per annum be half of the compound interest on ₹ 400 for 2 years at 10% per annum?  
(a) ₹ 125 (b) ₹ 150 (c) ₹ 175 (d) ₹ 200
287. If the compound interest on a certain sum at  $16\frac{2}{3}$  % for 3 years is ₹ 1,270, the simple interest on the same sum at the same rate and for the same period is:  
(a) ₹ 1,200 (b) ₹ 1,165 (c) ₹ 1,080 (d) ₹ 1,220
288. The compound interest on a certain sum at 5% per annum for 2 years is ₹ 328. The simple interest for that sum at the same rate and for the same period will be:  
(a) ₹ 320 (b) ₹ 322 (c) ₹ 325 (d) ₹ 326
289. The compound interest on ₹ 5,600 for  $1\frac{1}{2}$  years at 10% per annum compounded annually is:  
(a) ₹ 882.70 (b) ₹ 873.50 (c) ₹ 868 (d) ₹ 840
290. The compound interest on ₹ 20,480 at  $6\frac{1}{4}$  % per annum for 2 years 73 days, is:  
(a) ₹ 3,000 (b) ₹ 3,131 (c) ₹ 2,929 (d) ₹ 3,636
291. What is the principal amount which earns ₹ 132 as compound interest for the second year at 10% per annum?  
(a) ₹ 1,000 (b) ₹ 1,200 (c) ₹ 1,320 (d) ₹ 1,188
292. A sum of money at compound interest amounts to ₹ 578.40 in 2 years and to ₹ 614.55 in 3 years. The rate of interest per annum is:  
(a) 4% (b) 5% (c)  $6\frac{1}{4}$  % (d)  $8\frac{1}{3}$  %



293. A sum of money at compound interest amounts to ₹ 5,290 in 2 years and to ₹ 6,083.50 in 3 years. The rate of interest per annum is:  
 (a) 12% (b) 14% (c) 15% (d)  $16\frac{2}{3}\%$
294. If the amount is  $2\frac{1}{4}$  times the sum after 2 years at compound interest, the rate of interest per annum is:  
 (a) 25% (b) 30% (c) 40% (d) 50%
295. A sum of money amounts to ₹ 4,624 in 2 years and to ₹ 4,913 in 3 years at compound interest. The sum is:  
 (a) ₹ 4,096 (b) ₹ 4,260 (c) ₹ 4,335 (d) ₹ 4,360
296. A sum of money placed at compound interest doubles itself in 5 years. It will amount to eight times itself in:  
 (a) 10 years (b) 12 years (c) 15 years (d) 20 years
297. A sum of money at compound interest amounts to thrice itself in 3 years. In how many years will it be 9 times itself in?  
 (a) 12 (b) 9 (c) 6 (d) 8
298. In how many years will a sum of ₹ 800 at 10% per annum compounded semi-annually become ₹ 926.10?  
 (a)  $2\frac{1}{2}$  (b)  $1\frac{1}{2}$  (c)  $2\frac{1}{3}$  (d)  $1\frac{1}{3}$
299. The present worth of ₹ 169 due in 2 years at 4% per annum compound interest is:  
 (a) ₹ 150.50 (b) ₹ 154.75 (c) ₹ 156.25 (d) ₹ 158
300. To find out the total compound interest accrued on a sum of money after 5 years, which of the following information given in the statements A and B is/are sufficient?  
**A: the rate of interest was 6% per annum.**  
**B: The total simple interest on the same amount after 5 years at the same rate will be ₹ 600.**  
 (a) Only A is sufficient (b) Either A or B is sufficient  
 (c) Both A & B together are needed (d) Both A & B are not sufficient
301. To find out the total compound interest accrued on a sum of money after 5 years, which of the following information given in the statements P and Q will be sufficient?  
**P: The sum was ₹ 20,000.**  
**Q: The total amount of simple interest on the sum after 5 years was ₹ 4,000.**  
 (a) Only P is sufficient (b) Only Q is sufficient  
 (c) Either P or Q is sufficient (d) Both P & Q are needed
302. The difference between compound interest and the simple interest earned on a sum of money at the end of 4 years is ₹ 256.40. To find out the sum, which of the following information given in the statements P and Q is/are necessary?  
**P: Amount of simple interest accrued after 4 years.**  
**Q: Rate of interest per annum.**  
 (a) Only P is necessary (b) Only Q is necessary  
 (c) Either P or Q is necessary (d) Neither P nor Q is necessary
303. The difference between the compound interest and simple interest earned at the end of second year on a sum of money at 10% per annum is ₹ 20. The sum is:  
 (a) ₹ 4,000 (b) ₹ 2,000 (c) ₹ 1,500 (d) Data inadequate
304. A sum of ₹ 12,000 deposited at compound interest becomes double after 5 years. After 20 years it will become:  
 (a) ₹ 1,20,000 (b) ₹ 1,92,000 (c) ₹ 1,24,000 (d) ₹ 96,000

305. The least number of complete years in which a sum of money put out at 20% compound interest will be more than doubled is:  
 (a) 3 (b) 4 (c) 5 (d) 6
306. A tree increases annually by  $\frac{1}{8}$  th of its height. By how much will it increase after 2 years, if it stands today 64 cm high?  
 (a) 72 cm (b) 74 cm (c) 75 cm (d) 81 cm
307. The difference between the compound interest and the simple interest for 2 years on a sum of money is ₹ 60. If the simple interest for 2 years be ₹ 1,440, the rate per cent is:  
 (a)  $4\frac{1}{6}\%$  (b)  $6\frac{1}{4}\%$  (c) 8% (d)  $8\frac{1}{3}\%$
308. The compound interest on a sum for 2 years is ₹ 832 and the simple interest on the same sum for the same period is ₹ 800. The difference between the compound interest and the simple interest for 3 years will be:  
 (a) ₹ 48 (b) ₹ 66.56 (c) ₹ 98.56 (d) None of these
309. The difference between compound interest and simple interest on a sum for 2 years at 10% per annum, when the interest is compounded annually is ₹ 16. If the interest were compounded half yearly, the difference in two interests would be:  
 (a) ₹ 24.81 (b) ₹ 31.61 (c) ₹ 32.40 (d) ₹ 26.90
310. The value of  $\log_{343} 7$  is:  
 (a)  $\frac{1}{3}$  (b) - 3 (c)  $-\frac{1}{3}$  (d) 3
311. The value of  $\log_5 \left(\frac{1}{125}\right)$  is:  
 (a) 3 (b) - 3 (c)  $\frac{1}{3}$  (d)  $-\frac{1}{3}$
312. The value of  $\log_{\sqrt{2}} 32$  is :  
 (a)  $\frac{5}{2}$  (b) 5 (c) 10 (d)  $\frac{1}{10}$
313. The value of  $\log_{10} (.0001)$  is :  
 (a)  $\frac{1}{4}$  (b)  $-\frac{1}{4}$  (c) - 4 (d) 4
314. The value of  $\log_{(0.1)} (.0001)$  is :  
 (a)  $\frac{1}{3}$  (b)  $-\frac{1}{3}$  (c)  $\frac{3}{2}$  (d)  $-\frac{3}{2}$
315. If  $\log_3 x = -2$ , then x is equal to:  
 (a) - 9 (b) - 6 (c) - 8 (d)  $-\frac{1}{9}$
316. If  $\log_8 x = \frac{2}{3}$ , then the value of x is :  
 (a)  $\frac{3}{4}$  (b)  $\frac{4}{3}$  (c) 4 (d) 3
317. If  $\log_x \left(\frac{1}{125}\right) = -\frac{1}{2}$ , the x is equal to:  
 (a)  $\frac{3}{4}$  (b)  $-\frac{4}{3}$  (c)  $\frac{81}{256}$  (d)  $\frac{256}{81}$
318. If  $\log_{10000} x = -\frac{1}{4}$ , then, x is equal to:  
 (a)  $\frac{1}{10}$  (b)  $\frac{1}{100}$  (c)  $\frac{1}{1000}$  (d)  $\frac{1}{10000}$
319. If  $\log_x 4 = \frac{1}{4}$ , then x is equal to:  
 (a) 16 (b) 64 (c) 128 (d) 256

320. If  $\log_x (0.1) = -\frac{1}{3}$ , then the value of x is:  
 (a) 10 (b) 100 (c) 1000 (d)  $\frac{1}{1000}$
321. If  $\log_{32} x = 0.8$ , then x is equal to:  
 (a) 25.6 (b) 16 (c) 10 (d) 12.8
322. If  $\log_4 x + \log_2 x = 6$ , then x is equal to:  
 (a) 2 (b) 4 (c) 8 (d) 16
323. If  $\log_8 x + \log_8 \frac{1}{6} = \frac{1}{3}$ , then the value of x is :  
 (a) 12 (b) 16 (c) 18 (d) 24
324. If  $\log 2 = 0.30103$ , then the number of digits in  $4^{50}$  is:  
 (a) 30 (b) 31 (c) 100 (d) 20
325. If  $\log 2 = 0.30103$ , then the number of digits in  $5^{20}$  is:  
 (a) 14 (b) 16 (c) 18 (d) 25
326. The value of  $\log_{(-1/3)} 81$  is equal to:  
 (a) -27 (b) -4 (c) 4 (d) 27
327. The value of  $\log_2 \sqrt{3} (1728)$  is equal to:  
 (a) 3 (b) 5 (c) 6 (d) 9
328. The value of  $\log_2 (\log_5 625)$  is:  
 (a) 2 (b) 5 (c) 10 (d) 15
329. The value of  $(\frac{1}{3} \log_{10} 125 - 2 \log_{10} 4 + \log_{10} 32)$  is:  
 (a) 0 (b)  $\frac{4}{5}$  (c) 2 (d) 1
330.  $\left[ \log \left( \frac{a^2}{bc} \right) + \log \left( \frac{b^2}{ac} \right) + \log \left( \frac{c^2}{ab} \right) \right]$  is equal to :  
 (a) 0 (b) 1 (c) 2 (d) abc
331.  $(\log_b^a x \times \log_c^b x \times \log_a^c x)$  is equal to:  
 (a) 0 (b) 1 (c) abc (d) a+b+c
332.  $\left[ \frac{1}{\log_{xy}(xyz)} + \frac{1}{\log_{yz}(xyz)} + \frac{1}{\log_{zx}(xyz)} \right]$  is equal to:  
 (a) 1 (b) 2 (c) 3 (d) 4
333.  $\left[ \frac{1}{(\log_a bc)+1} + \frac{1}{(\log_b ca)+1} + \frac{1}{(\log_c ab)+1} \right]$  is equal to:  
 (a) 1 (b) 2 (c) 3 (d)  $\frac{3}{2}$
334. If  $\log_2 [\log_3 (\log_2 x)] = 1$ , then x is equal to:  
 (a) 512 (b) 128 (c) 12 (d) 0

335.  $(\log_5 3) \times (\log_3 625)$  equals :  
 (a) 1 (b) 2 (c) 3 (d) 4
336.  $(\log_5 5) (\log_4 9) (\log_3 2)$  is equal to :  
 (a) 2 (b) 1 (c) 5 (d)  $\frac{3}{2}$
337. If  $\log_{10} 2 = 0.3010$  and  $\log_{10} 3 = 0.4771$ , then the value of  $\log_{10} 1.5$  is  
 (a) 0.7161 (b) 0.1761 (c) 0.7116 (d) 0.7611
338. If  $\log_{10} 2 = 0.3010$ , then  $\log_2 10$  is:  
 (a) 0.3322 (b) 3.2320 (c) 3.3222 (d) 5
339. The value of  $\left(\frac{1}{\log_3 60} + \frac{1}{\log_4 60} + \frac{1}{\log_5 60}\right)$  is:  
 (a) 0 (b) 1 (c) 5 (d) 60
340. Two numbers are in the ratio 3:4. If 10 is subtracted from both of them the ratio will be 1:2. So the numbers are  
 (a) 15 and 20 (b) 12 and 16 (c) 30 and 40 (d) None of them
341. The mean of age of 5 men is 40 years. Three of them are of some age and they are excluded. The mean of the remaining two is 25. Age of one of the excluded person in years is:  
 (a) 20 (b) 25 (c) 40 (d) None of them
342. A man bought three qualities of tea in the ratio 5:4:3 with prices per kg. Rs. 390, Rs. 375 and Rs. 450 respectively and mixed them together. The cost price of the mixture per kg. in Rs. is:  
 (a) 395 (b) 420 (c) 400 (d) None of them
343. Ram lends Hari ₹ 1,000 and Hari repays ₹1,300 to Ram at the end of 3 years in simple interest fully. The rate of interest Ram charged to Hari per annum for repayment of loan is  
 (a) 13% (b) 12% (c) 10% (d) None of them
344. A Bill of ₹ 1,020 is due in 6 months. True discount in rupees at interest rate 4% per annum is  
 (a) 25 (b) 20 (c) 20.4 (d) None of them
345. After arranging 5,  $3\sqrt{3}$ ,  $2\sqrt{6}$  in descending order they are  
 (a)  $3\sqrt{3}$ , 5,  $2\sqrt{6}$  (b)  $2\sqrt{6}$ ,  $3\sqrt{3}$ , 5 (c)  $3\sqrt{3}$ ,  $2\sqrt{6}$ , 5 (d) None of them
346. If  $y \propto \frac{1}{x^3}$  and  $x = 2$  when  $y = 3$ , then for  $x = 3$  the value of  $y$  is:  
 (a)  $\frac{4}{3}$  (b)  $\frac{8}{9}$  (c)  $\frac{4}{9}$  (d) None of them
347. The number of ways in which the letters of word the COLLEGE can be arranged is :  
 (a) 240 (b) 2,520 (c) 5,040 (d) None of them
348. The number of digits in is (given 0.30103)  
 (a) 12 (b) 11 (c) 13 (d) None of them
349. Correct statement among  $1 \subset \{1, 3, 4\}$ ,  $\{1, 3\} \in \{1, 3, 4\}$  and  $\{1, 4\} \subset \{1, 3, 4\}$  is:  
 (a)  $1 \subset \{1, 3, 4\}$  (b)  $\{1, 4\} \subset \{1, 3, 4\}$  (c)  $\{1, 3\} \in \{1, 3, 4\}$  (d) None of them
350. What is the slope of the line passing through (-4,-2) and (-5,-7)  
 (a) -3 (b) 5 (c) 2 (d) -2

351. What is the slope of the line passing through (2,-5) and (5,5)  
 (a) 12 (b) 10/3 (c) 5 (d) 3
352. What is the slope of the line passing through (3,-5) and (-4,7)  
 (a) -12/7 (b) 7 (c) 5 (d) 4
353. What is the slope and Y intercept of line  $3X+5Y=9$   
 (a) (-3/5,9/5) (b) (9,-3/5) (c) (3/5,-9) (d) (-3/5,-9)
354. What is the slope and Y intercept of line  $6x+5y=12$   
 (a) (-6/5,12) (b) (12,-6/5) (c) (12/5,-12) (d) (-6/5,-12)
355. What is the slope and Y intercept of line  $3x-5y=9$   
 (a) (-3/5,9) (b) (9,-3/5) (c) (3/5,-9/5) (d) (-3/5,-9)
356. What is the slope and Y intercept of line  $7x+5y=10$   
 (a) (-3/5,9) (b) (9,-3/10) (c) (7/5,-10) (d) (-7/5,2)
357. What is the slope and Y intercept of line  $3x+7y=11$   
 (a) (-3/7,11) (b) (9,-3/5) (c) (3/7,11/7) (d) (-7/5, -11)
358. What is the slope and Y intercept of line  $4x+5y=7$   
 (a) (-6/5,9) (b) (7,-4/5) (c) (4/5,7/5) (d) (-3/5,-9)
359. What is the slope and Y intercept of line  $3x+4y=9$   
 (a) (-3/4,-9/4) (b) (9/4,-3/5) (c) (3/5,-9/4) (d) (-5/7,-9)
360. If  $f(X) = e^{2x-3}$  : then  $\frac{f(x+y)}{f(x)f(y)}$  is  
 (a)  $e^3$  (b)  $e^{-3}$  (c) 1 (d) None of them
361. The value of  $\lim_{x \rightarrow 0} \frac{3^x - 2^x}{x}$  is :  
 (a)  $\log_e \left(\frac{3}{2}\right)$  (b)  $\log_{10} \left(\frac{3}{2}\right)$  (c) 1 (d) None of them
362. If  $y = 4^x$  then,  $\frac{d^2y}{dx^2}$  is:  
 (a)  $4^x$  (b)  $4^x \log_e 4$  (c)  $\log_e 4$  (d) None of them
363. The value of x for which  $x(12-x^2)$  is maximum is  
 (a) 0 (b) -2 (c) 2 (d) None of them
364. The value of  $\int_0^1 \frac{e^x dx}{1+e^x}$  is:  
 (a)  $\log_e(1+e)$  (b)  $\log_e \left(\frac{1+e}{2}\right)$  (c) 2 (d) None of them
365. If the total cost function  $C = x^3 - 2x^2 + 5x$ , then the marginal cost is equal to:  
 (a)  $x^2 - 4x + 5$  (b)  $3x^2 - 4x + 5$  (c)  $3x^2 - 4x$  (d) None of them
366. The arithmetic mean of first 9 counting numbers occurring with same frequency has its value:  
 (a) 45 (b) 190 (c) 5 (d) None of them
367. If 2 occurs 4 times, 4 occurs 3 times, 8 occurs twice and 16 occurs once then the geometric mean of them is  
 (a) 4 (b) 8 (c) 2 (d) None of them

368. If a person travels first 2 km @ 2 km/hr., next 3 km @3 km/hr and another 5 km @ 5km/hr, his average speed during this journey is:  
 (a) 3 km/hr (b)  $\frac{38}{10}$  km/hr (c)  $\frac{10}{3}$  km/hr (d) None of them
369. The median of marks 55,60,50,40,57,45,58,65,57,48 of 10 students is  
 (a) 55 (b) 57 (c) 52.5 (d) None of them
370. If the relation between two variables x and y is  $3x - 2y = 5$  and mode of x is 5 then mode of y is:  
 (a) 5 (b) 7.5 (c) 10 (d) None of them
371. What is the slope and Y intercept of line  $3x+6y=11$   
 (a)  $(1/2,-11/6)$  (b)  $(9/4,-11/6)$  (c)  $(1/5,-11/7)$  (d)  $(-4/7,-9)$
372. If  $\sum_{i=1}^{10} (x_i - 3) = 10$  and  $\sum_{i=1}^{10} (x_i - 3)^2 = 100$  then standard deviation of 10 observations  $x_1, x_2, \dots, x_{10}$  is :  
 (a) 9 (b) 3 (c) 10 (d) None of them
373. If the relation between two variables x and y is  $2x + 3y = 5$  and standard deviation of y is 10 then the standard deviation of x is:  
 (a) 15 (b) 10 (c)  $\frac{25}{2}$  (d) None of them
374. If mean, mode and standard deviation of 10 observations are 65, 80 and 25 respectively then type of skewness of the data is  
 (a) Symmetric (b) Positively skewed (c) Negatively Skewed (d) None of them
375. If the mean of 50 observations is 50 and one observation 94 is wrongly recorded there as 49 then correct mean will be  
 (a) 49.1 (b) 50 (c) 50.9 (d) None of them
376. If for two observations arithmetic mean is 80 and harmonic mean is 5 then geometric mean of them is  
 (a) 20 (b) 400 (c) 16 (d) None of them
377. For moderately skewed distribution A.M. = 110, Mode = 104, then median is:  
 (a) 112 (b) 108 (c) 104 (d) None of them
378. If the maximum and minimum values of 10 observations are 40 and 10 then coefficient of range is:  
 (a)  $\frac{5}{3}$  (b)  $\frac{3}{5}$  (c) 30 (d) None of them
379. The standard deviation (SD) of a variable x is 10, then the SD of the variable  $2x + 10$  is:  
 (a) 10 (b) - 10 (c) 20 (d) None of them
380. The number to be added to each term of the ratio 3:7 to make it 1:2 is:  
 (a) 2 (b) 1 (c) 3 (d) None of these
381. What is the slope and Y intercept of line  $5x+7y=11$   
 (a)  $(-3/4,-9/4)$  (b)  $(-5/7,-11/7)$  (c)  $(3/5,-9/4)$  (d)  $(-5/11,-11)$
382. The time in which a sum of money becomes double at 10% p.a., simple interest is  
 (a) 8 years (b) 10 years (c) 12 years (d) None of these
383. If  $x = 2 + \sqrt{3}$  then the value of  $x^4 + \frac{1}{x^4}$  is :  
 (a) 98 (b) 196 (c) 194 (d) None of these

384.  ${}^n C_r + {}^n C_{r+1}$  is equal to  
 (a)  ${}^{n-1} C_r$  (b)  ${}^{n+1} C_r$  (c)  ${}^n C_{r+1}$  (d) None of these
385. Income distribution of Industrial workers of a city follows normal distribution pattern with a mean wages of ₹ 600 p.m., standard deviation of ₹50. 228 workers have monthly income more than ₹700 p.m. The total number of industrial workers in the city are .....  
 (a) 5,000 (b) 10,000 (c) 8,750 (d) 7,500
386. In question no. 385, how many workers have income between ₹ 550 to ₹ 650 p.m.  
 (a) 6,828 (b) 6,321 (c) 6,598 (d) 6,902
387. If  $\frac{\log x}{y-z} = \frac{\log y}{z-x} = \frac{\log z}{x-y}$  then the value of xyz is:  
 (a) 1 (b) 0 (c) -1 (d) None of these
388. What is the slope and Y intercept of line  $7x+4y=11$   
 (a)  $(-5/4,-11/4)$  (b)  $(7/4,-11/5)$  (c)  $(11/5,-9/4)$  (d)  $(-7/4,-11/4)$
389. Find the value of X if  $IX+11=3X-5$   
 (a) 1 or 2 (b) 3 or 1 (c) 1 or 2 (d) 2 or 3
390. If  $X^2+6X = -9$ , then the roots of the equations are.....  
 (a)  $(-3,-3)$  (b)  $(-3,3)$  (c)  $(2,4)$  (d)  $(4,2)$
391.  $X^2+X=12$ , then the roots of the equations are.....  
 (a)  $(3,4)$  (b)  $(-4,3)$  (c)  $(2,3)$  (d)  $(4,3)$
392.  $3X^2+6X+3=0$ , then the roots of the equations are.....  
 (a)  $(3,3)$  (b)  $(-1,-1)$  (c)  $(2,4)$  (d)  $(4,1)$
393. If  $4X^2-8X+3=0$ , when  $X=1/2Y$ , find the value of Y.....  
 (a) 3 (b) -1 (c)  $(3/2)$  (d) 2
394.  $16X^2-8X+1=0$ , when  $X=\frac{1}{4}Y$ . Find the value of Y.....  
 (a)  $(1/4)$  (b) 1 (c) 2 (d)  $(-1/4)$
395. If the roots of the equations  $2X^2+8X+C=0$ , are equal then C is equal to .....  
 (a) 8 (b) 6 (c) 5 (d) 4
396. If the roots of the equation  $X^2+6X+C=0$ , are equal then C is equal to .....  
 (a) 7 (b) 6 (c) 9 (d) 3
397. If  $h = g(x) = \frac{px+q}{rx-p}$  then  $g(h)$  is equal to  
 (a) q (b) x (c) p (d) None of these
398.  $\lim_{x \rightarrow 0} \frac{e^{px}-e^{qx}}{x}$  is evaluated as  
 (a)  $q-p$  (b)  $\frac{p}{q}$  (c)  $p-q$  (d) None of these
399. If  $y=x\sqrt{1+x^2}$  then  $\frac{dy}{dx}$  is  $x = \sqrt{3}$   
 (a)  $\frac{1}{2}$  (b)  $\frac{7}{2}$  (c) 5 (d) None of these

400.  $\int_0^1 \frac{dx}{\sqrt{x+1}\sqrt{x}}$  is evaluated as  
 (a)  $\frac{2\sqrt{2}}{3}$  (b)  $\frac{4\sqrt{2}}{3}$  (c)  $\frac{2}{3}(2\sqrt{2}+1)$  (d) None of these
401. If  $f(x, y) = 3x^3 - 5x^2y + 2y^3$  then  $X \frac{\partial f}{\partial x} + \frac{\partial f}{\partial y}$  is  
 (a)  $f(x,y)$  (b) 3 (c)  $3f(x,y)$  (d) None of these
402. First 10 odd counting numbers each occurring twice has arithmetic mean  
 (a) 40 (b) 10 (c) 20 (d) None of these
403. Geometric mean (G.M.) of six numbers is 16. If G.M. of first four of them is 8 then G.M. of other two is :  
 (a) 8 (b) 16 (c) 32 (d) None of these
404. Two positive observations have arithmetic mean 3 and geometric mean  $2\sqrt{2}$ . If each observation is multiplied by 2 then harmonic mean will be  
 (a)  $\frac{16}{3}$  (b)  $\frac{8}{3}$  (c) 12 (d) None of these
405. If the sum of deviations of a number of observations about 4 and that about 3 are 40 and 50 respectively then arithmetic mean of the observations is  
 (a) 4 (b) 6 (c) 10 (d) None of these
406. If the relation between 2 variables x and y is  $xy = 2$  and arithmetic mean of variable x is 10, then harmonic mean of variable y is  
 (a)  $\frac{1}{5}$  (b)  $\frac{1}{10}$  (c)  $\frac{2}{5}$  (d) None of these
407. .... is the binomial distribution having mean of 4 and variance of 3  
 (a)  $(0.25+0.75)$  (b)  $(0.75+0.25)^{16}$  (c)  $(0.4+0.6)^{18}$  (d)  $(0.4+0.6)^{10}$
408. If relation between 2 variables x and y is  $2x + 3y = 5$  and mean deviation of x values about mean is 9 for 10 observations then sum of absolute deviations of corresponding 10 y-values about mean is  
 (a) 90 (b) 30 (c) 6 (d) None of these
409. If for 10 values of x sum of deviations about 5 is 10 and sum of squares of deviations about 4 is 100 then variance of x is  
 (a) 4 (b) 6 (c) 10 (d) None of these
410. If two samples of sizes 4 and 5 have same mean but different standard deviations 1 and 3 respectively then the standard deviation of the combined sample is  
 (a)  $\sqrt{5}$  (b)  $\frac{\sqrt{51}}{3}$  (c)  $\frac{7}{3}$  (d) None of these
411. If the mode, variance and coefficient of skewness of a frequency distribution are 100, 16 and 6 respectively then mean of the distribution is  
 (a) 124 (b) 76 (c) 108 (d) None of these
412. If  $P = \frac{4}{5}$  and  $Q = 2\frac{1}{2}R$ , then P : R is  
 (a) 1 : 2 (b) 2 : 1 (c) 4 : 5 (d) None of these
413. If the roots of the equation  $3/4X^2+9X+C^3=0$ , are equal then C is equal to .....  
 (a) (5) (b) (3) (c) (8) (d) (5)



414. Time in which ₹5000 will be the amount ₹6000 at simple interest @5% p.a. is  
 (a) 2 years (b) 5 years (c) 4 years (d) None of these
415. The number of ways in which letters of the word 'ALGEBRA' can be arranged so that the two A's will not remain together is  
 (a) 1600 (b) 1800 (c) 2000 (d) None of these
416. Let p be 'It is hot' and q be 'It is dry'. Then the statement 'It is not hot and it is not dry' can be written in symbolic form as  
 (a)  $\sim p \vee q$  (b)  $\sim p \wedge \sim q$  (c)  $\sim p \vee q$  (d)  $p \vee q$
417. The number of zeros between decimal point and the first significant digit in  $(0.5)^{20}$ , given  $\log_{10} 2 = 0.30103$ , is  
 (a) 8 (b) 7 (c) 5 (d) none of these
418. Find the number of terms in the expansion of  $(1-5x)^7 + (1+5x)^7$   
 (a) { 1 } (b) { 5 } (c) { 1, 5 } (d) none of these
419. If  $X^a = Y^b = Z^c$  and  $xyz = 1$  then the value of  $\frac{1}{a} + \frac{1}{b} + \frac{1}{c}$  is  
 (a) 8 (b) 4 (c) 5 (d) 9
420. If  $(1 - \sqrt{2})$  is one of the roots of an equation, the equation is .....  
 (a)  $X^2-2X-X=0$  (b)  $X^2-2X-1=0$  (c)  $X^2-4X-2=0$  (d)  $X^2-3X-X=0$
421. If  $(2 + \sqrt{3})$  is one of the roots of an equation, the equation is .....  
 (a)  $X^2-2X-3=0$  (b)  $X^2-2X-2=0$  (c)  $X^2-4X+1=0$  (d)  $X^2-3X-5=0$
422. If  $(3 - \sqrt{3})$  is one of the roots of an equation, the equation is .....  
 (a)  $X^2-2X-3=0$  (b)  $X^2-3X-1=0$  (c)  $X^2-4X+2=0$  (d)  $X^2-6X+6=0$
423. If  $(1 - \sqrt{5})$  is one of the roots of an equation, the equation is .....  
 (a)  $X^2-2X-4=0$  (b)  $X^2-2X+4=0$  (c)  $X^2-4X-1=0$  (d)  $X^2-3X-2=0$
424. The g.c.d of the equation  $=2X^2-X-1$  and  $4X^2+8X+3$  is .....  
 (a)  $(2x+1)$  (b)  $(2x-1)$  (c)  $(3x+1)$  (d)  $(2x-2)$
425. If  $A = (x+1)/(x-1)$ , then  $A-1/A$  is equal to .....  
 (a)  $(2x-3)$  (b)  $4x/(x^2-1)$  (c)  $2x/3-5$  (d)  $X/3+3$
426. ----- is the quadratic equation whose roots are  $2+5$  and  $2-\sqrt{5}$   
 (a)  $X^2-4X-1=0$  (b)  $2X^2-4X=1$  (c)  $X^2-2X-1=0$  (d)  $2X^2-2X-1=0$
427. If the mean of a binomial distribution is 5 and standard deviation 2 find the number of items in the distribution  
 (a) 20 (b) 25 (c) 16 (d) 9
428. The method of the prime numbers between 20-50 is .....  
 (a) 32 (b) 35 (c) 37 (d) 39
429. If  $f(x) = \frac{1 \times 1}{x}$  then for  $c \neq 0$ ,  $|f(c) - f(-c)|$  will be  
 (a) 1 (b) 2 (c) 0 (d) None of these
430. The value of  $\lim_{x \rightarrow 0} \frac{1 - \sqrt{1-x^2}}{x^2}$   
 (a)  $\frac{1}{2}$  (b)  $\frac{1}{3}$  (c) 0 (d) None of these

431. When  $x = 4t - t^2$ ,  $y = t^2 + 3$ ,  $\frac{dy}{dx}$  at  $t = 1$  is  
 (a) 0 (b) -1 (c) 2 (d) None of these
432. The value of  $\int_0^1 \frac{dx}{\sqrt{x+1}-\sqrt{x}}$  is  
 (a)  $\frac{4\sqrt{2}}{3}$  (b)  $3\sqrt{2}$  (c)  $\frac{2\sqrt{2}}{3}$  (d) None of these
433. Find the co-efficient of  $x^7$  in the expansion of  $(x - 2x^2)^{-3}$   
 (a) 51624 (b) 52720 (c) 67584 (d) None
434. If the relation between  $x$  and  $y$  is  $x = 2y + 5$  and the median of  $x$  is 25 then the median of  $y$  is  
 (a) 20 (b) 10 (c) 12.5 (d) None of these
435. Geometric mean of 10 observations is 8. If geometric mean of first six observations is 4 then geometric mean of last four observations is  
 (a)  $16\sqrt{2}$  (b) 8 (c) 16 (d) None of these
436. If harmonic mean of first 5 observations is  $5/2$  and harmonic mean of another 5 observations is the harmonic mean of all 10 observations is :  
 (a) 7 (b)  $\frac{45}{14}$  (c)  $\frac{101}{36}$  (d) None of these
437. Out of 100 observations 25 observations have the value 1 and rest of the observations are zero. The standard deviation of 100 observations is :  
 (a)  $\frac{\sqrt{3}}{2}$  (b)  $\frac{3}{2}$  (c)  $\frac{\sqrt{3}}{4}$  (d) None of these
438. If the sum of deviations of a number of observations about 4 is 30 and that about 3 is 40. Then mean of the observations is :  
 (a) 7 (b) 10 (c) 11 (d) None of these
439. Variance of first 5 positive integers is  
 (a) 3 (b) 2 (c) 1 (d) None of these
440. Mean deviation of first 5 positive integers about median is:  
 (a) 0 (b) 1.7 (c) 1.2 (d) None of these
441. The mean and variance of  $n$  values of a variable  $x$  are  $\sigma^2$  and respectively. If the variable  $y = x^2$ , the mean of  $y$  is  
 (a)  $\sigma$  (b)  $\sigma^2$  (c) 1 (d) None of these
442. For 5 values of a variable  $x$ ,  $\sum_{i=1}^5 x_i (x_i - 5)^2 = 30$ , the variance of  $x$  is  
 (a) 2 (b) 4 (c) 6 (d) None of these
443. If group  $G_1$  has a.m = 20, mode = 25, s.d = 10 and group  $G_2$  has a.m = 18, median = 18, s.d = 9 then  
 (a)  $G_1$  is more skewed than  $G_2$  (b)  $G_1$  is less skewed than  $G_2$   
 (c)  $G_1$  and  $G_2$  are equally skewed (d) None of these
444. If  $2 - x$ ,  $3 - x$ ,  $5 - x$  and  $7 - x$  are proportion, then the value of  $x$  is  
 (a) 1 (b) -1 (c) 2 (d) None of these
445. If  $\sqrt{x} + \frac{1}{\sqrt{x}} - 1 + \sqrt{x} - \frac{1}{\sqrt{x}} + 1 = \frac{1}{3}$ , then the value of  $x$  is.....  
 (a) (1,2/3) (b) (5/3,-1) (c) (2/3,-2) (d) (2/5,-1/3)

446. True discount of a bill value due in 2 years at 4% per annum. Simple interest is ₹ 40. Then bill value is  
 (a) ₹ 540 (b) ₹ 500 (c) ₹ 460 (d) None of these
447. The number of the ways in which 9 different things can be divided into 3 groups containing 2,3 and 4 things respectively is  
 (a) 15120 (b) 1260 (c) 630 (d) None of these
448. If  $x + iy = \frac{1}{3+2i}$  the value of  $x - y$  is  
 (a)  $\frac{1}{3}$  (b)  $\frac{1}{\sqrt{14}}$  (c)  $\frac{1}{5}$  (d) None of these
449. The maximum value of  $13C_r$  is equal to .....  
 (a) 10 (b) 8 (c) 4 (d) 5
450. The logarithm of 324 to the base  $\frac{1}{3\sqrt{2}}$  is  
 (a) -4 (b) -2 (c) 4 (d) None of these
451. Let p be "the student is a girl" and q be "the student is studious". Then the symbolic form of the statement "the student is a boy but he is not studious" is  
 (a)  $p \wedge \sim q$  (b)  $\sim p \wedge q$  (c)  $\sim p \wedge \sim q$  (d) None of these
452. If  $\frac{\sqrt{x}}{x-1} + \frac{\sqrt{x+1}}{x} = \frac{7}{5}$ , then x is equal to .....  
 (a) (4/3, 3/2) (b) (1/3, 2/3) (c) (3/5, 2/5) (d) (3/5, 5/7)
453. If one root of the equation  $X^2 - 8X + M = 0$ , exceeds the other by 2, then the value of M is equal to .....  
 (a) 12 (b) 15 (c) 10 (d) 16
454. If one root of the equation  $X^2 - 9X + M = 0$ , exceeds the other by 3, then the value of M is equal to .....  
 (a) 8 (b) 10 (c) 12 (d) 18
455. If one root of the equation  $X^2 - 3X - M = 0$ , exceeds the other by 7, then the value of M is equal to .....  
 (a) 8 (b) 11 (c) 12 (d) 10
456. If one root of the equation  $X^2 - 7X + M = 0$ , exceeds the other by 1, then the value of M is equal to .....  
 (a) 9 (b) 10 (c) 12 (d) 18
457. If 2, 3 and 4<sup>th</sup> terms in the Binomial expansion of  $(x + a)^n$  are 240, 720 and 1080 the value of x, a and n respectively are .....  
 (a) (2, 3, 5) (b) (3, 2, 5) (c) (5, 2, 3) (d) (3, 5, 2)
458. If one root of the equation  $X^2 + 9X + M = 0$ , is double the other, then the value of M is equal to .....  
 (a) -6 (b) 7 (c) 12 (d) 18
459. If the equations  $X^2 + 7X + 12 = 0$  and  $X^2 + MX + 5 = 0$  have common roots, the value of M is equal to .....  
 (a) (21/4, 14/3) (b) (21, 15/4) (c) 18/7, 13/5 (d) 13/2, 14/3
460. If the equations  $X^2 + 2X - 3 = 0$  and  $X^2 + MX + 2 = 0$  have common roots, the value of M is equal to .....  
 (a) (1/4, 4/3) (b) (11/3, 15/4) (c) 7/3, -3 (d) 13/2, 14/3

461. If  $y=f(x)=\frac{ax+b}{cx-a}$  then for  $x \neq \frac{a}{c}$ ,  $f(y)$  is  
 (a)  $x$  (b)  $-x$  (c)  $\frac{1}{x}$  (d) None of these
462. The value  $\lim_{x \rightarrow \infty} \frac{4x^2+3x-1}{2x^2+7x+5}$  is  
 (a) 2 (b)  $\frac{1}{2}$  (c) Does not exist (d) None of these
463. If  $y = x^x$  then  $\frac{dy}{dx}$  is  
 (a)  $x \log x$  (b)  $x(1+\log x)$  (c)  $x^x(1+\log x)$  (d) None of these
464. The value of  $\int_0^1 \frac{dx}{x+\sqrt{x}}$  is  
 (a)  $\log_e 2$  (b)  $2 \log_e 2$  (c)  $-\log_e 2$  (d) None of these
465. If  $u = x^2y + y^2z + z^2x$  then  $u_x + u_y + u_z$  is  
 (a)  $(x+y+z)$  (b)  $(x+y+z)^2$  (c)  $(x^2+y^2+z^2)$  (d) None of these
466. If 1, 2, 3, 4 occur with respective frequencies 1,2,3,4 then their arithmetic mean is  
 (a) 7.5 (b) 2.5 (c) 3 (d) None of these
467. In a group of 150 observations the arithmetic mean is 60 and arithmetic mean of first 100 observations of the group is 50. Then arithmetic mean of the remaining observations of the group is  
 (a) 80 (b) 60 (c) 50 (d) None of these
468. The average monthly emoluments of Bank officers were ₹ 40,000 p.m. in 1995 when the consumer price index was 150 in 1995, in 2006 the Consumer price index went to 195. The additional DA to be paid to the Banks officers will be .....  
 (a) ₹12,000 (b) ₹13,200 (c) ₹11,850 (d) ₹ 10,000
469. If the arithmetic mean of 10 observations  $x_1, x_2, \dots, x_{10}$  is 20 harmonic mean of 10 observations  $\frac{10}{\frac{1}{x_1} + \frac{1}{x_2} + \dots + \frac{1}{x_{10}}}$  is :  
 (a) 2 (b)  $\frac{1}{2}$  (c)  $\frac{1}{20}$  (d) None of these
470. If the variables  $x$  and  $y$  are related by  $3x - 2y + 6 = 0$  and the range of  $x$  is 10 then range of  $y$  is  
 (a) 18 (b) 15 (c) 12 (d) None of these
471. If sum of deviation of 4 values about 2 is 4 and standard deviation of those 4 values is 2 then sum of squares of the 4 observations is  
 (a) 52 (b) 40 (c) 20 (d) None of these
472. The weight of 3 major categories of items of wholesale price index are 20%, 50% & 30% respectively. If the prices of the items falling under these categories have gone up by 25%, 15% and 20% respectively, the wholesale price index has gone up by  
 (a) 18.55% (b) 21.50% (c) 16.60% (d) 15.40%
473. The media of the following distribution
- |           |   |   |    |    |   |
|-----------|---|---|----|----|---|
| X         | : | 1 | 2  | 3  | 4 |
| Frequency | : | 7 | 12 | 18 | 4 |
- (a) 2 (b) 3 (c) 4 (d) None of these

474. If the mean and coefficient of valuation of  $x$  are 10 and 50% respectively, then the standard deviation of  $3 - 2x$  is  
 (a) 100 (b) 50 (c) 10 (d) None of these
475. If the coefficient of skewness, mean and variance of a set of values are -3, 40 and 4 respectively then media of the values is  
 (a) 46 (b) 42 (c) 41 (d) None of these
476. If  $X^2+6X = -9$ , then the roots of the equations are.....  
 (a) (-3,-3) (b) (-3,3) (c) (2,4) (d) (4,2)
477.  $X^2+X=12$ , then the roots of the equations are.....  
 (a) (3,4) (b) (-4,3) (c) 2,3 (d) (4,3)
478.  $3X^2+6X+3 = 0$ , then the roots of the equations are.....  
 (a) (3,3) (b) (-1,-1) (c) (2,4) (d) (4,1)
479. If  $4X^2-8X+3 = 0$ , when  $X=1/2Y$ , find the value of  $Y$ .....  
 (a) (3) (b) (-1) (c) (3/2) (d) (2)
480.  $16X^2-8X+1 = 0$ , when  $X= \frac{1}{4} Y$ . Find the value of  $Y$ .....  
 (a) (1/4) (b) (1) (c) (2) (d) (-1/4)
481. If the roots of the equations  $2X^2+8X+C = 0$ , are equal then  $C$  is equal to .....  
 (a) (8) (b) (6) (c) (5) (d) (4)
482. If the roots of the equation  $X^2+6X+C = 0$ , are equal then  $C$  is equal to .....  
 (a) (7) (b) (6) (c) 9 (d) (3)
483. If the roots of the equation  $3/4X^2+9X+C^3=0$ , are equal then  $C$  is equal to .....  
 (a) (5) (b) (3) (c) (8) (d) (5)
484. If  $(1 - \sqrt{2})$  is one of the roots of an equation, the equation is .....  
 (a)  $X^2-2X-X=0$  (b)  $X^2-2X-1 = 0$  (c)  $X^2-4X-2 = 0$  (d)  $X^2-3X-X=0$
485. If  $(2 + \sqrt{3})$  is one of the roots of an equation, the equation is .....  
 (a)  $X^2-2X-3 = 0$  (b)  $X^2-2X-2=0$  (c)  $X^2-4X+1=0$  (d)  $X^2-3X-5=0$
486. If  $(3 - \sqrt{3})$  is one of the roots of an equation, the equation is .....  
 (a)  $X^2-2X-3 = 0$  (b)  $X^2-3X-1=0$  (c)  $X^2-4X+2=0$  (d)  $X^2-6X+6=0$
487. The prices of copper in 1995 and 2005 were ` 200 per kg. and ` 630 per kg. Taking 1995 as a base year the price relative of pulses is .....  
 (a) 225 (b) 350 (c) 315 (d) 280
488. The g.c.d of the equation  $=2X^2-X-1$  and  $4X^2+8X+3$  is .....  
 (a)  $(2x+1)$  (b)  $(2x-1)$  (c)  $(3x+1)$  (d)  $(2x-2)$
489. If  $A = (x+1)/(x-1)$ , then  $A-1/A$  is equal to .....  
 (a)  $(2x-3)$  (b)  $4x/(x^2-1)$  (c)  $2x/3-5$  (d)  $X/3+3$
490. ----- is the quadratic equation whose roots are  $2+\sqrt{5}$  and  $2-\sqrt{5}$   
 (a)  $X^2-4X-1=0$  (b)  $2X^2-4X=1$  (c)  $X^2-2X-1=0$  (d)  $2X^2-2X-1=0$
491. If  $3X+2Y=6$ ;  $(k+1)x+4y=(2k+2)$ , if  $k$  is ----- the equation will have infinite solution  
 (a) 3 (b) 5 (c) 4 (d) 6

492. The method of the prime numbers between 20-50 is .....  
 (a) 32 (b) 35 (c) 37 (d) 39
493. If  $\frac{\sqrt{x+1}}{\sqrt{x-1}} + \frac{\sqrt{x-1}}{\sqrt{x+1}} = \frac{1}{3}$ , then the value of X is.....  
 (a) (1,2/3) (b) (5/3,-1) (c) (2/3,-2) (d) (2/5,-1/3)
494. If  $\frac{\sqrt{x}}{x-1} + \frac{\sqrt{x+1}}{x} = \frac{7}{5}$ , then X is equal to .....  
 (a) (4/3,3/2) (b) (1/3,2/3) (c) (3/5,2/5) (d) (3/5,5/7)
495. If one root of the equation  $X^2-8X+M=0$ , exceeds the other by 2, then the value of M is equal to .....  
 (a) 12 (b) 15 (c) 10 (d) 16
496. If one root of the equation  $X^2-9X+M=0$ , exceeds the other by 3, then the value of M is equal to .....  
 (a) 8 (b) 10 (c) 12 (d) 18
497. If one root of the equation  $X^2-3X-M=0$ , exceeds the other by 7, then the value of M is equal to .....  
 (a) 8 (b) 11 (c) 12 (d) 10
498. If one root of the equation  $X^2-7X+M=0$ , exceeds the other by 1, then the value of M is equal to .....  
 (a) 9 (b) 10 (c) 12 (d) 18
499. If one root of the equation  $X^2-3X+M=0$ , exceeds the other by 5, then the value of M is equal to .....  
 (a) -6 (b) -4 (c) 12 (d) 18
500. If one root of the equation  $X^2+9X+M=0$ , is double the other, then the value of M is equal to .....  
 (a) -6 (b) 7 (c) 12 (d) 18
501. If the equations  $X^2+7X+12=0$  and  $X^2+MX+5=0$  have common roots, the value of M is equal to .....  
 (a) (21/4,14/3) (b) (21,15/4) (c) 18/7,13/5 (d) 13/2,14/3
502. If the prices of wheat have gone up by 1.35 times in comparison to the base period, the present index of wheat is .....  
 (a) 235 (b) 135 (c) 210 (d) 321
503. If the equations  $X^2-5X+6=0$  and  $X^2+mX+3=0$  have common roots, the value of m is equal to .....  
 (a) (1/4,4/3) (b) (7/3,1/4) (c) (7/4,-3/5) (d) (-7/2,-4)
504. The roots of the equation  $X^2-X-6=0$ , are .....  
 (a) (3,-2) (b) (-3,2) (c) (1,5) (d) (5,-1)
505. The roots of the equation  $X^2+X-20=0$ , are.....  
 (a) (3,-6) (b) (-4,-5) (c) (2,5) (d) (4,-5)
506. The roots of the equation  $(x+1)(x-2)(x+4)$  are-----  
 (a) (-1,2,-4) (b) (1,-2,-4) (c) (-1,-2,-4) (d) (2,-3,-4)
507. The roots of the equation  $(x+2)(-2)(x-4)$  are-----  
 (a) (-2,2,4) (b) (1,-2,-4) (c) (-1,-2,-4) (d) (2,-3,-4)
508. The roots of the equation  $(x+2)^2(x-2)(x-4)$  are -----  
 (a) (-2,-2,2,4) (b) (1,-2,-2,-4) (c) (-1,-2,-2,-4) (d) (2,2,-3,-4)

509. Find the least +iv value of M for which the equation  $X^2+MX+9$  has real root -----  
 (a) (4) (b) (5) (c) (3) (d) (6)
510. If the index number of silver in 2005 is 415 with base year 1995, the prices of silver must have increased by .....  
 (a) 415% (b) 315% (c) 224.5% (d) 120.5%
511. The roots of the equation  $(x-4)^2(x-2)(x+4)$  are -----  
 (a) (-2,2,2,4) (b) (1,-2,4,-4) (c) (4,4,2,-4) (d) (2,-3,1,-4)
512. The roots of the equation  $(x-3)(x-2)(x-4)$  are -----  
 (a) (-2,2,4) (b) (3,2,4) (c) (-1,-0,-4) (d) (2,-1,-3)
513. Find the value of M if one root of the equation  $F(x) = mx^2+2x-3=0$ , is 2-----  
 (a) 1 (b) -1/4 (c) -1 (d) 1/4
514. Find the value of M, if one root is 2,  $F(x) = 2x^2+mx-6=0$ ---  
 (a) 1 (b) -1 (c) 2 (d) -2
515. The roots of the equation  $(x-3)(x-2)^2(x-4)$  are -----  
 (a) (3,2,2,4) (b) (1,-2,2,-4) (c) (-1,-2,2,-4) (d) (2,-3,2,-4)
516. The value of M for which the difference between the roots of the equation  $x^2+mx+8=0$ , is 2 are----  
 (a)  $\pm 2$  (b)  $\pm 5$  (c)  $\pm 6$  (d)  $\pm 3$
517. Find the degree of the equation  $3x+yz^2+3Y^3$   
 (a) 2 (b) 3 (c) 4 (d) 5
518. Find the degree of the equation  $3x^5+xyz^2+y^3$   
 (a) 2 (b) 3 (c) 4 (d) 5
519. Find the zero's  $x^2+ 7x + 12=0$   
 (a) (4,-3) (b) (-4,3) (c) (-4,-3) (d) (4,3)
520. Find the zero's of  $=x^2-8x-12=0$   
 (a) (-2,6) (b) (-6,2) (c) (2,6) (d) (-2,-6)
521. Find the degree of the equation  $4x^2 + xyz^2 + xy^3 + yz^5$   
 (a) 2 (b) 3 (c) 4 (d) 6
522. If P,Q are the roots of the equation  $F(x) = 6x^2 + x - 2$ , find the value of P/Q-Q/P  
 (a) 1/25 (b) 25/16 (c) 16/25 (d) -7/25
523. If P and Q are the roots of equation  $F(x) = 6x^2 + x - 2$ , Find the value of p/q+q/p  
 (a) -1 (b) 25/16 (c) -25/16 (d) 16/25
524. Find the degree of the equation  $x^2 + xyz^2 + xy^3 + zy^5$   
 (a) 2 (b) 3 (c) 4 (d) 6
525. If p,q are zero of the equation  $F(x)= x^2+x+1$  then  $1/p+1/q=0$   
 (a) 2 (b) -1 (c) 1 (d) -2
526. On addition of 3 to the numerator of a fraction it becomes equal to 1, however if 2 is deducted from the denominator and 1 added to the numerator, the number becomes equal to 1. The number is.....  
 (a) 6/9 (b) 3/10 (c) 5/8 (d) 11/15

527. On deduction of 1 from the numerator of a fraction it becomes equal to  $\frac{2}{3}$ , however if 2 is deducted from the denominator it becomes equal to 1. The number is.....  
(a)  $\frac{5}{9}$  (b)  $\frac{7}{9}$  (c)  $\frac{7}{8}$  (d)  $\frac{3}{5}$
528. If 2 is added to numerator and deducted from the denominator it becomes equal to 1, on the other hand if 3 is added to denominator and 3 is added to numerator it becomes equal to  $\frac{1}{3}$ . The number is .....  
(a)  $\frac{4}{9}$  (b)  $\frac{7}{10}$  (c)  $\frac{8}{12}$  (d)  $\frac{9}{15}$
529. If the numerator is multiplied by 3 it becomes equal to 1, however if 2 is deducted from denominator it becomes equal to 1. The number is .....  
(a)  $\frac{5}{7}$  (b)  $\frac{3}{7}$  (c)  $\frac{5}{8}$  (d)  $\frac{1}{3}$
530. The monthly income of two friends X and Y is in the ratio of 3:2 and their expenses are in the ratio of 8:5. If both of them save ₹100 PM, their monthly income is  
(a) (₹900, 600) (b) (700, 600) (c) (575, 725) (d) (750, 960)
531. If the monthly earning of two workers X and Y is in the ratio of 5:6 and their savings in the ratio of 8:5 (expenses being equal). Their monthly earning will be.....  
(a) (₹900,700) (b) (750,580) (c) (₹1,000 , ₹1,200) (d) (750,960)
532. If the monthly sales of two companies X and Y are in the ratio of 2:3 and their operating expenses in the ratio of 5:8. If both makes an operating profit of ₹10,000 PM, their sales will be.....  
(a) (₹69,000 , 70,000) (b) (75,000, 65,800) (c) (₹60,000, ₹90,000) (d) (54,750, 45,960)
533. The age of the father 3 years ago was 2.5 times of his son's age and after 7 years it will be twice the age of his son, the present age of the father and son is.....  
(a) 53,23 (b) 50,27 (c) 58,30 (d) 61,32
534. X as Y and Z as his son and grandson. His present age is 1.5 times the age of his son and grandson. 10 years ago his age was twice the age of his son and grandson, the present age of the father and sum of age of son and grand-son are  
(a) 93,63 (b) 85,57 (c) 88,64 (d) 90,60
535. The age of a father 5 years ago was twice the age of his son, five years from today his age will be 25 more than the age of his son. The present age of the father and son is.....  
(a) 55,30 (b) 54,27 (c) 58,30 (d) 60,30
536. The age of X is 1.5 times the age of his wife Y. 10 years before his age would have been twice the age of his wife. Their present age is.....  
(a) 53,43 (b) 50,37 (c) 30,20 (d) 45,30
537. A two digit number is 7 times the sum of its digit, however if 27 is deducted from it the digits are reversed. The number is .....  
(a) 63 (b) 65 (c) 75 (d) 69
538. A two digit number is 9 times the sum of its digit, however if 9 is added to it becomes 10 times the sum of digits. The number is.....  
(a) 68 (b) 55 (c) 81 (d) 59
539. In 2005 the index with base year 1995 in 200 and 1995 index with base year 1990 is 120, then 2005 index with base year 1990 is .....  
(a) 150 (b) 210 (c) 310 (d) 305
540. A two digit number is 9 times the sum of its digit, however if 9 is deducted from it becomes 8 times the sum of the digits. The number is .....  
(a) 63 (b) 69 (c) 77 (d) 81
541. Two numbers are such that if the smaller is doubled it is short by 18 from the double of the another number. If  $\frac{1}{5}$  of the smaller is added to  $\frac{1}{8}$  of the greater it added up to 19. The numbers are.....  
(a) (55,64) (b) (76,57) (c) (55,44) (d) (65,87)



542. Two numbers are such that  $\frac{1}{4}$ <sup>th</sup> of the smaller is equal to  $\frac{1}{5}$ <sup>th</sup> of the greater and on doubling the smaller it becomes 22 less than the double of the greater. The numbers are.....  
(a) (65,60) (b) (76,50) (c) (55,44) (d) (65,80)
543. Two numbers are such that twice the bigger is equal to 2.5 times the smaller. The numbers are.....  
(a) (20,35) (b) (36,57) (c) (50,40) (d) (62,83)
544. Two numbers are such that if the smaller is doubled it is short by 12 from the double of the another number. If  $\frac{1}{3}$  of the smaller is equal to  $\frac{1}{5}$  of the greater number. The numbers are .....  
(a) (51,60) (b) (46,57) (c) (36,60) (d) (25,37)
545. Two numbers are such that if the smaller is doubled it is  $\frac{2}{3}$  of the other one. The numbers are.....  
(a) (2,4) (b) (2,6) (c) (3,8) (d) (5,12)
546. A two digit number is such that if the digits are reversed, the greater is  $\frac{3}{4}$  times more than the smaller. The number is .....  
(a) (12) (b) (32) (c) (41) (d) (23)
547. If the sum of two natural number is 9 and sum of their square is 53. The numbers are .....  
(a) (2,7) (b) (3,6) (c) (3,7) (d) (4,5)
548. If the difference of two numbers is 5 and difference of their square is 45. The numbers are.....  
(a) (13,8) (b) (12,7) (c) (2,7) (d) (14,9)
549. If the sum of two natural numbers is 9 and sum of their square is 5 times their sum less 4. The numbers are.....  
(a) (2,7) (b) (1,9) (c) (3,6) (d) (4,5)
550. Two numbers are such that their sum is 19 and their product is 8 times the greater number. The numbers are.....  
(a) (12,7) (b) (11,8) (c) (13,6) (d) (14,5)
551. Two numbers are such that their difference is 5 and their product is 100 times difference. The numbers are.....  
(a) (12,7) (b) (11,6) (c) (13,18) (d) (20,25)
552. Two numbers are such that their sum is 15 and their difference is  $\frac{1}{5}$  of their total. The numbers are.....  
(a) (12,3) (b) (11,4) (c) (9,6) (d) (14,1)
553. Two numbers are such that their difference is 24 and product is 180. The numbers are .....  
(a) (30,6) (b) (4,30) (c) (15,39) (d) (1,25)
554. 3 times of a number is equal to  $\frac{3}{5}$  of its square. The number is.....  
(a) (8) (b) (7) (c) (9) (d) (5)
555. 5 times of a number is 14 less than its square. The number is .....  
(a) (7) (b) (9) (c) (13) (d) (18)
556. If 50 is divided into two parts in such a way that  $\frac{1}{8}$  of the greater number equals  $\frac{1}{2}$  of the smaller. The number are.....  
(a) (40,10) (b) (30,20) (c) (32,18) (d) (33,17)
557. If 60 is divided into two parts such that their product is 15 times their sum. The numbers are .....  
(a) (30,30) (b) (20,40) (c) (10,50) (d) (25,35)

558. X is older than Y by 5 years 10 years ago, how much older X will be than Y after 15 years.  
 (a) 10 years (b) 15 years (c) 5 years (d) 20 years
559. If in Question No.33 if present age of Y is 55 years, what was the age of X 10 years ago  
 (a) 40 (b) 50 (c) 45 (d) 35
560. 4 T shirts and 3 Trousers cost ₹1200 whereas 5 T shirts and 2 Trousers cost ₹1750. Find the cost of one T shirt and one Trouser.  
 (a) (₹150, ₹500) (b) (₹250, ₹550) (c) (₹175, ₹625) (d) (₹125, ₹525)
561. X has some 25 paise and 50 paise coins in his coins beg. If he has total 50coins valued ₹15, find the number of 25 paise and 50 paise coins he has in his bag.  
 (a) (10,40) (b) (40,10) (c) (30,20) (d) (20,30)
562. A has some ₹5 and ₹2 new currency notes in his pocket totaling 20 notes valued ₹70. Find the number of currency notes of each denomination.  
 (a) (5,15) (b) (15,5) (c) (10,10) (d) none.
563. A and B are two friends. A says to B "If you give me ₹20, I will have twice the amount you are left with. B replied. "If you give me ₹20 I will have the same amount you are left with. Find the amount each is having.  
 (a) (₹140, ₹100) (b) (₹100, ₹140) (c) (₹80, ₹120) (d) (₹120, ₹80)
564. In NCR area a Radio Taxi charges ₹150 for a distance of 12 Km and ₹180 for a distance of 15 Km. Find the charges for a distance of 20 Km.  
 (a) ₹230 (b) ₹250 (c) ₹300 (d) ₹200
565. In Question No. 564 what will be the charges for 25 Km.  
 (a) ₹230 (b) ₹250 (c) ₹300 (d) ₹280
566. In Question Nos. 564 and 565 what is the fixed charges.  
 (a) ₹30 (b) ₹200 (c) ₹50 (d) ₹40
567. In Question NO. 564 what is per Km. charges  
 (a) ₹10 per Km+ ₹30 fixed charges. (b) ₹10 per Km (c) ₹12.50 per Km (d) ₹12 per Km
568. Let marks obtained by Ram, Rahim and Jodu be A, B and C respectively. Given A : B – 1: 2, B:C = 3:4. The combined ratio A; B: C is  
 (a) 1 : 2 : 4 (b) 3 : 6 : 8 (c) 1 : 6 : 8 (d) none of them
569. If  $\frac{\sqrt{a+\sqrt{b}}}{\sqrt{a-\sqrt{b}}} = \frac{2}{1}$  then  $\frac{a+b}{a-b}$  is equal to  
 (a) 5/4 (b) 4/5 (c) 3 (d) none of them
570. The time, in which the true discount on amount ₹550 due is ₹50 at 4% per annum, is  
 (a) 2 years (b) 3 years (c) 2.5 years (d) none of them
571. After rationalization  $\frac{\sqrt{3+\sqrt{2i}}}{\sqrt{3-\sqrt{2i}}}$  will be  
 (a)  $1+2\sqrt{6i}$  (b)  $\frac{5+2\sqrt{6i}}{5}$  (c)  $1-2\sqrt{6i}$  (d)  $\frac{1+2\sqrt{6i}}{5}$
572.  $\frac{(2^{n+1})+(2^{n+2})}{(2^{n+2})-2(\frac{1}{2})^{1-n}}$  simplifies to  
 (a) 4 (b) 2 (c) 8 (d) 20

573. The value of  $\log 2 \log 2 \log 3 \log 81$  is  
 (a) 1 (b) 4 (c) 3 (d) 2
574. The value of  $x$  satisfies the equation  $\sqrt{\frac{x}{1-x}} + \sqrt{\frac{1-x}{x}} = \frac{13}{6}$   
 (a)  $(\frac{2}{3}, \frac{3}{2})$  (b)  $(\frac{4}{9}, \frac{9}{4})$  (c) (4, 9) (d) None of these
575. If  ${}^m C_6 : {}^{m-3} C_3 = 91:4$ , then the value of  $m$  is  
 (a) 13 (b) 15 (c) 14 (d) none of these
576. If the equations  $X^2-5X+6=0$  and  $X^2+mX+3=0$  have common roots, the value of  $m$  is equal to .....  
 (a) (1/4, 4/3) (b) (7/3, 1/4) (c) (7/4, -3/5) (d) (-7/2, -4)
577. The roots of the equation  $X^2-X-6=0$ , are .....  
 (a) (3,-2) (b) (-3,2) (c) (1,5) (d) (5,-1)
578. The roots of the equation  $X^2+X-20=0$ , are.....  
 (a) (3,-6) (b) (-4,-5) (c) (2,5) (d) (4,-5)
579. In 2005 the consumer price index was 320 which was 240 in 2000, the purchasing power of money in 2000 is ..... times of 2005  
 (a) 1.21 times (b) (1,-2,-4) (c) (-1,-2,-4) (d) (2,-3,-4)
580. The roots of the equation  $(x+2)(-2)(x-4)$  are-----  
 (a) (-2,2,4) (b) 0.85 times (c) 1.33 times (d) 1.05 times
581. The roots of the equation  $(x+2)^2(x-2)(x-4)$  are -----  
 (a) (-2,-2,2,4) (b) (1,-2,-2,-4) (c) (-1,-2,-2,-4) (d) (2,2,-3,-4)
582. Find the least +iv value of  $M$  for which the equation  $X^2+MX+9$  has real root -----  
 (a) (4) (b) (5) (c) (3) (d) (6)
583. Find the least +iv value of  $M$  for which the equation  $X^2+MX+4$  has real root -----  
 (a) (2) (b) (3) (c) (4) (d) (-4)
584. If  $f(x) = \frac{x+1}{x-1}$ ,  $f(f(x))$  for  $x \neq 1$  is  
 (a) 1 (b) 2 (c)  $x$  (d)  $\frac{x+1}{x-1}$
585.  $\lim_{x \rightarrow 12} \frac{(x^2 - 1)2^x}{x^2 - 3x + 1}$  is evaluated as  
 (a) 1 (b) 2 (c) 3 (d) 4
586. If  $y = (x^2 + 5)^2$  then  $\frac{dy}{dx}$ , at  $x = 2$  is  
 (a) 18 (b) 72 (c) 81 (d) 36
587. If  $f(x, y) = x^3 + y^3$  then  $X \frac{\partial f}{\partial x} + y \frac{\partial f}{\partial y}$  is  
 (a)  $f(x, y)$  (b)  $3 f(x, y)$ , (c) 3 (d) none of these
588.  $\int_1^2 \frac{dx}{\sqrt{x-1}}$  is evaluated as  
 (a) 2 (b)  $2\sqrt{2}$  (c) -2 (d)  $-2\sqrt{2}$

589. In 2005 the consumer price index was 210, if the purchasing power of money in 2005 was 1.4 times of 2005 the consumer price index in 2000 will be .....
- (a) 150 (b) 175 (c) 122 (d) 145
590. Two groups of 10 and 15 observations have means 10 and 20 respectively. Then grouped mean is
- (a) 15 (b) 16 (c) 14 (d) none of these
591. Geometric mean of first group of five observations is 8 and that of second group of 4 observations is  $128\sqrt{2}$ . Then grouped geometric mean is
- (a) 64 (b)  $32\sqrt{2}$ , (c) 32 (d) None of these
592. If two groups with 2 and 3 observations have harmonic means  $\frac{2}{5}$ , and  $\frac{1}{5}$ , respectively then combined harmonic mean of 5 observations is
- (a)  $\frac{1}{2}$ , (b)  $\frac{1}{4}$ , (c)  $\frac{1}{3}$ , (d) none of these
593. If the two observations have harmonic mean and geometric mean 9 and 15 respectively, then arithmetic mean of the two observations
- (a) 12 (b) 25 (c)  $\sqrt{135}$  (d) none of these
594. If the two variables x and y are related by  $2x + 3y = 12$  and standard deviation of x is 6 then standard deviation of y is
- (a) 2 (b) 10 (c) 4 (d) none of these
595. For 10 values of variable x it is given that  $\sum x = 13$ ,  $\sum x^2 = 400$  and  $u = \frac{x-5}{2}$ . Then  $\sum u^2$  is
- (a) 100 (b) 520 (c) 260 (d) none of these
596. Mean deviation about mean is 5.8. Co-efficient of mean deviation about mean is 0.2. Then mean is
- (a) 1.16 (b) 2.9 (c) 29 (d) none of these
597. For a group of 10 observations,  $\sum x = 452$ ,  $\sum x^2 = 24270$  and mode 43.7 the coefficient of skewness is
- (a) 0.8 (b) 0.08 (c) 8 (d) none of these
598. The mean and coefficient of variation of runs made by a batsman in 10 innings are 40 and 125% respectively. The s. d. of the runs made by the batsman is
- (a) 50 (b) 40 (c) 20 (d) none of these
599. What is the coefficient of regression of X on Y from the following information  $\sigma_x = 4$ ,  $\bar{Y} = 20$ ,  $\bar{X} = 25$ ,  $r = 0.6$ . Standard deviation of Y = 5
- (a) 0.48 (b) 0.75 (c) 0.90 (d) 0.58
600. What is the coefficient of regression of X on Y from the following information  $\sigma_x = 8$ ,  $\bar{Y} = 36$ ,  $\bar{X} = 30$ ,  $r = 0.7$ . Standard deviation of Y = 6
- (a) 0.40 (b) 0.75 (c) 0.93 (d) 0.65
601. What is the coefficient of regression of X on Y from the following information  $\sigma_x = 36$ ,  $\bar{Y} = 30$ ,  $\bar{X} = 36$ ,  $r = 0.8$ . Standard deviation of Y = 32
- (a) 0.48 (b) 0.55 (c) 0.40 (d) 0.90
602. What is the coefficient of regression of X on Y from the following information  $\sigma_x = 5$ ,  $\bar{Y} = 32$ ,  $\bar{X} = 25$ ,  $r = 0.64$ . Standard deviation of Y = 32
- (a) 0.50 (b) 0.70 (c) 0.618 (d) 0.65
603. What is the regression coefficient  $b_{xy}$  from the following details  $X = 0.64y + 19.10$ ;  $Y = x + 5.25$
- (a) 0.85 (b) 0.64 (c) 0.98 (d) 1

- 604.** In question No. 603 the coefficient of regression  $b_{yx}$  is equal to  
 (a) 1.0 (b) 2.20 (c) 0.87 (d) .65
- 605.** What is the regression coefficient  $b_{xy}$  from the following details  
 $13X = 7Y + 9.10$ ;  $Y = 2X - 10$   
 (a) 7/13 (b) 13/7 (c) 1.09 (d) 2.9
- 606.** What is the regression coefficient  $b_{yx}$  in question No. 605  
 (a) 1.85 (b) 2 (c) 0.09 (d) 1.05
- 607.** What is the regression coefficient  $b_{xy}$  from the following details  
 $X = 7/3Y + 28.10$ ;  $Y = 1.5x + 10$   
 (a) 7/3 (b) 3/77 (c) 1.5 (d) 2.9
- 608.** What is regression coefficient  $b_{yx}$  in question No. 607  
 (a) 2.01 (b) 1.09 (c) 1.5 (d) 0.87
- 609.** If the regression coefficient  $b_{xy}$  is 2.5, what is the value of  $a$  in the given equation  $2X = aY + 12.6$   
 (a) 4 (b) 2.5 (c) 5.0 (d) 3.32
- 610.** If the regression coefficient  $b_{xy}$  is 2.0, what is the value of  $a$  in the given equation  $2.9X = aY + 15$   
 (a) 5.8 (b) 2.9 (c) 6.18 (d) 4.32
- 611.** If the regression coefficient  $b_{xy}$  is 0.5, what is the value of  $a$  in the given equation  $2Y = aX - 16.80$   
 (a) 4 (b) 0.5 (c) 1.0 (d) 3.32
- 612.** If the regression coefficient  $b_{xy}$  is 3.0, what is the value of  $a$  in the given equation  $2Y = aX + 18$   
 (a) 2.5 (b) 1.5 (c) 4.0 (d) 6.00
- 613.** Two regression lines obtained from the following data are as under  $Y = 2x+5$ ,  $3X = 2y - 18$ . If the variance of  $x = 25$ , the variance of  $y$  will be .....  
 (a) 16 (b) 81 (c) 36 (d) 75
- 614.** In question No. 613 the covariance of  $xy$  is .....  
 (a) 89 (b) 50 (c) 99 (d)  $66\sigma_x = 4$
- 615.** From the regression equations  $8x - 10y + 66 = 0$ ,  $40x - 18y - 214 = 0$ , the value of Mean X, Mean Y,  $b_{xy}$ ,  $b_{yx}$  are .....  
 (a) (19,21,9/20,4/5) (b) (13,17,9/20,4/5) (c) (11,15,8/20,4/5) (d) (16,19,19/20,4/5)
- 616.** From the regression equations  $2x - 8y + 60 = 0$ ,  $40x - 18y - 220 = 0$ , the value of Mean X, Mean Y,  $b_{xy}$ ,  $b_{yx}$  are .....  
 (a) (10,10,9/20,1/4) (b) (11,18,19/20,2/5) (c) 10,13,8/20,4/5 (d) (10,17,15/20,1/5)
- 617.** From the regression equations  $6x - 10y - 10 = 0$ ,  $8x - 18y + 60 = 0$ , the value of Mean X, Mean Y,  $b_{xy}$ ,  $b_{yx}$  are .....  
 (a) (11,20,9/20,4/5) (b) (15.71,8.42) (c)  $\frac{5}{3}$  (d)  $\frac{4}{9}$
- 618.** What is co-efficient of correlation in question No. 616  
 (a) 0.33 (b) 1.76 (c) 2.21 (d) 154
- 619.** What is co-efficient of correlation in question No. 617  
 (a) 0.90 (b) 0.86 (c) 0.98 (d) 2.22

620. If regression coefficient between x and y is  $1/3$ , y on x is  $-3/4$ , the coefficient of correlation between x and y is.....  
 (a) -3 (b) 2 (c) -1/2 (d) 1/3
621. If regression coefficient between x and y is  $-2/3$ , y on x is  $-1/6$ , the coefficient of correlation between x and y is.....  
 (a) -3 (b) 1 (c) -1/2 (d) -1/3
622. If regression coefficient between x and y is  $1/6$ , y on x is 6, the coefficient of correlation between x and y is .....  
 (a) -1 (b) 1 (c) 4 (d) 1/3
623. If regression coefficient between x and y is  $-2/5$ , y on x is  $-5/2$ , the coefficient of correlation between x and y is .....  
 (a) -3 (b) 2 (c) -1/5 (d) -1
624. If coefficient of correlation between x and y is 0.5, standard deviation of x is 1.5, standard deviation of y = 3.0, Mean of X is 10, and Mean of Y = 8, the regression line of x on y is .....  
 (a)  $x=0.25Y+8$  (b)  $x=0.56Y+9$  (c)  $x=1.5Y-106$  (d)  $x=0.3Y-8$
625. In question No. 624 the regression line of y on x is  
 (a)  $y=1.5x-6$  (b)  $y=x-2$  (c)  $y=0.9x+8$  (d)  $y=2.1x+12$
626. If coefficient of correlation between x and y is 0.6, standard deviation of x is 4, standard deviation of y=1.33, Mean of X is 15, and Mean of Y = 10, the regression line of x on y is.....  
 (a)  $x=0.13Y+5.6$  (b)  $x=0.125Y+10$  (c)  $x=0.6Y+9$  (d)  $x=0.3Y-8$
627. In question No. 626 the regression line of y on x is .....  
 (a)  $y=0.2x+7$  (b)  $y=1.5x-10$  (c)  $y=0.1878x-15$  (d)  $y=2.6x-14$
628. In CA CPT Examination Mean Marks obtained by the students taking classes from NDA are given below:  
 Mean marks in Accounts and Law(X) = 70  
 Mean marks in Maths and Economics(Y)=85,  
 Co-efficient of correlation between Accounts(X) and Maths(Y) paper = 0.8  
 Standard deviation of marks in Accounts(X) = 12  
 Standard deviation of marks in Maths(Y)=15  
 From the above details the regression line of Accounts on Maths paper is.....  
 (a)  $x=0.64y+15.6$  (b)  $x=0.09+62.0$  (c)  $x=0.099y+60$  (d)  $x=0.034+68$
629. In question No. 628, the regression line of Maths on Accounts is .....  
 (a)  $y=1.2x+12$  (b)  $y=x+15$  (c)  $y=1.33x-10$  (d)  $0.25x+45$
630. In question No. 628 estimate of Marks in Maths if marks in Accounts paper is 75 is  
 (a) 90 (b) 88 (c) 79 (d) 74
631. In question NO. 628 the estimate of marks in Accounts paper if marks in Maths paper are 84  
 (a) 80 (b) 72 (c) 68.92 (d) 75
632. If the regression equation of two variables are  $X=0.5y+10$ ,  $y=0.2x+4.6$ , the mean value of X, Y, coefficient of correlation between X and Y are .....  
 (a) (33.66, 7.33, 0.31) (b) (6,7,0.3) (c) (7,9,0.35) (d) (6,8,0.45)
633. Find the most likely price of chicken in Delhi corresponding to the estimated price of ₹120 per kg. in Bombay on the eve of New Year, if mean price of chicken in Delhi and Bombay is ₹ 98 per kg. and Rs. 105 per Kg., with a standard deviation of ₹ 5 and ₹ 9 and coefficient of correlation of 0.75  
 (a) (110.50) (b) 114.17 (c) 101 (d) 119

634. In question No. 633 the prevailing price in Mumbai will be – corresponding to the price of Rs. 110 per Kg. prevailing in Delhi  
 (a) 122 (b) 130 (c) 121.20 (d) 119.24
635. In question No. 633 if the prevailing price in Delhi is Rs. 125 per kg. the corresponding price in Mumbai will be .....  
 (a) 169.82 (b) 134.65 (c) 139.25 (d) 151.61
636. In question No. 633 if the prevailing price in Mumbai is Rs. 130 per kg. the price in Delhi will be .....  
 (a) 122 (b) 103.25 (c) 128.01 (d) 148.20
637. The batting record of Master Blaster Sachin Tendulkar in test series at 3<sup>rd</sup> position is as under:  
 Average score in first inning = 54 runs  
 Average score in second inning = 48 runs  
 Standard deviation of score in first inning = 4 runs  
 Standard deviation of score in second inning = 6 runs, correlation of score in inning first and second = 0.6  
 If Sachin Tendulkar score 80 runs in first inning, he is likely to score – runs in second inning  
 (a) 63 (b) 113 (c) 71 (d) 76
638. In question No. 637 if he score 79 runs in second inning how many runs he is likely o score in first inning of a test match  
 (a) 85 (b) 91 (c) 81 (d) 66.4
639. Average rainfall = 26.7 cm, standard deviation of rainfall 4.6cm, Mean of Sugar crop = 508.4qt, Standard deviation of Sugar production = 36.8 qt. correlation = 0.6, the estimate of production of sugar in 2007 corresponding to the estimate of 32cm rainfall is .....  
 $\sigma_x = 4$   $\bar{Y} = 20$   $\bar{X} = 25$ ,  $r = 0.6$ . Standard deviation of  $Y = 5$   
 (a) 520qt (b) 533.84 qt (c) 541.90qt (d) 521qt
640. In question No. 639, the estimate of rainfall corresponding to estimated production of 600 Qt is.....  
 (a) 33.57 cm (b) 31.6cm (c) 29.5cm (d) 35cm
641. In question No. 639, the estimate of production corresponding to estimated rainfall of 20 cm is.....  
 (a) 469.5 (b) 498.90 (c) 509.26 (d) 419.06
642. In question No. 639, the estimate of rainfall corresponding to estimated production of 480 Qt is.....  
 (a) 33.57cm (b) 36.6cm (c) 20.5cm (d) 24.57cm
643. If  $r = 0.8$ ,  $N = 100$ , the probable error of coefficient of correlation is .....  
 (a) 0.021 (b) 0.024 (c) 0.29 (d) 0.031
644. In question No. 643, the limit of coefficient of correlation of population is.....  
 (a) 0.776 to 0.824 (b) 0.74 to 0.810 (c) 0.72 to 0.79 (d) 0.70 to 0.76
645. If  $r = 0.8$ ,  $N = 81$ , the probable error of coefficient of correlation is.....  
 (a) 0.0321 (b) 0.044 (c) 0.027 (d) 0.041
646. In question No. 645, the limit of coefficient of correlation of population is.....  
 (a) 0.776 to 0.824 (b) 0.551 to 0.648 (c) 0.70 to 0.77 (d) 0.74 to 0.79
647. Find the mean value of variable  $x$ ,  $y$  and coefficient of correlation between them from the following regression lines  $5x + 7y - 10 = 0$ ,  $6x + 2y - 8 = 0$ , standard deviation of  $y = 16$ , standard deviation of  $x = 2.72$   
 (a) (3/8, 9/8, 3.52) (b) 5/7, 9/11, 2.72) (c) 1/8, 3/8, 1.72) (d) 5/8, 9/8, 2.04)

648. Average rainfall in Andhra = 40.0cm, standard deviation of rainfall = 3.0cm, Mean of Paddy yield = 800qt, standard deviation of paddy production = 10qt, correlation = 0.6, the estimate of production of paddy in 2007 corresponding to the estimate of 72cm rainfall is.....  
 (a) 772qt (b) 753.84Qt (c) 641.90Qt (d) 978
649. If  $3X-5=4X-10$ , then X is equal to .....  
 (a) 5 (b) -5 (c) 6 (d) 4
650. If  $-3X+18=4X-3$ , then X is equal to .....  
 (a) 2 (b) -5 (c) 3 (d) 1
651. Find the value of K if  $5X+37=K-3X$ , when X is equal to .....  
 (a) 16 (b) 15 (c) 21 (d) 10
652. If  $X+Y=3$ ,  $3X+4Y=11$ , then (x,y) are equal to .....  
 (a) (1,2) (b) (-5,1) (c) (6,2) (d) (4,1)
653. If  $3X+Y=7$ ,  $2X+3Y=7$  then X, Y are equal to .....  
 (a) (5,1) (b) (2,1) (c) (6,1) (d) (1,4)
654. For which value of X,Y,  $3X-2Y-6 = 2X+3Y-17 = 0$   
 (a) (4,3) (b) (2,3) (c) (3,1) (d) (1,2)
655. If  $5X+Y = 15$ ,  $2X-2Y = -6$  then X,Y are equal to .....  
 (a) (5,2) (b) (2,5) (c) (6,3) (d) (1,1)
656. For which value of X,Y  $\frac{X}{4} + \frac{Y}{5} - 6 = \frac{X}{2} + \frac{Y}{3} - 11 = 0$  are equal to .....  
 (a) (1,2) (b) (2,3) (c) (6,1) (d) (12,15)
657. If  $X/3+Y/2=7$ ,  $2X+Y=26$  then X,Y are equal to .....  
 (a) (1,5) (b) (1,3) (c) (9,8) (d) (6,3)
658. The point, ----- is on the line  $Y=X-3$ .....  
 (a) (2,-1) (b) (4,3) (c) (0,1) (d) (3,-1)
659. The point, ----- is on the line  $Y=2X-3$  .....  
 (a) (2,-1) (b) (4,3) (c) (4,5) (d) (3,-1)
660. For the line  $2X-Y=5$  if  $X=4$  then  $Y =$  .....  
 (a) 2 (b) 3 (c) -1 (d) 0
661. For the line  $3X-2y=5$  if  $X=2$  then  $Y =$   
 (a) 1/2 (b) 3/4 (c) 3/5 (d) 1
662. The solution to  $3X+2Y=-25$ ,  $-2X-Y=10$  is.....  
 (a) 5,-20 (b) 2,9 (c) 5,8 (d) 4,9
663. The solution to  $3X-2Y=11$ ,  $-2X-Y=8$  is .....  
 (a) (5,-2) (b) 2,1 (c) 5,-2 (d) 4,9
664. The solution to  $5X+2Y=-16$ ,  $-2X-2Y=-10$  is.....  
 (a) 5,-20 (b) 2,3 (c) 5,8 (d) 4,9
665.  $2X+3Y-5=0$  and  $KX-6Y-8=0$  have unique solutions if  $K =$   
 (a) 4 (b) 3 (c) -2 (d) -4



666. If the numerator of a fraction is multiplied by 3 and denominator is reduced by 3 we get  $\frac{18}{11}$ . But if the numerator is increased by 8 and denominator is doubled we get  $\frac{2}{5}$ , then the fraction is.....  
(a)  $\frac{13}{25}$  (b)  $\frac{20}{21}$  (c)  $\frac{12}{25}$  (d)  $\frac{11}{19}$
667. If 1 is added to the denominator to a certain fraction it becomes  $\frac{1}{3}$  and if 1 is subtracted from denominator it becomes  $\frac{1}{2}$ , then the fraction is .....  
(a)  $\frac{2}{5}$  (b)  $\frac{3}{7}$  (c)  $\frac{2}{6}$  (d)  $\frac{3}{10}$
668. A two digit No. is six times the sum of its digits. The number obtained by interchanging the digit is less by 9. The original number is.....  
(a) 68 (b) 72 (c) 54 (d) 63
669. If sum of digits of two digit No. is 9 and the digits obtained by interchanging the digits exceeds the given number by 27, then the number is  
(a) 36 (b) 45 (c) 23 (d) 65
670. In the equation  $2x-y=5$  if  $x=4$  then  $y=$   
(a) 3 (b) 4 (c) -2 (d) -5
671. Point =----- are on  $3X+2Y=1$   
(a) (1,1) (b) (-1,-1) (c) (1,-1) (d) (0,1)
672. If  $x+4=4$ ,  $2x-5y=1$  then  $x$  &  $y$  are.....  
(a) (1,0) (b) (0,-1/5) (c)  $1, \frac{1}{5}$  (d)  $\frac{1}{5}, 0$
673. If  $2x+3y=1$ ,  $x+3y=-1$ , then  $x$  and  $y$  are.....  
(a) (2,-1) (b) (1,-2) (c) (-1,2) (d) (0,2) (e)  $\frac{1}{5}, 0$
674. If  $2x+3y=7$ ,  $x+3y=5$ , then  $x$  and  $y$  are.....  
(a) (2,-1) (b) (1,-2) (c) (-1,2) (d) (2,1)
675. If  $2x-3y=1$ ,  $x-3y=-1$ , then  $x$  and  $y$  are.....  
(a) (2,1) (b) (1,-2) (c) (-1,2) (d) (0,2)
676. If  $x+3y=1$ ,  $x+2y=2$ , then  $x$  and  $y$  are.....  
(a) (2,-1) (b) (4,-1) (c) (-1,2) (d) (0,2)
677. If  $3x-y=0$ ,  $x+3y=10$ , then  $x$  and  $y$  are.....  
(a) (2,-1) (b) (1,3) (c) (-1,2) (d) (0,2)
678. If  $x-y=0$ ,  $x+3y=4$ , then  $x$  and  $y$  are.....  
(a) (2,-1) (b) (1,1) (c) (-1,2) (d) (0,2)
679. What is the slope of the line passing through (4,2) and (3,5)  
(a) -3 (b) 3 (c) 2 (d) -2
680. What is the slope of the line passing through (5,3) and (3,6)  
(a)  $-\frac{3}{2}$  (b)  $\frac{3}{2}$  (c) 2 (d) -2
681. What is the slope of the line passing through (5,2) and (3,7)  
(a) -3 (b)  $-\frac{5}{2}$  (c)  $\frac{5}{2}$  (d) -2
682. What is the slope of the line passing through (4,3) and (3,-5)  
(a) 3 (b) 8 (c) 2 (d) -3
683. What is the slope of the line passing through (-4,2) and (3,-5)  
(a) -1 (b) -3 (c) 2 (d) -2

684. What is the slope of the line passing through (4,-2) and (3,7)  
(a) -3 (b) -9 (c) 2 (d) -2
685. What is the slope of the line passing through (-4,-2) and (-5,-7)  
(a) -3 (b) 5 (c) 2 (d) -2
686. What is the slope of the line passing through (2,-5) and (5,5)  
(a) 12 (b) 10/3 (c) 5 (d) 3
687. What is the slope of the line passing through (3,-5) and (-4,7)  
(a) -12/7 (b) 7 (c) 5 (d) 4
688. What is the slope and Y intercept of line  $3X+5Y=9$   
(a) (-3/5,9/5) (b) (9,-3/5) (c) (3/5,-9) (d) (-3/5,-9)
689. What is the slope and Y intercept of line  $6x+5y=12$   
(a) (-6/5,12) (b) (12,-6/5) (c) (12/5,-12) (d) (-6/5,-12)
690. What is the slope and Y intercept of line  $3x-5y=9$   
(a) (-3/5,9) (b) (9,-3/5) (c) (3/5,-9/5) (d) (-3/5,-9)
691. What is the slope and Y intercept of line  $7x+5y=10$   
(a) (-3/5,9) (b) (9,-3/10) (c) (7/5,-10) (d) (-7/5,2)
692. What is the slope and Y intercept of line  $3x+7y=11$   
(a) (-3/7,11) (b) (9,-3/5) (c) (3/7,11/7) (d) (-7/5, -11)
693. What is the slope and Y intercept of line  $4x+5y=7$   
(a) (-6/5,9) (b) (7,-4/5) (c) (4/5,7/5) (d) (-3/5,-9)
694. What is the slope and Y intercept of line  $3x+4y=9$   
(a) (-3/4,-9/4) (b) (9/4,-3/5) (c) (3/5,-9/4) (d) (-5/7,-9)
695. What is the slope and Y intercept of line  $3x+6y=11$   
(a) (1/2,-11/6) (b) (9/4,-11/6) (c) (1/5,-11/7) (d) (-4/7,-9)
696. What is the slope and Y intercept of line  $5x+7y=11$   
(a) (-3/4,-9/4) (b) (-5/7,-11/7) (c) (3/5,-9/4) (d) (-5/11,-11)
697. What is the slope and Y intercept of line  $7x+4y=11$   
(a) (-5/4,-11/4) (b) (7/4,-11/5) (c) (11/5,-9/4) (d) (-7/4,-11/4)
698. Find the value of X if  $IX+11=3X-5$   
(a) 1 or 2 (b) 3 or 1 (c) 1 or 2 (d) 2 or 3
699. A can't buy more than 100 qtl of raw material X and Y. X and Y can be related by which of the following inequalities.....  
(a)  $(x+y=100)$  (b)  $(x+y\leq 100)$  (c)  $(x+y\geq 100)$  (d)  $(x+y<100)$
700. A requires at least 200 pieces of shirt and trouser for his newly opened showroom. If X stands for shirts and Y stands for trousers, this can be expressed as.....  
(a)  $(x+y\geq 200)$  (b)  $(x+y\leq 200)$  (c)  $(x+y=200)$  (d)  $(x+y\neq 100)$
701. A manufacturer produces two items X and Y. X requires 20kg of raw material and Y requires 25 kg. If raw material availability with him is 2 tons. This can be expressed in the form of which of the following linear equation.  
(a)  $(20x+25y\leq 2000)$  (b)  $(20x+25y=2000)$  (c)  $(25x+20y>2000)$  (d)  $(20x+25y\geq 2000)$

702. A, B & C produces two items X and Y. He has only ₹25,000 to invest and storage capacity of 300 items only. X cost him ₹400 per piece and Y cost him ₹250 per piece. This can be expressed in the form of which of the following set equation

(a)  $x+y \leq 300$   
 $400x+250y \geq 25000$   
 $x \geq 0, y \leq 0$

(b)  $x+y \leq 300$   
 $400x+250y \leq 25000$   
 $x \geq 0, y \geq 0$

(c)  $x+y = 300$   
 $400x+250y \geq 25000$   
 $x=0, y \leq 0$

(d)  $x+y \leq 300$   
 $400x+250y \leq 10000$   
 $x, y \geq 0$

703. A wholesale dealer deals in only two items X & Y. Due to sluggish demand he cannot sell more than 50 and 100 pieces of X & Y respectively per day. If he has only ₹10,000 to invest and if the cost of each item is ₹50 and 40 respectively, this can be expressed in the following equation

(a)  $x \leq 50$   
 $y \leq 100$   
 $50x+40y \geq 10000$

(b)  $x \leq 50$   
 $y \geq 100$   
 $50x+40y \leq 10000$

(c)  $x+y \leq 50$   
 $50x+40y \leq 10000$

(d)  $x \leq 50, y \leq 100$   
 $150x+40y \leq 10000$

704. A company produces two items X and Y. Both the items are produced in two machines I and II. The total time available in each machine and the time required for each product in each machine are given below:

MACHINE	X	Y	TIME
Available (Hours)			
I	3	1	20
II	3	4	40

This situation can be expressed in the following set of linear equation:

(a)  $2x+y \leq 20$   
 $3x+4y \leq 40$   
 $x \geq 0, y \geq 0$

(b)  $x+y \leq 20$   
 $x+4y \leq 240$   
 $x \geq 0, y \geq 0$

(c)  $2x+4 \leq 20$   
 $3x+4y \geq 40$   
 $x \geq 0, y \geq 0$

(d)  $2x+3y \geq 20$   
 $x+y \leq 40$   
 $x \geq 0, y \geq 0$

705. A company produces two items X and Y. Both the items are produced in two names I and II. The total time available in each machine and the time required for each product in each machine are given below:

MACHINE	X	Y	TIME AVAILABLE
I	1	2	24
II	2	3	36

This situation can be expressed in the following set of linear equation:

(a)  $x+2y \leq 24$   
 $3x+4y \leq 36$   
 $x \geq 0, y \geq 0$

(b)  $x+2y \leq 24$   
 $x+3y \leq 36$   
 $x \geq 0, y \geq 0$

(c)  $x+24 = 24$   
 $2x+3y = 36$   
 $x, y \geq 0$

(d)  $x+2y \leq 24$   
 $2x+3y \geq 36$   
 $x \geq 0, y \geq 0$

706. ABC Ltd. deals in the products X and Y. Both the products are in great demand. The firm can sell at least 100 units of X and 150 units of Y per day. If X & Y give a profit of ₹20 and ₹25 per unit and the objective of the firm is to maximize the total profit. This situation can be expressed in the form of which of the following set equation:

(a)  $x \geq 0$   
 $y \geq 0$   
 maximize  
 $20X+25y$

(b) maximize  
 $20x+25y$   
 $x \geq 100$   
 $y \geq 150$

(c) minimize  
 $20x+25y$   
 $x \leq 100$   
 $y \leq 150$

(d) minimize  
 $20x+25y$   
 $x \geq 100$   
 $y \geq 150$

707. ABC Ltd. combines two products X and Y to form a gift during the Dewali season in order to increase its sale. Each pack must weigh at least 10kg and should contain at least 2 kg of X and not more than 6 kg of Y. This can be expressed

(a)  $x+y = 10$   
 $x \geq 2$   
 $y \leq 6$   
 $x, y \geq 0$

(b)  $x+y \geq 10$   
 $x \geq 2$   
 $y \leq 6$   
 $x, y \geq 0$

(c)  $x+y \leq 10$   
 $x \geq 0$   
 $y \geq 6$   
 $x, y \geq 0$

(d)  $x+y \leq 10$   
 $x = 2$   
 $y = 6$   
 $x, y \geq 0$

708. The standard weight of a gift pack is 5 kg. It contains two items X and Y. The gift pack should contain at least 2 kg of X and not more than 3 kg of Y. This situation can be expressed as

(a)  $x+y = 5$   
 $x \geq 2$   
 $y \leq 3$   
 $x, y \geq 0$

(b)  $x+y \leq 5$   
 $x \geq 2$   
 $y \leq 3$   
 $x, y \geq 0$

(c)  $x+y \geq 5$   
 $x \geq 2$   
 $y \leq 3$   
 $x, y \geq 0$

(d)  $x+y = 0$   
 $x \geq 2$   
 $y \geq 6$   
 $x, y \geq 0$

709. Two types of ties are available in a departmental store. Tie X is available for ₹120 per piece and Y for ₹175 per piece. If Z is retail dealer in tie has only ₹30,000 to spend on purchase of tie and his storage capacity is limited to 500 piece of ties. This situation can be expressed in the following equation
- |  |   |   |   |
|--|---|---|---|
| (a) $x+y \leq 500$<br>$20x+175y \leq 30000$<br>$x, y \geq 0$ | (b) $x+y \geq 500$<br>$120x+175y \leq 30000$<br>$x, y \geq 0$ | (c) $x+y=200$<br>$120x+175y = 30000$<br>$x, y \geq 0$ | (d) $x+y \geq 500$<br>$120x+175y \leq 30000$<br>$x, y \geq 0$ |
|--|---|---|---|
710. A is a dealer in two types of shaving creams X & Y. He has ₹20,000 to spent and has space to store 250 packets of shaving creams at most at a time. Shaving cream X cost ₹240 per box and Y cost ₹420 per box. This situation can be expressed in the following equation
- |  |   |   |   |
|--|---|---|---|
| (a) $x+y \leq 200$<br>$240x+420y \leq 20000$<br>$x \geq 0, y \geq 0$ | (b) $x+y \leq 200$<br>$240x+420y \leq 20000$<br>$x, y \geq 0$ | (c) $x+y \geq 200$<br>$240x+420y \leq 20000$<br>$x, y \geq 0$ | (d) $x+y=200$<br>$240x+420y=20000$<br>$x, y \geq 0$ |
|--|---|---|---|
711. At what point the given function is discontinuous  $f(x) = (x^2 + 6x + 9) / (x^2 - 9)$
- |         |         |           |          |
|---------|---------|-----------|----------|
| (a) (3) | (b) (2) | (c) (+ 1) | (d) (-1) |
|---------|---------|-----------|----------|
712. At what point the given function is discontinuous If  $f(x) = \frac{x-4}{x^2-16} \cdot \frac{x^5-2x^2+5x}{x^3-x^2+x-1}$
- |         |         |         |          |
|---------|---------|---------|----------|
| (a) (3) | (b) (2) | (c) (1) | (d) (-1) |
|---------|---------|---------|----------|
713. At what point the given function is discontinuous if  $f(x) = \frac{x^2-25+10x}{x^2-25}$
- |         |         |         |           |
|---------|---------|---------|-----------|
| (a) (3) | (b) (5) | (c) (1) | (d) (- 1) |
|---------|---------|---------|-----------|
714. At what point the given function is discontinuous If  $f(x) = \frac{x^2}{x-5}$
- |         |         |         |          |
|---------|---------|---------|----------|
| (a) (3) | (b) (5) | (c) (1) | (d) (-1) |
|---------|---------|---------|----------|
715. At what point the given function is discontinuous if  $f(x) = \frac{x^2+1}{x+3}$
- |         |         |         |          |
|---------|---------|---------|----------|
| (a) (3) | (b) (5) | (c) (1) | (d) (-3) |
|---------|---------|---------|----------|
716. At what point the given function is discontinuous If  $f(x) = \frac{3x^2+5x+1}{x^3+x^2+x+1} =$
- |         |         |         |          |
|---------|---------|---------|----------|
| (a) (3) | (b) (5) | (c) (1) | (d) (-1) |
|---------|---------|---------|----------|
717. At what point the given functions discontinuous If  $f(x) = \frac{x^2+3x-5}{x^2+3x+2}$
- |            |            |            |             |
|------------|------------|------------|-------------|
| (a) (1, 3) | (b) (1, 2) | (c) (1, 4) | (d) (-1, 1) |
|------------|------------|------------|-------------|
718. The function  $f(x) = \begin{cases} ax+4 & \text{if } x \leq 3 \\ x-1 & \text{if } x \geq 3 \end{cases}$  is continuous at  $x = 3$ , if a is
- |             |             |              |              |
|-------------|-------------|--------------|--------------|
| (a) (2 / 3) | (b) (1 / 3) | (c) (-1 / 3) | (d) (-2 / 3) |
|-------------|-------------|--------------|--------------|
719. The function  $f(x) = \begin{cases} 9x+6 & \text{if } x \leq 3 \\ x+2 & \text{if } x \geq 3 \end{cases}$  is continuous at  $x = 3$ , if a is .....
- |             |             |              |              |
|-------------|-------------|--------------|--------------|
| (a) (2 / 3) | (b) (1 / 3) | (c) (-1 / 3) | (d) (-2 / 3) |
|-------------|-------------|--------------|--------------|
720. The value of constant K is.....so that the function  $f(x) = \begin{cases} x^2-x+12 & \text{if } x \neq 3 \\ x-3 & \text{if } x=3 \end{cases}$  is continuous at  $x = 3$
- |         |         |         |          |
|---------|---------|---------|----------|
| (a) (7) | (b) (3) | (c) (5) | (d) (-7) |
|---------|---------|---------|----------|

721. The value of constant K is..... So that the function  $f(x) = \begin{matrix} x^2-x+12 & \text{if } x \neq 4 \\ x-4 & \text{if } x=4 \end{matrix}$  is continuous at  $x = 4$   
 (a) (3) (b) (4) (c) (1) (d) (-1)

722. For what value of K is the function  $f(x) = \frac{x-4}{x^2-16}$   $x \neq 5$  is continuous at  $x = 5$   
 (a) (13) (b) (10) (c) (11) (d) (-10)

723. If  $f(x) = [1 / (1 - x)]$ , the function is discontinuous at  $x =$   
 (a) (1) (b) (1) (c) (2) (d) (-2)

724. If  $f(x) = \begin{matrix} x^2 & \text{if } x \neq 1 \\ 2 & \text{if } x=1 \end{matrix}$  the function is discontinuous at  $x = 1$   
 (a) (-1) (b) (1) (c) (2) (d) (-2)

725. If  $f(x) = \frac{x^2-7}{x^3-x^2+x-1}$  the function is discontinuous if  $x =$   
 (a) (3) (b) (4) (c) (1) (d) (-1)

726. If  $f(x) = (x + 2) / (x - 3)$ , the function is discontinuous if  $x =$   
 (a) (3) (b) (4) (c) (1) (d) (-1)

727. The fair charges of Metro Rail is a function of distance, travelled which is given below:

$$\left\{ \begin{array}{l} \text{The } 7 \text{ if } \leq 7 \\ 9 \text{ if } 7 < x \leq 12 \end{array} \right. \text{ the function is discontinuous for value of } x = 12 \text{ if } x > 12$$

(a) (7) (b) (5) (c) (7, 12) (d) (-1)

728. If  $f(x) = \begin{matrix} 2x+3 & \text{if } x > 3 \\ 3x+4 & \text{if } x \leq 2 \end{matrix}$  is discontinuous at  $x$   
 (a) (-1) (b) (-2) (c) (1) (d) (2)

729. If  $f(x) = \begin{cases} x_3 & \text{if } x < 1 \\ x & \text{if } x \geq 1, \text{ bat } < 2 \\ 2x^2 & \text{if } x \geq 2 < 3 \end{cases}$  is discontinuous at  $x =$   
 (a) (2) (b) (5) (c) (1, 12) (d) (1)

730. At what value of X the function is continuous in question No. 729  
 (a) (1) (b) (5) (c) (2) (d) (-1)

731. A wholesale readymade garment dealer has the following price pattern ₹15 per piece for 20 or less than 20, ₹20 per piece for quantity above 20 but up to 30 pieces, ₹10 per piece for quantity more than 30. The price and quantity function is not continuous at quantity  $x = 20$  because.....

(a) (RHL  $x - 20 \neq$  LHL  $x \rightarrow 20$ ) (b) ( Is not defined at  $x = 20$ ) (c) (RHL  $x - 10 \neq$  LHL  $\rightarrow x 10$ ) (d) (none)

732. In question 731, the function  $f(x)$  is not a continuous function at  $x = 30$  because.....

(a) (RHL  $x - 20 \neq$  LHL  $x \rightarrow 10$ ) (b) ( Is not defined at  $x = 20$ )  
 (c) (RHL  $x$  at  $30 \neq$  LHL  $x \rightarrow 30$ ) (d) (None)

733. From the following data the karlpearson coefficient of correlation is

x	6	8	10	7	10	7
y	12	10	8	12	8	10

(a) 0.97 (b) 0.85 (c) -0.93 (d) 0.65

734. From the following data the karlpearson coefficient of correlation is
- |   |    |    |    |    |    |    |
|---|----|----|----|----|----|----|
| x | 9  | 11 | 13 | 10 | 13 | 10 |
| y | 16 | 14 | 12 | 16 | 12 | 14 |
- (a) -0.93                      (b) 0.85                      (c) 0.70                      (d) 0.65
735. From the following data the karlpearson coefficient of correlation is
- |   |    |    |    |    |    |    |
|---|----|----|----|----|----|----|
| X | 7  | 9  | 11 | 8  | 11 | 8  |
| y | 14 | 12 | 10 | 14 | 10 | 12 |
- (a) 0.97                      (b) 0.85                      (c) 0.78                      (d) -0.93
736. From the following data the karlpearson coefficient of correlation is
- |   |    |    |    |    |    |    |
|---|----|----|----|----|----|----|
| X | 11 | 15 | 15 | 12 | 15 | 10 |
| y | 18 | 13 | 11 | 15 | 11 | 16 |
- (a) -0.99                      (b) -0.89                      (c) 0.80                      (d) -0.50
737. Number of observations N=10; Mean X=22, Mean Y=15, Sum of squared deviations of X from mean value =148, Sum of squared deviation of Y from mean value=168. Sum of multiplication of deviation of X and Y= 124.  
From the above details the coefficient of correlation will be
- (a) 0.79                      (b) 0.87                      (c) 0.65                      (d) 0.43
738. Sum of deviations of X from mean value =8, Sum of squared deviation of Y from mean value =54. Sum of multiplication of deviation of X and Y =32, Sum of squared deviations of X from mean value =60  
From the above details the coefficient of correlation will be
- (a) 0.58                      (b) 0.56                      (c) 0.61                      (d) 0.47
739. Number of observations N=10  
Mean X= 22, Mean Y=15, Sum of squared deviations of X from mean value = 120, Sum of squared deviation of Y from mean value=144. Sum of multiplication of deviation of X and Y =124  
From the above details the coefficient of correlation will be
- (a) 0.78                      (b) 0.87                      (c) 0.65                      (d) 0.43
740. No of observations N=10  
Mean X=22, Mean Y=15, Sum of squared deviations of X from mean value=148, Sum of squared deviation of Y from mean value =168. Sum of multiplication of deviation of X and Y=36  
From the above details the coefficient of correlation will be.....
- (a) 0.27                      (b) 0.61                      (c) 0.45                      (d) -0.10
741. If the coefficient of correlation between x and y is 0.52 and covariance is 25 and the variance of X is 16, the standard deviation of Y will be.....
- (a) 4.9                      (b) 12                      (c) 11.87                      (d) 2.99
742. If the coefficient of correlation between X and Y is 0.88 and covariance is 54 and the variance of X is 25, the standard deviation of Y will be.....
- (a) 3.9                      (b) 2.45                      (c) 0.65                      (d) 1.09
743. If the coefficient of correlation between X and Y is 0.42 and covariance is 30 and the variance of Y is 16, the standard deviation of X will be .....
- (a) 4.46                      (b) 1.52                      (c) 2.80                      (d) 1.86

- 744.** Find the coefficient of correlation between X and Y if the covariance is 25 and the variance of X and Y are 9 and 12.66 respectively  
 (a) 1.89 (b) 0.58 (c) 2.32 (d) 1.54
- 745.** If the coefficient of correlation between X and Y is 0.48 and covariance is 39, the variance of Y is 25, the standard deviation of X will be .....  
 (a) 14.46 (b) 16.25 (c) 12.80 (d) 9.86
- 746.** What is the covariance if the coefficient of correlation between x and y is 0.65 and the variance of x and y are 25 and 9 respectively  
 (a) 10.25 (b) 8.65 (c) 9.75 (d) 11.06
- 747.** What is the covariance if the coefficient of correlation between x and y is 0.87 and the variance of x and y are 36 and 25 respectively  
 (a) 18.25 (b) 26.10 (c) 19.25 (d) 21.06
- 748.** What is the covariance if the coefficient of correlation between x and y is 0.92 and the standard deviation from mean value of x and y are 5.26 and 8.87 respectively.  
 (a) 40.25 (b) 38.65 (c) 39.75 (d) 42.92
- 749.** If the coefficient of correlation between two variables is 0.7, number of observations being 25. Find the limit within the correlation lies with another sample  
 (a) 0.631 to 0.7679 (b) 0.689 to 0.823 (c) 0.765 to 0.843 (d) 0.65 to 0.756
- 750.** If the coefficient of correlation between two variables is 0.8 and their covariance is 24. If the variance of X series on Y is 25, the standard deviation of Y series will be.....  
 (a) 6.24 (b) 5.94 (c) 6.00 (d) 5.54
- 751.** If the coefficient of correlation between two variables is 0.6, number of observations being 25. Find the limit within which the correlation lies with another sample  
 (a) 0.614 to 0.786 (b) 0.629 to 0.793 (c) 0.665 to 0.764 (d) 0.65 to 0.76
- 752.** The following are the ranks of 10 students in Economics and Accountancy
- |                  |    |   |   |   |   |   |    |   |   |    |
|------------------|----|---|---|---|---|---|----|---|---|----|
| Sr. No.          | 1  | 2 | 3 | 4 | 5 | 6 | 7  | 8 | 9 | 10 |
| Rank Accountancy | 10 | 4 | 1 | 8 | 3 | 9 | 6  | 5 | 2 | 7  |
| Rank Economics   | 8  | 3 | 2 | 6 | 1 | 7 | 10 | 9 | 4 | 5  |
- The coefficient of rank correlation between the marks in Accountancy and Economics is  
 (a) 0.648 (b) 0.872 (c) 0.69 (d) 0.78
- 753.** The following are the ranks of 10 students in English and Maths
- |              |   |   |   |   |    |   |   |   |   |    |
|--------------|---|---|---|---|----|---|---|---|---|----|
| Sr. no.      | 1 | 2 | 3 | 4 | 5  | 6 | 7 | 8 | 9 | 10 |
| Rank Math    | 9 | 6 | 4 | 5 | 10 | 3 | 1 | 7 | 2 | 8  |
| Rank English | 8 | 9 | 3 | 6 | 7  | 1 | 2 | 5 | 4 | 10 |
- The coefficient of rank correlation between the marks in Maths and English is  
 (a) 0.61 (b) 0.769 (c) 0.59 (d) 0.79

754. The following are the marks of 10 students in Physics and Maths obtained in CBSE Examination during 2012-13

Sr. no.	1	2	3	4	5	6	7	8	9	10
Rank Physics	80	87	59	89	97	95	79	90	94	76
Rank English	74	78	76	70	89	90	65	81	83	75

The coefficient of rank correlation between the marks in Maths and Physics is

- (a) 0.63                      (b) 0.769                      (c) 0.73                      (d) 0.71

755. The following are the marks of 10 students in Paper 1 and Paper 2 of CA CPT examination taking classes from NDA, New Delhi

Sr. no.	1	2	3	4	5	6	7	8	9	10
Paper I	80	59	88	89	97	95	79	90	76	94
Paper II	74	78	70	76	89	65	90	81	83	75

The coefficient of rank correlation between Paper 1 and Paper 2 is

- (a) 0.33                      (b) 0.79                      (c) 0.43                      (d) -0.22

- 756.

Interview	44	46	34	41	36	39	45	43	31	32
Written Examination	49	44	39	40	42	46	41	38	43	47

The above table shows the marks obtained by 10 students in their personal interview and written examination for MBA Examination. The rank correlation between the ranks obtained by them is.....

- (a) -0.127                      (b) 0.19                      (c) 0.33                      (d) 0.42

757. Given the coefficient of correlation being 0.8, the coefficient of determination will be.....

- (a) 0.98                      (b) 0.64                      (c) 0.66                      (d) 0.54

758. Given the coefficient of correlation being 0.9, the coefficient of determination will be.....

- (a) 0.99                      (b) 0.64                      (c) 0.81                      (d) 0.54

759. If the coefficient of determination being 0.49, what is the coefficient of correlation

- (a) 0.7                      (b) 0.80                      (c) 0.90                      (d) 0.60

760. Given the coefficient of determination being 0.36, the coefficient of correlation will be.....

- (a) 0.30                      (b) 0.40                      (c) 0.60                      (d) 0.50

761. If the coefficient of correlation between x and y is  $\frac{2}{3}$  and the standard deviation of x is 3 and standard deviation of y is 4, the covariance between x and y will be.....

- (a) 3                      (b) 6                      (c) 7                      (d) 8

762. If the coefficient of correlation between x and y is  $\frac{3}{4}$  and the standard deviation of x is 4 and standard deviation of y is 3, the covariance between x and y will be .....

- (a) 9                      (b) 6                      (c) 7                      (d) 8



763. If  $y = \frac{2-3x}{(2+3x)}$ , then  $\frac{dy}{dx}$  is equal to.....
- (a)  $\left(\frac{-12}{(2+3x)^2}\right)$  (b)  $\left(\frac{12}{(2+3x)^2}\right)$  (c)  $\left(\frac{-12}{(2+3x)}\right)$  (d)  $\left(\frac{1}{(2+3x)^2}\right)$
764. If  $y = (3+2x)/(3-2x)$ , then  $\frac{dy}{dx}$  is equal to.....
- (a)  $\left(\frac{-12}{(2+3x)^2}\right)$  (b)  $\left(\frac{12}{(3+2x)^2}\right)$  (c)  $\left(\frac{-12}{(2+3x)}\right)$  (d)  $\left(\frac{1}{(3+2x)}\right)$
765.  $\frac{dy}{dx}$  of  $e^{1/x}$  is equal to.....
- (a)  $(-e^{1/x}/x^2)$  (b)  $(e^{-4})$  (c) (1) (d)  $(1/x^2)$
766.  $\frac{dy}{dx}$  of  $e^{e^x}$  is equal to.....
- (a)  $(-e^{1/x}/x^2)$  (b)  $(e^{-x})$  (c) (1) (d)  $(e^x \cdot e^{e^x})$
767. If  $y = 1/x^5$ , then  $\frac{dy}{dx}$  is equal to.....
- (a)  $(-6/x^6)$  (b)  $(6/x^5)$  (c)  $(6x^5)$  (d)  $(x^6/5)$
768. If  $y = \frac{x^2-1}{(x^2+1)}$ , then  $\frac{dy}{dx}$  is equal to.....
- (a)  $\left(\frac{4x}{(1+x^2)^2}\right)$  (b)  $\left(\frac{2x}{(2+3x)^2}\right)$  (c)  $\left(\frac{3x}{(2+3x)}\right)$  (d)  $\left(\frac{-x}{(2+x)}\right)$
769.  $\frac{x^2+1}{(x^2-1)} \frac{dy}{dx}$  is equal to.....
- (a)  $\left(\frac{-4x}{(1-x^2)^2}\right)$  (b)  $\left(\frac{4x}{(1-x^2)^2}\right)$  (c)  $\left(\frac{-4}{(1+x^2)^2}\right)$  (d)  $\left(\frac{4}{(x^2+1)}\right)$
770. If  $y = \frac{1+\sqrt{x}}{(\sqrt{x}-1)}$ , then  $\frac{dy}{dx}$  is equal to.....
- (a)  $\frac{\sqrt{x}}{(\sqrt{x}-1)}$  (b)  $\frac{1}{\sqrt{x}(\sqrt{x}-1)^2}$  (c)  $\frac{-1}{\sqrt{x}(\sqrt{x}-1)^2}$  (d)  $\frac{1}{(x\sqrt{x}-1)}$
771. If  $Y = \frac{1+\sqrt{x}}{(1-\sqrt{x})}$ , then  $\frac{dy}{dx}$  is equal to.....
- (a)  $\frac{x}{\sqrt{x}(\sqrt{x}-1)}$  (b)  $\frac{1}{\sqrt{x}(\sqrt{x}-1)^2}$  (c)  $\frac{-1}{\sqrt{x}(\sqrt{x}-1)^2}$  (d)  $\frac{1}{(\sqrt{x}-1)^2}$
772. If  $y = (1+2x^2)/(1-2x^2)$ , then  $\frac{dy}{dx}$  is equal to.....
- (a)  $\left(\frac{8x}{(1-2x^2)^2}\right)$  (b)  $\left(\frac{12}{(2+3x)}\right)$  (c)  $\left(\frac{-12}{(2+3x)}\right)$  (d)  $\left(\frac{-1x}{(1-2x^2)^2}\right)$
773. If  $Y = (1-x^2)/(1+x^3)$ , then  $\frac{dy}{dx} =$
- (a)  $\left(\frac{x^3+x-2}{(1-x^3)^2}\right)$  (b)  $\left(\frac{x[3x^3-3x+2]}{(1+x^3)^2}\right)$  (c)  $\left(\frac{x[3x^3-x+2]}{(1+x^3)^2}\right)$  (d)  $\left(\frac{[x^3-x+2]}{(1+x^3)^2}\right)$

774. If  $Y = \log(2x+5)$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(2)/(x+5)$  (b)  $(2^x)/(2x+5)$  (c)  $(2)/(2x+5)$  (d)  $(1)/(2x+5)$
775. If  $y = \log(2x^2+5)$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(4x)/2x^2+5$  (b)  $(-4x)/(2x^2+5)$  (c)  $(2)/(2x+5)$  (d)  $(-4)/(2x^2+5)$
776. If  $y = \log(3x^2-1)$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(2)/(3x^2-1)$  (b)  $(6^x)/(3x^2-1)$  (c)  $(2)/(3x^2+5-1)$  (d)  $(-2x)/(3x^2-1)$
777. If  $y = \log(3x^2+5x+1)$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(6x+5)/(3x^2+5x+1)$  (b)  $(-6x+5)/(3x^2+5x+1)$  (c)  $(-6)/(3x^2+5x+1)$  (d)  $(6)/(3x^2+5x+1)$
778. If  $xy = c^2$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(1/x)$  (b)  $(-y/x)$  (c)  $(y/x)$  (d)  $(x)$
779. If  $x^2y = 5$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(2y/x)$  (b)  $(-y/x)$  (c)  $(-2y/x)$  (d)  $(x/y)$
780. If  $x^2y = 5$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(-y/2x)$  (b)  $(-y/x)$  (c)  $(-2y/x)$  (d)  $(-x/y)$
781. If  $x^3y^2 = 6$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(-y/2x)$  (b)  $(-3y/2x)$  (c)  $(-2y/x)$  (d)  $(2x/y)$
782. If  $x = 2t+3$  and  $y = 2t^2-5$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(2t)$  (b)  $(-3t)$  (c)  $(2t/3y/x)$  (d)  $(t)$
783. If  $x = 3t^2+5$  and  $y = (t^3/3)+5$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(t^2)$  (b)  $(-3t)$  (c)  $(t/6)$  (d)  $(t/3)$
784. If  $x = t^2/5+2$  and  $y = t^2+3$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(3t^2)$  (b)  $(5)$  (c)  $(5t)$  (d)  $(1/5)$
785. If  $x = 3z^2+2$  and  $y = 2z^4+1$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(z^2/3)$  (b)  $(5z^3)$  (c)  $(4z^2/3)$  (d)  $(-4/3z)$
786. If  $x = 3n^2+1$  and  $y = n^3+1$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(n/2)$  (b)  $(2n^4)$  (c)  $(n)$  (d)  $(x^2)$
787. If  $x = x^3+2n$  and  $y = 1/n^3+2$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(-3)/n^4(3n^2+2)$  (b)  $(-3)/n^4(n^2+2)$  (c)  $(3)/n(3n+2)$  (d)  $(1/x^3+2x)$

788. If  $y = 3x^3 + x^2 + 5x - 1$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(9x^2 + 2x)$  (b)  $(2x^3 + 9)$  (c)  $(18x + 2x^2)$  (d)  $(18x + 2)$
789. If  $y = x^4 + 3x^2 + 5$ , then  $\frac{d^2y}{dx^2}$  is equal to.....  
 (a)  $(4x^2 + 6x)$  (b)  $(12x^2 + 6)$  (c)  $(12x + 2x^2)$  (d)  $(12x + 2)$
790. If  $y = 3x^3 + x^2 + 5x - 1$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(36x^2 + 4)$  (b)  $(36x^2 + 1)$  (c)  $(32x + 2x^2)$  (d)  $(2x^4 + 2x^2)$
791. If  $y = x^3 + 4$ , then  $\frac{dy}{dx}$  is equal to.....  
 (a)  $(6x^2 + 4)$  (b)  $(6x)$  (c)  $(6x + 2x^2)$  (d)  $(2x + 2)$
792. If  $y = 5x^4 + 2x^2$ , then  $\frac{d^2y}{dx^2}$  is equal to.....  
 (a)  $(60x^2 + 4)$  (b)  $(20x^3 + 4)$  (c)  $(6x + 2x^2)$  (d)  $(6x^2)$
793. If  $y = 6x^3 + 2x + 1$ , then  $\frac{d^2y}{dx^2}$  is equal to.....  
 (a)  $(12x^2 + 2)$  (b)  $(18x^2 + 2)$  (c)  $(6x^3 + 2)$  (d)  $(36x)$
794. If  $y = 3x^6 + 4x^3$ , then  $\frac{d^2y}{dx^2}$  is equal to.....  
 (a)  $(18x^3 + 1)$  (b)  $(6x^3 + 4)$  (c)  $(90x^4 + 24x)$  (d)  $(36x^3)$
795. If  $Y = 2/3x^3 - 2x$ , then  $f'(x) = 0$ , if  $x$  is .....  
 (a) (1) (b) (2) (c)  $(2/1)$  (d)  $(1/2)$
796. If  $f(x) = 3x^{2/2} - 6x$ , then  $f'(x) = 0$ , if  $x$  is .....  
 (a) (1) (b) (2) (c)  $(2/1)$  (d)  $(1/2)$
797. If  $f(x) = x^{2+6}x$ , then  $f'(x) = 0$ , if  $x$  is .....  
 (a) (3) (b) (2) (c)  $(-3)$  (d) (1)
798. If  $f(x) = f(x) = \frac{2x^2}{3} - 9x + 6$  then  $f'(x) = 0$ , if  $x$  is .....  
 (a)  $(-3)$  (b) (3) (c)  $(-1)$  (d) (1)
799. If  $f(x) = x^3 - 27x + 8$ , then  $f'(x) = 0$ , if  $x$  is .....  
 (a) (3) (b) (2) (c)  $(-2)$  (d) (1)
800. If  $f(x) = 2x^2 - 16x + 7$ , then  $f'(x) = 0$ , if  $x$  is .....  
 (a) (4) (b)  $(-4)$  (c)  $(-3)$  (d) (3)
801. If  $y = (\log x)^4$ , then  $\frac{dy}{dx} =$   
 (a)  $(4(\log x)^3/x)$  (b)  $(4(\log x)^3/2x)$  (c)  $(2(\log x)^3/x)$  (d)  $(x \log x^3)$
802. If  $y = 1/(\log x)$ , then  $\frac{dy}{dx} =$   
 (a)  $(1/x \log x)$  (b)  $(-1/x(\log x)^2)$  (c)  $(1/x(\log x)^2)$  (d)  $(1/\log x)$
803. If  $y = 3^x$ , then  $\frac{dy}{dx} =$   
 (a)  $(3 \log x)$  (b)  $(\log 3)$  (c)  $(3^x \log 3)$  (d)  $(\log 3)$

804. If  $y = e^{x^7}$ , then  $\frac{dy}{dx} = 0$   
 (a)  $(7x^6e^{x^7})$  (b)  $(7x^6e^7)$  (c)  $(7xe^{x^7})$  (d)  $(6x-e^{x^7})$
805. If  $y = e^{x^n}$ , then  $\frac{dy}{dx} = 0$   
 (a)  $(ne^{x^{n-1}})$  (b)  $(nx^{n-1}e^{x^n})$  (c)  $(nx^{-1}x)$  (d)  $(e^{x^n} + x)$
806. If P is the price, x being the quantity demanded, total revenue being px, then the price elasticity of total demand curve  $14x = 40 - 2p = 0$  can be expressed as  
 (a)  $(p/7x)$  (b)  $(-7x/p)$  (c)  $(7p/x)$  (d)  $(x/p)$
807. If P is the price, x being the quantity demanded. The price elasticity of the demand curve,  $10x = 30 - 6p$  is equal to.....  
 (a)  $(3p/3x)$  (b)  $(-3p/x)$  (c)  $(-3p/5x)$  (d)  $(5x/3)$
808. If P is the price, x being the quantity of demand Revenue = PX. Price elasticity of the demand curve,  $4x = 10 - 5p$ , can be expressed as .....  
 (a)  $(5p/4x)$  (b)  $(-6p/x)$  (c)  $(-3p/5x)$  (d)  $(4p/5x)$
809. Find elasticity of demand with respect to price at point  $p=6$  for demand curve  $=x = \left(\frac{5}{p-4}\right)$   
 (a) (1) (b) (2) (c) (3) (d) (-1)
810. Find elasticity of demand with respect to price at point  $p=6$ , for demand curve  $=x = 6/(p+4) = 0$   
 (a)  $(3/2)$  (b)  $(3/5)$  (c)  $(1/3)$  (d) (0)
811. Find elasticity of demand with respect to price at point  $p=6$ , for demand curve  $=x = 9/(p+4) = 0$   
 (a) (0.6) (b) (0.2) (c) (1) (d) (0.4)
812. A firm's variable cost  $c = x^3 - x^2 - 5x$ . The level of output at which average variable cost is minimum is  
 (a) (2 ton) (b)  $(5/3 \text{ ton})$  (c) (1 ton) (d)  $(3/2 \text{ ton})$
813. Evaluate  $\lim_{x \rightarrow 2} (3x + 6)$   
 (a) 1 (b) 10 (c) 12 (d) 14
814.  $\lim_{x \rightarrow 5} (1/x - 5)$  is equal to  
 (a)  $\infty$  (b) 0 (c) 1 (d) -1
815.  $\lim_{x \rightarrow 0} (e^x - 1/x)$  is equal to  
 (a) 0 (b) 1 (c) 2 (d) -1
816.  $\lim f(x)$  when  $f(x) = -5$   
 (a) -5 (b) 4 (c) 5 (d) -1
817.  $\lim_{x \rightarrow 2} f(x^2)$  when  $f(x) = 2$   
 (a) -4 (b) 3 (c) 2 (d) 4

818.  $\lim_{x \rightarrow 2} (x^2 - 3)/(x + 1) =$   
 (a) 1/3 (b) 2/3 (c) -1/3 (d) 1/4
819.  $\lim_{x \rightarrow 3} (x^3 - 4)/(x + 1)$  is equal to  
 (a) 4/23 (b) 2/23 (c) 1/8 (d) 23/4
820.  $\lim_{x \rightarrow 2} (x^3 + 2)/(x^2 - 1)$  is equal to  
 (a) 11 (b) 12 (c) 23 (d) 10/3
821.  $\lim_{x \rightarrow 1} (x^3 + 2)/(2x^2 - 1)$  is equal to  
 (a) 3 (b) 2 (c) -3 (d) none
822.  $\lim_{x \rightarrow \infty} (1 + 4/x)^x =$   
 (a)  $e^4$  (b) 2 (c)  $e^5$  (d) 4
823.  $\lim_{x \rightarrow \infty} \frac{(2x^3 - 5x^2 + 2x)}{(3x^3 - 2x^2 + 5x)} =$   
 (a) 2/4 (b) 2/3 (c) 1/3 (d) 0
824.  $\lim_{x \rightarrow 0} (2x^2 - 1)/x =$   
 (a)  $\log x$  (b) 1 (c)  $\log e^2$  (d) -1
825.  $\lim_{x \rightarrow 2} (e^{x^2} + 3x + 2) =$   
 (a)  $e^2$  (b)  $e^{12}$  (c)  $e^5$  (d)  $e^1$
826.  $\lim_{x \rightarrow 0} (e^{3x-1})/x =$   
 (a) 1 (b) 6 (c) 3 (d) 7
827.  $\lim_{x \rightarrow 0} (8^x - 2^x)/6^x - 2^x =$   
 (a)  $(\log 3/\log 4)$  (b)  $(\log 4/\log 3)$  (c)  $(\log 2/\log 2)$  (d)  $(\log 2/\log 3)$
828.  $\lim_{x \rightarrow 5} \sqrt{x^2 - 4} =$   
 (a)  $\sqrt{21}$  (b)  $\sqrt{20}$  (c)  $\sqrt{19}$  (d)  $\sqrt{18}$

829.  $\lim_{x \rightarrow 6} (x^2 - 7x + 12)/(x - 5) =$   
 (a) 29 (b) 25 (c) 6 (d) -24
830.  $\lim_{x \rightarrow -9} (x - 9)/(x^2 - 81) =$   
 (a)  $\infty$  (b) 0 (c) 1 (d) not exist
831.  $\lim_{x \rightarrow 7} \left( \frac{1}{7} + \frac{1}{7^2} + \frac{1}{7^3} + \dots + \frac{1}{7^n} \right) =$   
 (a) 4/7 (b) 1/7 (c) 2/11 (d) 2/7
832.  $\lim_{x \rightarrow 2} (x^2 + 5x + 6)/(x^2 + 4x + 4) = (x + 3)/(x + 2) =$   
 (a) 5/4 (b) 4/3 (c) 4/5 (d) 1/5
833.  $\lim_{x \rightarrow 0} (\sqrt{1-x} - \sqrt{1+x})/x =$   
 (a) 1 (b) -1 (c) 1/5 (d) 1/3
834.  $\lim_{x \rightarrow 0} x \log x =$   
 (a) 1 (b) -1 (c) 0 (d) 2
835.  $\lim_{x \rightarrow \infty} x^{e^{-x}} =$   
 (a) 0 (b) 2 (c) 1 (d) -1
836.  $\lim_{x \rightarrow 12} \frac{x+12}{x^2 - 144} =$   
 (a) 1/124 (b) 1/4 (c) -1/24 (d) 12
837.  $\lim_{x \rightarrow \infty} (x+5)/(x+1)^{x+3} =$   
 (a)  $e^4$  (b)  $e^{-4}$  (c) 1 (d) 0
838. **Statistics is derived from**  
 (a) Latin word status (b) Italian statista (c) Both (d) None
839. **Statista or status means**  
 (a) Physical state (b) Political state (c) Secular state (d) Federal state
840. **Class mark is**  
 (a) A midpoint of class interval (b) Upper point of class interval (c) Lower class (d) None
841. **Width of class interval is**  
 (a) Difference between lower and upper limit (b) Midpoint of upper and lower limit and lower limit (c) Three fourth of difference between upper and lower limit (d) None

- 842. Under exclusive class interval method**  
(a) Lower limit of one is lower limit of other (b) Lower limit of one is upper limit of other (c) Lower limit of one is midpoint of other (d) None
- 843. Open end class interval is one**  
(a) Which does not have upper limit (b) Which does not have lower limit (c) Which does not have upper and lower limit (d) None
- 844. In discrete series-frequency**  
(a) Can take any Value defined value (b) Frequency can take only some (c) Both (d) None
- 845. Median is**  
(a) Average point (b) Midpoint (c) Most likely point (d) Most remote point
- 846. Mode is the value which**  
(a) Is a mid point (b) Occur the most Likely (c) Average of all (d) Most remote
- 847. A variable which can assume any value between two given value is called**  
(a) Continuous (b) Discrete Value (c) Random (d) None
- 848. A variable which can have only defined value is called**  
(a) Discrete variable (b) Continuous variable (c) Random variable (d) None
- 849. Histogram consists of a set of rectangle having**  
(a) Bases on X axis and with centre at the class mark and length equal to the class interval (b) Area proportionate to class frequency (c) Either of these two (d) Both
- 850. Standard deviation is used to measure the**  
(a) Degree of variation or uniformity in data (b) Mode value (c) Extent of extremes values (d) All the three
- 851. A frequency curve having two maximum is called**  
(a) A bimodal frequency curve (b) Multimodal frequency curve (c) Symmetrical curve (d) Skewed
- 852. A U shaped frequency curve can have**  
(a) Maxima at both the ends only (b) No maxima (c) One maxima (d) More than one
- 853. A J shaped curve has maxima at**  
(a) One end only (b) Both end (c) Both (d) None
- 854. A ratio compound of itself is called**  
(a) Duplicate ratio (b) Sub- duplicate ratio (c) Sub-triplicate ratio (d) Triplicate ratio
- 855. If a, b and c are in continuous proportion, then the middle term b is called**  
(a) Mean proportion (b) Mode (c) Median (d) None
- 856. The logarithm of any number to the same base is**  
(a) Unity (b) Zero (c) Infinite (d) Non existence

- 857. Logarithms of number to the base ..... are known as common logarithm**  
(a) 0) (b) (10) (c) 100 (d) 1
- 858. The whole or the integral part of a logarithm is called**  
(a) Characteristic (b) Mantissa (c) Both (d) None
- 859. The decimal part of a logarithm is called**  
(a) Characteristic (b) Mantissa (c) Both (d) None
- 860. If the number of elements in a sequence is finite, the sequence is called**  
(a) Infinite sequence (b) Finite sequence (c) Limited sequence (d) None
- 861. If the number of element of a series is unending the sequence is called**  
(a) Infinite series (b) Undefined series (c) Unending series (d) Expanding series
- 862. The empty set is one which contains..... element**  
(a) 1 (b) 2 (c) 3 (d) 0
- 863. A Binomial distribution is symmetrical when P=**  
(a) 0.10 (b) 0.80 (c) 0.50 (d) 1
- 864. Sleeping habit of a person is**  
(a) An attribute variable (b) A variable (c) Continuous variable (d) Discrete
- 865. Weight of a person is**  
(a) An attribute variable (b) Continuous variable (c) Variable (d) Discrete
- 866. Death toll due to earth quack is a**  
(a) An attribute variable (a) Continuous variable (c) Variable (d) Discrete
- 867. The term Statistics can be used in ..... sense**  
(a) Singular only (b) Plural only (c) Both (d) None
- 868. ....in a quantitative information about some particular characteristics under consideration**  
(a) Statistic (b) Data (c) Variable (d) Attribute
- 869. Which of the following is not a method for collection of primary data**  
(a) Interview method (b) Questionnaire (c) Observations (d) None
- 870. Data arranged region wise is known as**  
(a) Regional data (b) Local data (c) Geographical data (d) All the three
- 871. Which of the following is a qualitative data**  
(a) Salary (b) Profits (c) Weight (d) Drinking habits
- 872. Which of the following is a quantitative data**  
(a) Age (b) Weight (c) Height (d) All the three
- 873. Presentation of data with the help of paragraphs is known as**  
(a) Textual Presentation (b) Diagrammatical presentation (c) Pictorial presentation (d) None
- 874. Presentation of data with the help of pictures is known as**  
(a) Textual (b) Diagrammatical (c) Pictorial presentation (d) None



875. Presentation presentation  
**Horizontal bar diagrammed is used for**  
 (a) Qualitative data (b) Quantitative data (c) Both (d) None
876. **For time series data..... is used**  
 (a) Bar diagram (b) Vertical diagram (c) Pie chart (d) Line diagram
877. **Bell shaped frequency curve is used for distribution of**  
 (a) Height (b) Marks (c) Profit (d) All the three
878. **Frequency distribution may be defined as**  
 (a) Tabular Representation of Statistical data (b) Graphical representation of statistical data (c) Pictorial representation of statistical data (d) Line diagram
879. **Quartiles are values dividing a given set of data into..... equal parts**  
 (a) 4 (b) 6 (c) 3 (d) 2
880. **Deciles are the values dividing a given set of observations into**  
 (a) 10 (b) 5 (c) 6 (d) 4
881. **Percentiles divides a set of observations into**  
 (a) 100 (b) 80 (c) 60 (d) 10
882. **The middle most value of a frequency distribution table is known as**  
 (a) Mean (b) Median (c) Mode (d) Range
883. **Which of the following measures of averages divide the observation into two parts**  
 (a) Mean (b) Median (c) Mode (d) Range
884. **Which of the following measures of averages divide the observation into four equal parts**  
 (a) Mean (b) Median (c) Mode (d) Quartile
885. **The first quarter is known as**  
 (a) Lower quarter (b) Middle quarter (c) Upper quarter (d) None
886. **The third quarter is known as**  
 (a) Lower quarter (b) Middle quarter (c) Upper quarter (d) None
887. **One number is to be chosen from numbers 1 to 100, the probability that it is divisible by 4 and 6**  
 (a) 33/100 (b) 7/100 (c) 4/100 (d) 8/100
888. **The roots of the equation  $(x-4)^2(x-2)(x+4)$  are -----**  
 (a) (-2,2,2,4) (b) (1,-2,4,-4) (c) (4,4,2,-4) (d) (2,-3,1,-4)
889. **The roots of the equation  $(x-3)(x-2)(x-4)$  are -----**  
 (a) (-2,2,4) (b) (3,2,4) (c) (-1,-0,-4) (d) (2,-1,-3)
890. **Find the value of M if one root of the equation  $F(x) = mx^2+2x-3=0$ , is 2-----**  
 (a) 1 (b) -1/4 (c) -1 (d) 1/4
891. **Find the value of M, if one root is 2,  $F(x) = 2x^2+mx-6=0$ ---**  
 (a) 1 (b) -1 (c) 2 (d) -2
892. **The roots of the equation  $(x-3)(x-2)^2(x-4)$  are -----**  
 (a) (3,2,2,4) (b) (1,-2,2,-4) (c) (-1,-2,2,-4) (d) (2,-3,2,-4)
893. **Arithmetic mean of the series 1, 3, 5, 7, 9 is .....**  
 (a) 5 (b) 6 (c) 5.5 (d) 6.5

- 894. GM of the series 1,3,5,7,9 is .....**  
(a) 945 (b)  $(315)^{1/5}$  (c)  $(945)^{1/5}$  (d) 90/300
- 895. Harmonic means of the series 1, 3, 5, 7, 9 is .....**  
(a)  $1575/563$  (b)  $325/75$  (c)  $88/320$  (d) 90/300
- 896. Arithmetic mean of the series 3, 4, 5, 6, 7 is .....**  
(a) 5 (b) 7 (c) 5.5 (d) 6.5
- 897. Geomatic mean of the series 3, 4, 5, 6, 7 is .....**  
(a)  $2520^{1/5}$  (b) 7 (c)  $2120^{1/6}$  (d) 6
- 898. Harmonic mean of the series 3, 4, 5, 6, 7 is .....**  
(a)  $2100/459$  (b)  $1800/654$  (c)  $2000/558$  (d) 6.5
- 899. The Arithmetic mean for the series 3, 5, 5, 2, 6, 2, 9, 5, 8, 6, is.....**  
(a) 5.1 (b) 5 (c) 4.9 (d) 4.6
- 900. The median value for the series 3, 5, 5, 2, 6, 2, 9, 5, 8, 6 is ...**  
(a) 5.1 (b) 5 (c) 4.9 (d) 4.6
- 901. The mode for the series 3, 5, 6, 2, 6, 2, 9, 5, 8, 6 is**  
(a) 5.1 (b) 5 (c) 6 (d) 8
- 902. The Arithmetic mean for the series 51.6, 50.3, 48.9, 48.7, 48.5 is.....**  
(a) 49.8 (b) 50 (c) 48.9 (d) 49.6
- 903. The Median for the series 51.6, 50.3, 48.9, 48.7, 49.5, is.....**  
(a) 49.8 (b) 50 (c) 48.9 (d) 49.6
- 904. The Arithmetic mean for the series 51.6, 50.3, 48.9, 48.7, 49.5 is.....**  
(a) 48.8 (b) 50 (c) 49.9 (d) 49.8
- 905. The Mode for the series 51.6, 50.3, 48.9, 48.7, 49.5 is.....**  
(a) 48.8 (b) 50 (c) None (d) 49.5
- 906. The Harmonic mean for the series 6, 5, 3, 6, 7, 10 and 12 is**  
(a) 5.87 (b) 6.21 (c) 5.12 (d) 5.98
- 907. In question No. 906 the mode is.....**  
(a) 6 (b) 5 (c) 5.9 (d) 5.98
- 908. The harmonic mean of the data 3.2, 5.2, 4.2, 6.1, 4.8 is.....**  
(a) 4.48 (b) 4.59 (c) 4.64 (d) 5.1

909. The value of M for which the difference between the roots of the equation  $x^2+mx+8=0$ , is 2 are----

- (a)  $\pm 2$  (b)  $\pm 5$  (c)  $\pm 6$  (d)  $\pm 3$

910. Find Arithmetic mean wages of the workers from the following details

Wages (₹)	3000	2000	6000	4000	7000
No. of workers	5	5	4	6	5

- (a) ₹4400 (b) ₹4320 (c) ₹4500 (d) ₹4380

911. Find the Arithmetic mean weight of the students from the following details:

Weight	65kg	66kg	69kg	72kg	79kg
No. of Students	5	6	4	5	5

- (a) 66 kg. (b) 67 kg. (c) 68 kg (d) 68.88kg

912. A card is drawn from a pack of 52 cards. The probability of getting a Queen is .....

- (a)  $1/4$  (b)  $1/13$  (c)  $3/13$  (d)  $2/13$

913. Calculate Median value from the following frequency distribution

X	4.5	5	5.5	6	6.5	7	7.5	8
Y(Frequency)	4	3	14	28	23	35	8	10

- (a) 6.5 (b) 6 (c) 5.5 (d) 7

914. Calculate Median value from the following frequency distribution

X	3	5	7	9	11	13
Y(Frequency)	4	3	5	2	3	3

- (a) 6.5 (b) 6 (c) 5.5 (d) 7

915. Calculate Median value from the following frequency distribution

X	10-15	15-20	20-25	25-30	30-35
Y (Frequency)	5	3	3	2	2

- (a) 18.5 (b) 19.166 (c) 19.5 (d) 19.28

916. Calculate arithmetic mean value from the following frequency distribution

X	10-15	15-20	20-25	25-30	30-35
Y (Frequency)	5	3	3	2	2

- (a) 20.16 (b) 19.166 (c) 21.23 (d) 19.28

917. Calculate arithmetic mean salary from the following frequency distribution

X(₹ in 000)	10-20	20-30	30-40	40-50	50-60	60-70
Y (Frequency)	2	3	6	5	2	2

- (a) 36.5 (b) 36.00 (c) 35.5 (d) 39.00

918. Find the mean deviation of the series 15,20,18,10, 22

- (a) 3.4 (b) 4.4 (c) 4.2 (d) 3.2

- 919.** Find the value of X mean of the series 7,20,18,10, x is 14  
 (a) 15 (b) 11 (c) 14 (d) 16
- 920.** What is the standard deviation of the data 10,12,5,8,15  
 (a) 3.09 (b) 3.41 (c) 2.67 (d) 3.10
- 921.** If X and Y are so related that  $Y = 2x + 6$  and mode  $x=15$ , mode y is .....  
 (a) 36 (b) 30 (c) 38 (d) 32
- 922.** If AM and HM are 10 and 4.9 respectively, GM will be ...  
 (a) 4.1 (b) 13 (c) 7 (d) 14.75
- 923.**  $\int 3x^2 dx$  is equal to .....  
 (a)  $(x^3+c)$  (b)  $(2X^2+c)$  (c)  $(3x^2+x^3+c)$  (d)  $(4x^3+4)$
- 924.**  $\int 4-2x+3x^2$  is equal to .....  
 (a)  $(5x^3+x^2)$  (b)  $(4x-x^2+x^3)$  (c)  $(x^3+x^2+4x)$  (d)  $(x^3+4x)$
- 925.**  $\int (3+4x^2)dx$  is equal to .....  
 (a)  $(x^4+c)$  (b)  $\left(3x+\frac{4x^3}{3}\right)$  (c)  $(x^3+x^2+4x)$  (d)  $(x^3+x)$
- 926.**  $\int x^{1/2}+3/x$  is equal to .....  
 (a)  $(3\log x+2/3 x^{3/2})+c$  (b)  $(3/2x^2/3+\log n^2)$  (c)  $(\log x+2/3x^2)$  (d)  $(x^3+2)$
- 927.**  $\int 1/(3x+2)dx$  is equal to .....  
 (a)  $(\log(3x+2))$  (b)  $(1/3 \log(3x+2)+c)$  (c)  $(3x^2+x^3+c)$  (d)  $(\log(3x+4x))$
- 928.**  $\int 1/(3x-2)dx$  is equal to .....  
 (a)  $(1/3 \log(3x-2)+c)$  (b)  $(\log(3x+2))$  (c)  $(1/3 \log(3x-2))$  (d)  $(\log(3x+1))$
- 929.**  $\int (2x-3)^2 dx$  is equal to .....  
 (a)  $(1/6 (2x-3)^3+c)$  (b)  $((2x-3)+x)$  (c)  $((2x-3)^3/3)$  (d) (None)
- 930.**  $\int (3x-5)^3 dx$  is equal to .....  
 (a)  $(1/12 (3x-5)^4+c)$  (b)  $((3x-5)/12-c)$  (c)  $((3x+5)^3/3)+c$  (d)  $((3x+5)^3)+c$
- 931.**  $\int (e^{3x+2})dx$  is equal to .....  
 (a)  $(e^{3x+2})+c$  (b)  $(3e^{3x+c})+c$  (c)  $(e^{3x+c})$  (d)  $(e^{3x+2})/3)+c$
- 932.** On addition of 3 to the numerator of a fraction it becomes equal to 1, however if 2 is deducted from the denominator and 1 added to the numerator, the number becomes equal to 1. The number is.....  
 (a) 6/9 (b) 3/10 (c) 5/8 (d) 11/15
- 933.**  $\int x^e dx$  is equal to .....  
 (a)  $(e^x(x-1)+c)$  (b)  $(e^x(x)+c)$  (c)  $(e^x(x-2)+c)$  (d)  $(e^x+c)$
- 934.**  $\int \log x dx$  is equal to .....  
 (a)  $(\log x-x+c)$  (b)  $(x\log x+x+c)$  (c)  $(x\log x-x+c)$  (d) (None)

935.  $\int (1/(9x^2-25))dx$  is equal to .....
- (a)  $(1/30 \log (3x-5)/(3x+5))+c$  (b)  $(1/30 \log (3x-5)/(3x+5))+c$  (c)  $(1/30 \log (3x-5)/(3x+5))+c$  (d)  $(1/3 \log (3x-5)/(3x+5))+c$
936.  $\int (e^x/e^{2x}-1)$  is equal to .....
- (a)  $(\log (e^{x+1})/(e^{x-1}))$  (b)  $(1/2 \log (e^{x+1})/(e^{x-1}))$  (c)  $(\log (e^{x-1})/(e^{x-1}))$  (d)  $(\log (e^{x+1})/(e^{x+1}))$
937.  $\int (x+3)^6 dx$  is equal to .....
- (a)  $(2x^2+3/5x)+c$  (b)  $((3+x)^7/7)+c$  (c)  $(x^3+e^{x+4})$  (d)  $1/6(3+x)^7$
938.  $\int (1/(25x^2-16))dx$  is equal to .....
- (a)  $\text{Log}(5x+ (25x^2-16)^{1/2}+c$  (b)  $\text{Log}(5x+(25x^2+16)^{1/2}+c$  (c)  $(1/5 \log[5x+25x^2-16] +c$  (d)  $\text{Log}(5x+(25x^2+16)+c$
939.  $\int (x+3)^6 dx$
- (a)  $(3+3/5x)+c$  (b)  $((3+x)^7/7)+c$  (c)  $(x+3)^4$  (d) (None)
940.  $\int (e^x((x+1)/(x+2))^2 dx$  is equal to .....
- (a)  $(e^x-(e^x/(x+1))+c$  (b)  $(e^{x^2}e^x/(x+1)+c$  (c)  $(2e^x-(e^x/(x+1))+c$  (d)  $(3e^x-(e^x/(x+1))+c$
941.  $\int ((xe^{2x}/(1+2x))^2 dx$  is equal to .....
- (a)  $(e^{2x}/4(1+2x)+c$  (b)  $(e^x-3e^x(2x+1)+c$  (c)  $(e^{2x}/4(1+2x)$  (d) None
942.  $\int_1^2 xe^x dx$  is equal to .....
- (a)  $(2e^2)$  (b)  $(2e^x)$  (c)  $(2)$  (d)  $(e^3)$
943.  $\int_1^2 xe^x dx$  is equal to.....
- (a)  $3e^3$  (b)  $3xe^3$  (c)  $(e^3)$  (d)  $(0)$
944.  $\int_1^x xe^x dx$  is equal to .....
- (a)  $1/2 (e-1)$  (b)  $(e^2)$  (c)  $(e^3)$  (d)  $2(e-1)$
945.  $\int_1^4 6dx$  is equal to .....
- (a)  $(18)$  (b)  $(24)$  (c)  $(11)$  (d)  $(44)$
946.  $\int_2^3 3dx$  is equal to .....
- (a)  $(11)$  (b)  $(21)$  (c)  $(3)$  (d)  $(4)$
947.  $\int_0^1 \frac{1}{(3x+2)} dx$  is equal to .....
- (a)  $(1/3 \log 5/2)$  (b)  $(1/3 \log 3)$  (c)  $(1/4 \log e^3)$  (d)  $(1/2 \log x^3)$
948.  $\int_0^1 \frac{1}{(5x+2)} dx$  is equal to .....
- (a)  $(1/3 \log 5/2)$  (b)  $(1/5 (\log 7)/2)$  (c)  $(1/5 \log 5)$  (d)  $(1/5 \log 4)$

949.  $\int_1^2 \frac{1}{x^2} dx$  is equal to .....
- (a) (1/3) (b) (-1/2) (c) (1/4) (d) (1/2)
950.  $\int_0^1 xe^x dx$  is equal to .....
- (a) (-1) (b) (1) (c) (2) (d) (1/2)
951.  $\int_2^4 3dx$  is equal to .....
- (a) (3) (b) (11) (c) (2) (d) (1/2)
952. The marginal cost function is given by  $mc= 3x^2+5x$  and fixed cost is ₹5. The total cost function can be expressed as
- (a)  $x^3+\frac{5x^2}{2}+5x$  (b)  $x^3+5x^2+5$  (c)  $3x^2+5x$  (d)  $3x^2+5$
953. In question No.952 the total cost of 30 units will be.....
- (a) (₹30,750) (b) (₹31,550) (c) (₹32,550) (d) (₹30,900)
954. In question No.952 the average cost is.....
- (a) (₹1025) (b) (₹1150) (c) (₹1090) (d) (₹1250)
955. The marginal cost function of a TV Cabinet is given as  $mc= x^2/3-2x+500$ . The total cost of production of 500 TV cabinet is .....
- (a) (₹125000000) (b) (₹425000000) (c) (₹13880000 approx) (d) (₹12500000)
956. In question No.955 the average cost of production is.....
- (a) (₹27777) (b) (₹28500) (c) (₹29600) (d) (₹25500)
957. In question No.955 the cost of increasing production from 300 units to 500 units is.....
- (a) ₹1,71,111 (b) ₹2,10,000 (c) ₹1,80,000 (d) ₹1,90,000
958. Determine the total cost of production of 200 units if Marginal cost is given as  $mc=2x+5$
- (a) 5000 (b) 4600 (c) 6500 (d) 5500
959. What is the cost of production of one toy in question No.958
- (a) 20 (b) 25 (c) 45 (d) 50
960. Determine the marginal cost of production of 1000 toys in Q.No.958
- (a) (2005) (b) (2105) (c) (2410) (d) (2900)
961. Determine the marginal cost of production of 120 pen, if  $mc=1+x/2000+e^{-0.03x}$
- (a) (₹139.0) (b) (₹160.0) (c) (₹133.84) (d) (₹169)

962. What is the cost of 1 pen in Q.No.961?  
(a) ₹2.00 (b) (₹1.33) (c) (₹1.84) (d) (₹1.95)
963. The marginal cost of production is  $mc=0.3x+4$  determine the cost involved to increase production from 70 to 100 units  
(a) (₹900) (b) (₹885) (c) (₹1015) (d) (₹1000)
964. Which of the following is true for a poisson distribution  
(a) Mean>Variance (b) Mean<Variance (c) Mean=Variance (d) None
965. Which of the following is true for a binomial distribution  
(a) Mean>Variance (b) Mean<Variance (c) Mean=Variance (d) None
966. In a binomial distribution mean and mode are equal only when  
(a)  $P=0.5$  (b)  $p=0.9$  (c)  $q=0.1$  (d) all the situations
967. The variance of a binomial distribution is measured by  
(a)  $np$  (b)  $np(1-p)$  (c)  $pq$  (d)  $nq$
968. The mean of binomial distribution is measured by  
(a)  $np$  (b)  $npq$  (c)  $pq$  (d)  $nq$
969. If each item of the sample data or observation is decreased by 25, the Arithmetic mean will...  
(a) Remain same (b) increase by 25 (c) decrease by 25 (d) decrease by 25%
970. If each item of the sample data or observation is increased by 5, the Arithmetic mean will...  
(a) Remain same (b) increase by 5 (c) decrease by 5 (d) increase by 5%
971. Circular test is satisfied by which of these methods ?  
(a) Laspeyres index (b) Fishers Ideal index (c) Paasches index (d) Simple Geometric mean of price relatives
972. Which index satisfies factor reversal test ?  
(a) Laspeyres index (b) Fishers Ideal index (c) Paasches index (d) Simple Aggregate average index
973. To check the accuracy of index by shifting the base year, which test is used ?  
(a) Circular test (b) Time reversal test (c) Unit test (d) None
974. Which of the following method of constructing index number satisfies time reversal test ?  
(a) Laspeyres index (b) Fishers Ideal index (c) Paasches index (d) All the three
975. Which of these is an extension of time reversal test of index numbers  
(a) Factor reversal test (b) Circular test (c) None (d) Both
976. .... Is known as positional average  
(a) Median (B) Mean (c) Mode (d) Range
977. The best measure of dispersion is  
(a) Subjective (b) Objective (c) Positive (d) (a and b)

978. If standard deviation of  $x=3$ , regression equation  $8x - 10y + 40 = 0$ ,  $40x - 30y - 200 = 0$ , find the deviation of  $y$   
(a) 1.29 (b) 0.8 (c) 0.7 (d) 0.9
979. If the product of two successive number is 5256, find the greatest number  
(a) 73 (b) 83 (c) 84 (d) 71
980. The least value of the sum of a +ve number and its reciprocal is  
(a) 1 (b) 3 (c) 3 (d) 4
981. If the sum of two numbers is  $K$ , find the maximum of their product  
(a)  $K$  (b)  $2K$  (c)  $K/2$  (d)  $K^2/4$
982. The sum of a number and its reciprocal is  $17/4$ . The number is  
(a) 5 (b) 4 (c) 6 (d) 3
983. The value of  $(1 + 2x/3)$  is equal to  $7/3$ , when  $x$  is equal to  
(a) -2 (b) 2 (c) 3 (d) -3
984. If  $x + y = 30$ , such that  $x$  and  $y$  are positive integers, then the minimum value of  $x^2 + y^2$  is equal to  
(a)  $K, K-1$  (b)  $K/2, K/2$  (c) 1,  $K-1$  (d) none
985. Set A has 3 elements and set B has 5 elements. Find the total no. of injection that can defined from set A to set B  
(a) 60 (b) 32 (c) 50 (d) 100
986. The maxima value of the function  $4x^3 + x^2 - 4x + 12$  is  
(a)  $113/2$  (b)  $376/27$  (c)  $-2/3$  (d)  $43/4$
987. The minima value of the function  $4x^3 + x^2 - 4x + 12$  is  
(a)  $31/2$  (b)  $55/2$  (c)  $43/4$  (d)  $1/2$
988. The maxima point of the function  $4x^3 + x^2 - 4x + 12$  is  
(a)  $3/2$  (b)  $5/2$  (c)  $-2/3$  (d)  $1/2$
989. The minima point of the function  $4x^3 + x^2 - 4x + 12$  is  
(a)  $3/2$  (b)  $5/2$  (c)  $-2/3$  (d)  $1/2$
990. The marginal cost function of a TV Remote =  $0.5x+30 = mc$ . Find the cost of production of first 200 units.  
(a) (₹16000) (b) (₹14300) (c) (₹12500) (d) (₹13990)
991. The cost of production of 1 TV remote is ..... (in Q.No.42)  
(a) (₹80) (b) (₹145) (c) (₹100) (d) (₹99)



992. A's chance of getting scholarship is 0.6 and B's chance of getting the same is 0.3. The probability that atleast one of them will get the scholarship is .....
- (a) 0.72 (b) 0.98 (c) 0.18 (d) 0.9
993. The Marginal Revenue function of a product is  $MR = 6 - 2x^2$  demand function will be.....
- (a)  $(6x - 2x^2/3)$  (b)  $6x - \frac{2x^3}{3}$  (c)  $(6x - 2x^2)$  (d)  $(8/3 - 2x^2)$
994. The demand function of product is  $D = 12 - x^2$  the MR function will be .....
- (a)  $(12 - x^2)$  (b)  $(1 - 3x^2)$  (c)  $(-2x)$  (d)  $(-3x^2)$
995. The demand function is  $18 - \frac{4x^2}{3}$ . The MR function will be .....
- (a)  $18 - \frac{8x}{3}$  (b)  $(18 - 2x^2)$  (c)  $(6x - 2x^2)$  (d)  $(8/3 - 2x^2)$
996. A pair of dice is thrown. The probability of getting a total of 8 is .....
- (a)  $2/26$  (b)  $1/4$  (c)  $1/3$  (d)  $5/36$
997. When the selling price of a product is ₹3 and cost function  $y = 2550 + [(x^2)/50]$ , the profit function can be written as
- (a)  $3x - 2550 - 2x^2/50$  (b)  $3x - 2550 - x^2/50$  (c)  $3x - 2550 - x^2$  (d)  $3x - 2550 - x/50$
998.  $\int (\log x)^2 dx$  is equal to .....
- (a)  $(x(\log x)^2 - 2\log x + c)$  (b)  $(2x + x(\log x)^2 - 2\log x + c)$  (c)  $(2x(\log x)^2 - 2\log x + c)$  (d)  $((\log x)^2 - 2\log x^3)$
999.  $\int (\log x/x^2) dx$  is equal to .....
- (a)  $(-1/x(\log x + 1) + c)$  (b)  $(2x + x(\log x)^2 - 2\log x + c)$  (c)  $(2x(\log x)^2 - 2\log x + c)$  (d)  $((\log x)^2 - 2\log x^3)$
1000. 4 cards are drawn from the deck of 52 cards. The probability of all the 4 cards drawn being Heart is ...
- (a)  $11/4165$  (b)  $22/4165$  (c)  $25/4165$  (d) 0.60

**ANSWER**

1	c	2	b	3	a	4	d	5	a	6	c	7	b
8	a	9	a	10	c	11	a	12	c	13	c	14	d
15	b	16	c	17	c	18	b	19	c	20	a	21	b
22	c	23	a	24	b	25	c	26	d	27	a	28	c
29	c	30	b	31	a	32	d	33	a	34	c	35	a
36	d	37	c	38	b	39	a	40	c	41	b	42	c
43	b	44	a	45	b	46	a	47	c	48	b	49	b
50	c	51	c	52	a	53	c	54	c	55	a	56	c
57	c	58	a	59	b	60	b	61	b	62	b	63	c
64	a	65	a	66	b	67	c	68	b	69	b	70	d
71	c	72	b	73	c	74	b	75	a	76	c	77	a
78	c	79	b	80	b	81	a	82	c	83	b	84	b
85	c	86	a	87	b	88	b	89	a	90	a	91	a
92	a	93	c	94	d	95	b	96	b	97	a	98	d
99	a	100	c	101	b	102	b	103	a	104	c	105	d
106	b	107	c	108	b	109	a	110	a	111	c	112	b
113	a	114	c	115	d	116	a	117	d	118	b	119	c

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120	a	121	b	122	a	123	d	124	b	125	b	126	c
127	d	128	b	129	b	130	a	131	c	132	b	133	c
134	a	135	b	136	c	137	b	138	a	139	b	140	c
141	b	142	a	143	c	144	b	145	c	146	c	147	a
148	b	149	c	150	b	151	a	152	a	153	a	154	c
155	c	156	b	157	c	158	d	159	a	160	b	161	c
162	b	163	a	164	d	165	c	166	c	167	c	168	b
169	a	170	a	171	c	172	c	173	b	174	a	175	c
176	b	177	d	178	a	179	b	180	c	181	a	182	b
183	d	184	b	185	a	186	d	187	c	188	c	189	a
190	b	191	b	192	c	193	a	194	d	195	a	196	c
197	b	198	d	199	c	200	a	201	c	202	b	203	a
204	a	205	b	206	d	207	a	208	b	209	b	210	b
211	a	212	c	213	d	214	a	215	c	216	c	217	a
218	b	219	a	220	b	221	d	222	c	223	a	224	c
225	b	226	a	227	a	228	a	229	b	230	a	231	c
232	a	233	c	234	a	235	a	236	d	237	b	238	a
239	d	240	a	241	b	242	b	243	b	244	a	245	a
246	b	247	b	248	a	249	b	250	c	251	c	252	c
253	a	254	a	255	b	256	a	257	a	258	b	259	a
260	c	261	d	262	b	263	d	264	c	265	d	266	b
267	b	268	a	269	c	270	a	271	c	272	b	273	d
274	c	275	a	276	d	277	c	278	c	279	a	280	c
281	b	282	d	283	c	284	d	285	b	286	c	287	c
288	a	289	c	290	c	291	b	292	c	293	c	294	d
295	a	296	c	297	c	298	b	299	c	300	c	301	d
302	b	303	b	304	b	305	b	306	d	307	d	308	c
309	a	310	a	311	b	312	c	313	c	314	d	315	d
316	c	317	d	318	a	319	d	320	c	321	b	322	d
323	a	324	b	325	a	326	b	327	c	328	a	329	d
330	a	331	b	332	b	333	a	334	a	335	d	336	b
337	b	338	c	339	b	340	a	341	d	342	c	343	c
344	b	345	a	346	b	347	d	348	c	349	b	350	b
351	b	352	a	353	a	354	a	355	c	356	d	357	c
358	c	359	a	360	a	361	a	362	d	363	c	364	b
365	b	366	d	367	a	368	c	369	d	370	a	371	a
372	b	373	a	374	c	375	c	376	a	377	b	378	b
379	c	380	b	381	b	382	b	383	c	384	b	385	b
386	a	387	a	388	d	389	b	390	a	391	b	392	b
393	c	394	a	395	a	396	c	397	b	398	c	399	b
400	b	401	c	402	b	403	d	404	a	405	d	406	a
407	b	408	d	409	b	410	c	411	a	412	b	413	b
414	c	415	b	416	b	417	d	418	b	419	b	420	b
421	c	422	d	423	a	424	a	425	b	426	a	427	b
428	c	429	b	430	a	431	d	432	a	433	c	434	b
435	a	436	b	437	c	438	a	439	b	440	c	441	b
442	c	443	b	444	b	445	b	446	a	447	b	448	d
449	d	450	a	451	c	452	a	453	b	454	d	455	d
456	c	457	a	458	d	459	a	460	c	461	a	462	a
463	c	464	b	465	b	466	c	467	a	468	a	469	b
470	b	471	a	472	a	473	b	474	c	475	b	476	a
477	b	478	b	479	c	480	a	481	a	482	c	483	b
484	b	485	c	486	d	487	c	488	a	489	b	4890	a
491	b	492	c	493	b	494	a	495	b	496	d	497	d
498	c	499	b	500	d	501	a	502	a	503	d	504	a
505	d	506	a	507	a	508	a	509	d	510	b	511	C
512	b	513	b	514	b	515	a	516	c	517	b	518	d

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519	c	520	c	521	d	522	d	523	c	524	d	525	b
526	a	527	b	528	c	529	d	530	a	531	c	532	c
533	a	534	d	535	a	536	c	537	a	538	c	539	a
540	d	541	a	542	c	543	c	544	c	545	b	546	a
547	a	548	c	549	d	550	b	551	d	552	c	553	a
554	d	555	a	556	a	557	a	558	c	559	b	560	a
561	b	562	c	563	a	564	a	565	d	566	a	567	a
568	b	569	a	570	c	571	d	572	b	573	a	574	d
575	b	576	d	577	a	578	d	579	c	580	a	581	a
582	d	583	c	584	c	585	d	586	b	587	b	588	a
589	a	590	b	591	c	592	b	593	b	594	c	595	d
596	c	597	b	598	a	599	a	600	c	601	d	602	a
603	b	604	a	605	a	606	b	607	a	608	c	609	c
610	a	611	c	612	d	613	d	614	b	615	b	616	a
617	b	618	a	619	b	620	c	621	d	622	b	623	d
624	a	625	b	626	c	627	a	628	a	629	b	630	a
631	c	632	a	633	b	634	c	635	a	636	d	637	b
638	d	639	b	640	a	641	d	642	d	643	b	644	a
645	c	646	b	647	d	648	b	649	a	650	c	651	c
652	a	653	b	654	a	655	b	656	d	657	c	658	a
659	c	660	b	661	a	662	a	663	a	664	b	665	a
666	c	667	a	668	c	669	a	670	a	671	d	672	b
673	a	674	d	675	a	676	b	677	b	678	b	679	a
680	a	681	b	682	b	683	a	684	b	685	b	686	b
687	a	688	a	689	a	690	c	691	d	692	c	693	c
694	a	695	a	696	b	697	d	698	b	699	b	700	a
701	a	702	b	703	d	704	a	705	b	706	b	707	b
708	a	709	c	710	d	711	a	712	c	713	b	714	a
715	d	716	a	717	d	718	b	719	a	720	b	721	b
722	d	723	a	724	c	725	b	726	d	727	c	728	c
729	b	730	c	731	a	732	c	733	c	734	a	735	d
736	b	737	a	738	b	739	a	740	a	741	b	742	b
743	a	744	c	745	b	746	c	747	b	748	d	749	a
750	c	751	a	752	a	753	b	754	c	755	d	756	a
757	b	758	c	759	a	760	c	761	d	762	a	763	a
764	b	765	a	766	d	767	a	768	a	769	a	770	c
771	b	772	a	773	b	774	c	775	a	776	b	777	a
778	b	779	c	780	a	781	b	782	a	783	c	784	b
785	c	786	a	787	a	788	d	789	b	790	a	791	b
792	a	793	d	794	c	795	a	796	b	797	c	798	b
799	a	800	a	801	a	802	b	803	c	804	a	805	b
806	a	807	c	808	a	809	c	810	b	811	a	812	b
813	c	814	a	815	b	816	a	817	d	818	a	819	d
820	d	821	a	822	a	823	b	824	c	825	b	826	c
827	b	828	a	829	c	830	a	831	b	832	a	833	b
834	c	835	a	836	c	837	a	838	a	839	b	840	a
841	a	842	b	843	c	844	b	845	b	846	b	847	a
848	a	849	b	850	c	851	b	852	b	853	a	854	a
855	a	856	a	857	b	858	a	859	b	860	b	861	a
862	d	863	c	864	a	865	b	866	d	867	c	868	b
869	d	870	c	871	d	872	d	873	a	874	c	875	a
876	a	877	d	878	a	879	a	880	a	881	a	882	b
883	b	884	d	885	a	886	c	887	d	888	c	889	b
890	b	891	b	892	a	893	a	894	c	895	a	896	a
897	a	898	a	899	a	900	b	901	c	902	a	903	d
904	c	905	a	906	a	907	a	908	a	909	c	910	d
911	d	912	b	913	a	914	d	915	b	916	a	917	d

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918	b	919	a	920	b	921	a	922	c	923	a	924	b
925	b	926	a	927	b	928	a	929	a	930	a	931	d
932	a	933	c	934	a	935	a	936	b	937	b	938	c
939	b	940	b	941	a	942	a	943	c	944	a	945	a
946	c	947	a	948	b	949	b	950	b	951	c	952	a
953	a	954	a	955	c	956	a	957	a	958	a	959	b
960	a	961	c	962	b	963	b	964	c	965	a	966	a
967	b	968	a	969	c	970	b	971	d	972	d	973	a
974	b	975	b	976	a	977	d	978	a	979	a	980	b
981	d	982	b	983	b	984	b	985	a	986	a	987	c
988	c	989	d	990	a	991	a	992	a	993	b	994	c
995	a	996	d	997	b	998	b	999	a	1000	a		

