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(To be filled in the
OMR Sheet)

प्रश्नपुस्तिका क्रमांक
Question Booklet No.

O.M.R. Serial No.

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प्रश्नपुस्तिका सीरीज
Question Booklet Series

A

BBA (First Semester) Examination, February/March-2022
F010101T (A+B)

Business Economics + Basic Accounting

Time : 3:00 Hours

Maximum Marks-200

जब तक कहा न जाय, इस प्रश्नपुस्तिका को न खोलें

- निर्देश : —
1. परीक्षार्थी अपने अनुक्रमांक, विषय एवं प्रश्नपुस्तिका की सिरीज का विवरण यथास्थान सही— सही भरें, अन्यथा मूल्यांकन में किसी भी प्रकार की विसंगति की दशा में उसकी जिम्मेदारी स्वयं परीक्षार्थी की होगी।
 2. इस प्रश्नपुस्तिका में 200 प्रश्न हैं, जो दो खण्डों में विभाजित हैं। प्रथम खण्ड में 100 एवं द्वितीय खण्ड में 100 प्रश्न हैं। इस प्रकार परीक्षार्थियों को प्रत्येक खण्ड से 75-75 प्रश्नों के उत्तर देने हैं। इस प्रकार परीक्षार्थी को कुल 150 प्रश्नों के उत्तर देने हैं। प्रत्येक प्रश्न के चार वैकल्पिक उत्तर प्रश्न के नीचे दिये गये हैं। इन चारों में से केवल एक ही उत्तर सही है। जिस उत्तर को आप सही या सबसे उचित समझते हैं, अपने उत्तर पत्रक (O.M.R. ANSWER SHEET) में उसके अक्षर वाले वृत्त को काले या नीले बाल प्वाइंट पेन से पूरा भर दें। यदि किसी परीक्षार्थी द्वारा प्रत्येक खण्ड हेतु निर्धारित प्रश्नों से अधिक प्रश्नों के उत्तर दिये जाते हैं तो उसके द्वारा हल किये गये प्रथमतः यथा निर्दिष्ट प्रश्नोत्तरों का ही मूल्यांकन किया जायेगा।
 3. प्रत्येक प्रश्न के अंक समान हैं। आप के जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।
 4. सभी उत्तर केवल ओ०एम०आर० उत्तर पत्रक (O.M.R. ANSWER SHEET) पर ही दिये जाने हैं। उत्तर पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।
 5. ओ०एम०आर० उत्तर पत्रक (O.M.R. ANSWER SHEET) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाय।
 6. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी प्रश्नपुस्तिका बुकलेट एवं ओ०एम०आर० शीट पृथक-पृथक उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें।
 7. निगेटिव मार्किंग नहीं है।

महत्वपूर्ण : —

प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्नपुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्षनिरीक्षक को दिखाकर उसी सिरीज की दूसरी प्रश्नपुस्तिका प्राप्त कर लें।

(First Section) प्रथम खण्ड

1. Perfect competition is characterized by :
 - (A) Large number of buyers and sellers
 - (B) Homogeneous product
 - (C) Free entry and exit of firms
 - (D) All the above
2. The distinction between variable cost and fixed cost is relevant in:
 - (A) Long period
 - (B) Short period
 - (C) Both
 - (D) None of these
3. Purposes of Short term Demand forecasting doesn't includes :
 - (A) Making a suitable production policy.
 - (B) To reduce the cost of purchasing raw materials and to control inventory.
 - (C) Deciding suitable price policy
 - (D) Planning of a new unit or expansion of existing unit
4. In _____ approach, the demand for new product is estimated on the basis demand of existing product.
 - (A) Growth curve approach
 - (B) Evolutionary approach
 - (C) Opinion polling approach
 - (D) Vicarious approach
5. The proportionate change in the quantity demanded of a commodity in response to change in the price of another related commodity is called:
 - (A) Price elasticity
 - (B) Related elasticity
 - (C) Cross elasticity
 - (D) Income elasticity

6. Which one is the method for measurement of elasticity ?
- (A) Proportional or Percentage Method
 - (B) Outlay Method
 - (C) Geometric Method
 - (D) All the above
7. _____ Method is also known as Sales-Force – Composite method or collective opinion method.
- (A) Opinion survey
 - (B) Expert opinion
 - (C) Delphi method
 - (D) Consumer interview method
8. Which of the following is not method of demand forecasting of new products ?
- (A) Trend projection
 - (B) Substitute approach
 - (C) Evolutionary approach
 - (D) None of these
9. Psychological pricing is also called as:
- (A) Penetration pricing
 - (B) Skimming pricing
 - (C) Odd pricing
 - (D) None of these
10. Customary pricing is also known as
- (A) Consumer pricing
 - (B) Conventional pricing
 - (C) Cost plus pricing
 - (D) Full cost pricing

11. If the commodities are substitute in nature, cross elasticity will be:
- (A) Negative
 - (B) Positive
 - (C) Zero
 - (D) Any of the above
12. Which one of the following is not an internal factor influencing pricing policy ?
- (A) Cost
 - (B) Objectives
 - (C) Marketing mix
 - (D) Demand
13. For the commodities like salt, sugar etc., the income elasticity will be:
- (A) Zero
 - (B) Negative
 - (C) Positive
 - (D) Unitary
14. Income elasticity depends on the:
- (A) Yield production
 - (B) Income of consumers
 - (C) Income of producer
 - (D) Supply
15. When a small change in price leads to infinite change in quantity demanded, it is called ?
- (A) Perfectly elastic demand
 - (B) Perfectly inelastic demand
 - (C) Relative elastic demand
 - (D) Relative inelastic demand

16. Price Elasticity of demand=
- (A) Percentage change in quantity demanded / Percentage change in price
 - (B) Proportionate change in Price / Proportionate change in quantity demanded
 - (C) $(Q_2 - Q_1) * (P_2 - P_1)$
 - (D) All the above
17. An increase in income may lead to an increase in the quantity demanded, it is:
- (A) Positive income elasticity
 - (B) Zero income elasticity
 - (C) Negative income elasticity
 - (D) Unitary income elasticity
18. Fixing high price during the introduction is called:
- (A) Skimming
 - (B) Penetrating
 - (C) Full cost pricing
 - (D) Target pricing
19. In a perfectly competitive market, individual firm:
- (A) Cannot influence the price of its product
 - (B) Can influence the price of its product
 - (C) Can fix the price of its product
 - (D) Can influence the market force
20. Which is the determinant of the pricing policy of a firm?
- (A) Channel of distribution
 - (B) Age of product
 - (C) Consumer association
 - (D) All of these

21. Under oligopoly a single seller cannot influence significantly:
- (A) Market price
 - (B) Quantity supplied
 - (C) Advertisement cost
 - (D) All the above
22. Average cost is also called as:
- (A) $(\text{Fixed Cost} + \text{Variable Cost}) / \text{No of Unit}$
 - (B) Marginal cost
 - (C) $\text{Fixed Cost} / \text{No of Units}$
 - (D) None of these
23. Which of the following is / are the reason for adopting penetration price strategy ?
- (A) Economies of large scale production available to firm.
 - (B) Potential market for the product is large.
 - (C) Cost of production is low.
 - (D) All the above
24. Purposes of Short term Demand forecasting includes :
- (A) Making a suitable production policy.
 - (B) To reduce the cost of purchasing raw materials and to control inventory.
 - (C) Deciding suitable price policy
 - (D) All the above
25. Demand for tyres depends on demand of vehicles, the demand for tyres called an :
- (A) Composite demand
 - (B) Derivative demand
 - (C) Joint demand
 - (D) Direct demand

26. When income increases, quantity demanded falls, it is:
- (A) Positive income elasticity
 - (B) Zero income elasticity
 - (C) Negative income elasticity
 - (D) Unitary income elasticity
27. Consumer Interview method of demand forecasting may undertaken by :
- (A) Complete enumeration
 - (B) Sample survey
 - (C) End – use method
 - (D) All the above
28. Under which method, the cost is added with the predetermined target rate of return on capital invested:
- (A) Cost plus pricing
 - (B) Target pricing
 - (C) Mark up pricing
 - (D) None of these
29. Prices of Bata shoe as Rs.99.99, this pricing is:
- (A) Mark up pricing
 - (B) Odd pricing
 - (C) Marginal cost pricing
 - (D) Follow up pricing
30. Average revenue is the revenue per:
- (A) Unit commodity sold
 - (B) Total commodity sold
 - (C) Marginal commodity sold
 - (D) None of these

31. Fixed cost creates:
- (A) Risk
 - (B) Competition
 - (C) Total Consumption
 - (D) Preference of Producer
32. _____ means relationship between demand and its various determinants expressed mathematically.
- (A) Demand extension
 - (B) Demand contraction
 - (C) Demand analysis
 - (D) Demand function
33. “_____ in economics means demand backed up by enough money to pay for the goods demanded.”
- (A) Utility
 - (B) Consumption
 - (C) Supply
 - (D) Demand
34. In the case of _____ a small change in price leads to big change in quantity demanded.
- (A) Perfectly elastic demand
 - (B) Perfectly inelastic demand
 - (C) Relative elastic demand
 - (D) Unit elastic demand
35. Basic assumptions of law of demand does not include:
- (A) There is no change in consumers' taste and preference
 - (B) Income should remain constant.
 - (C) Prices of other goods should change.
 - (D) There should be no substitute for the commodity

36. In the case of perfect inelasticity, the demand curve is:
- (A) Vertical
 - (B) Horizontal
 - (C) Flat
 - (D) Steep
37. Purposes of long term Demand forecasting includes:
- (A) Making a suitable production policy.
 - (B) To reduce the cost of purchasing raw materials and to control inventory.
 - (C) Deciding suitable price policy of short term
 - (D) Planning of a new unit or expansion of existing unit
38. Pricing is done on the basis of managerial decisions, not on the basis of cost, demand etc_____.
- (A) Normal pricing
 - (B) Administered pricing
 - (C) Full cost pricing
 - (D) Competitive pricing
39. The pricing of cup of tea or coffee, is an example of:
- (A) Mark up pricing
 - (B) Marginal cost pricing
 - (C) Conventional pricing
 - (D) Cost plus pricing
40. Which of the following is a short run law?
- (A) Law of constant return to scale
 - (B) Law of increasing return to scale
 - (C) Law of diminishing return
 - (D) None of these

41. Who is the father of Economics?
- (A) Alfred Marshall
 - (B) Adam Smith
 - (C) Lionel Robbins
 - (D) Samuelson
42. Economics is a _____.
- (A) Positive science
 - (B) Normative science
 - (C) None
 - (D) Both
43. The relationship between price and demand is _____.
- (A) Direct
 - (B) Positive
 - (C) Negative
 - (D) None of these
44. Law of demand shows _____ relationship between price and quantity demanded.
- (A) Positive
 - (B) Negative
 - (C) Direct
 - (D) None of the above
45. Consumer surplus is _____.
- (A) Potential price – actual price
 - (B) Demand = supply
 - (C) Both
 - (D) None of these

46. Unitary elastic demand is _____.
(A) $e_p = 0$
(B) $e_p > 1$
(C) $e_p < 1$
(D) $e_p = 1$
47. If demand is perfectly inelastic then e is _____.
(A) $E = \infty$
(B) $e < 1$
(C) $e > 1$
(D) $e = 0$
48. Indifference curve approach was given by _____.
(A) Alfred Marshall
(B) Hicks and R.G.D. Allen
(C) (A) and (B) both
(D) None of these
49. Production refers to _____.
(A) Destruction of utility
(B) Creation of utility
(C) Both
(D) None of the above
50. The long run average cost curve is also called as _____.
(A) Budget line
(B) Planning curve
(C) Indifference curve
(D) None of the above

51. The demand for necessities is usually:
- (A) Highly elastic
 - (B) Highly inelastic
 - (C) Unit elasticity
 - (D) Relatively inelastic (B)
52. The responsiveness of demand to the change in income is known as:
- (A) Price elasticity of demand
 - (B) Cross elasticity of demand
 - (C) Income elasticity of demand
 - (D) None of these
53. Which is not a statistical method in forecasting?
- (A) Trend analysis
 - (B) Consumer survey
 - (C) Regression method
 - (D) Least square method
54. The law which studies the direct relationship between price and quantity supplied of a commodity is:
- (A) Law of demand
 - (B) Law of variable proportion
 - (C) Law of supply
 - (D) None of the above
55. When price rises, quantity supplied:
- (A) Expands
 - (B) Falls
 - (C) Increases
 - (D) Unchanged

56. In case of perfectly inelastic supply the supply curve will be:
- (A) Rising
 - (B) Vertical
 - (C) Horizontal
 - (D) Falling
57. When a percentage in price results in equal change in quantity supplied, it is called :
- (A) Elastic supply
 - (B) Perfectly inelastic
 - (C) Elasticity of supply
 - (D) Unitary elastic supply
58. _____ refers to a fall in the quantity supplied, due to a fall in the price of a commodity.
- (A) Expansion of supply
 - (B) Increase in supply
 - (C) Contraction of supply
 - (D) Decrease in supply
59. Which utility approach suggests that utility can be measured and quantified?
- (A) Ordinal
 - (B) Cardinal
 - (C) Both (A) & (B)
 - (D) Diminishing marginal utility
60. _____ of a commodity is the additional utility derived by a consumer, by consuming one more unit of that commodity.
- (A) Marginal utility
 - (B) Total utility
 - (C) Average utility
 - (D) Maximum utility

61. Basic assumptions of law of demand include:
- (A) Prices of other goods should change
 - (B) There should be highly substitute for the commodity
 - (C) Prices of other goods is same
 - (D) The demand for the commodity should not be continuous
62. Generally demand curve have_____.
- (A) Negative slope
 - (B) Positive slope
 - (C) Horizontal line
 - (D) Vertical line
63. The change in demand due to change in price only, where other factors remaining constant, it is called _____.
- (A) Shift in demand
 - (B) Extension of demand
 - (C) Contraction of demand
 - (D) Both extension and contraction
64. When the quantity demanded of a commodity rises due to a fall in price, it is called:
- (A) Extension
 - (B) Upward shift
 - (C) Downward shift
 - (D) Contraction
65. When the quantity demanded falls due to a rise in price, it is called:
- (A) Extension
 - (B) Upward shift
 - (C) Downward shift
 - (D) Contraction

66. The Giffen goods are ____ Goods.
- (A) Inferior goods
 - (B) Superior goods
 - (C) Related goods
 - (D) Same goods
67. Higher the price of certain luxurious articles, higher will be the demand, this concept is called:
- (A) Giffen effects
 - (B) Veblen effects
 - (C) Demonstration effects
 - (D) Both (B) & (C) above
68. Demand for Milk, sugar, tea for making tea, is an example of:
- (A) Composite demand
 - (B) Derivative demand
 - (C) Joint demand
 - (D) Direct demand
69. _____ is the change in total revenue irrespective of changes in price or due to the effect of managerial decision on revenue.
- (A) Average revenue
 - (B) Total revenue
 - (C) Marginal revenue
 - (D) Incremental revenue
70. Perfect elasticity is known as:
- (A) Finite elastic
 - (B) Infinite elastic
 - (C) Unitary elastic
 - (D) Zero elastic

71. The relationship between demand for a commodity and price, ceteris paribus, is:
- (A) Negative
 - (B) Positive
 - (C) Non-negative
 - (D) Non-positive
72. A horizontal demand curve shows_____.
- (A) Zero elasticity
 - (B) Infinite elasticity
 - (C) Greater than one elasticity
 - (D) Less than one elasticity
73. Consider a demand curve which takes the form of a straight line cutting both axes. Elasticity at the mid-point of the line would be:
- (A) Zero
 - (B) One infinite
 - (C) Infinite
 - (D) Cannot be calculated
74. The elasticity of demand for a product will be higher:
- (A) The more available are substitutes for that product
 - (B) The more its buyers demand loyalty
 - (C) The more the product is considered a necessity by its buyers
 - (D) All of the above
75. In case of Giffen goods, demand curve will slope:
- (A) Vertical
 - (B) Horizontal
 - (C) Upward
 - (D) Downward

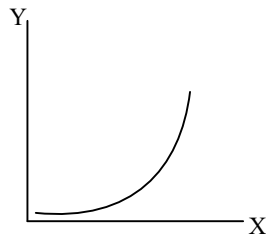
76. Cross elasticity of demand between tea and sugar is:
- (A) Positive
 - (B) Zero
 - (C) Infinity
 - (D) Negative
77. “A rupee tomorrow is worth less than a rupee today” relates to:
- (A) Opportunity cost principle
 - (B) Discounting principle
 - (C) Equi-marginal principle
 - (D) None of these
78. _____ principle is closely related to the marginal costs and marginal revenue of economic theory.
- (A) Principle of time perspective
 - (B) Equi-marginal principle
 - (C) Incremental principle
 - (D) None of these
79. The main characteristic of monopoly market structure is _____.
- (A) Single buyer
 - (B) Single seller
 - (C) Many sellers
 - (D) Many buyers
80. The real business cycle theory is most closely related to:
- (A) Keynesian theory
 - (B) Monetarist theory
 - (C) The classical theory
 - (D) The new Keynesian theory

81. In “Perfect competition” firms and consumers are:
- (A) Small
 - (B) Few
 - (C) Large
 - (D) None of the above
82. In “Imperfect competition” products are:
- (A) Heterogeneous
 - (B) Homogeneous
 - (C) Differentiated
 - (D) None of the above
83. In “Imperfect competition” firm are:
- (A) Price maker
 - (B) Price influencer
 - (C) Price taker
 - (D) None of the above
84. In “Imperfect competition” factors of production are:
- (A) Perfectly mobile
 - (B) Perfectly immobile
 - (C) Both (A) and (B)
 - (D) None of the above
85. In “Imperfect competition” selling cost is:
- (A) Very low
 - (B) Substantial
 - (C) Nothing
 - (D) None of the above

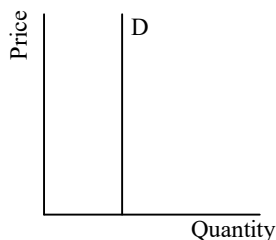
86. In economics competition refers to the market structure which means:
- (A) The extent to which individual firm have the power to influence market price
 - (B) Competition among firms
 - (C) Number of firms
 - (D) None of the above
87. In monopoly a single firm is selling:
- (A) A single product for which there are close substitutes
 - (B) Two product for which there are no close substitutes
 - (C) A single product for which there are no close substitutes
 - (D) None of the above
88. A monopolist is:
- (A) Price maker and not price taker
 - (B) Price influencer
 - (C) Price taker and not price maker
 - (D) None of the above
89. A monopolist can:
- (A) Fix price and output
 - (B) Either fixes price or output
 - (C) Fix output
 - (D) None of the above
90. In “Monopoly” firms entry of other firms are:
- (A) Free
 - (B) Restricted
 - (C) Sometimes free & sometimes restricted
 - (D) None of the above

91. Price discrimination refers to:
- (A) Selling the same commodity at same prices to buyers
 - (B) Selling the same commodity at different prices to buyers
 - (C) Selling the different commodity at same prices to buyers
 - (D) None of the above
92. A seller under perfect competition:
- (A) Can practice price discrimination
 - (B) Can not practice price discrimination
 - (C) Sometimes can practice price discrimination
 - (D) None of the above
93. What are the objectives of a firm?
- (A) Profit Maximization
 - (B) Wealth Maximization
 - (C) Both
 - (D) None of These
94. Principle (s) or Economics is / are _____.
- (A) Science
 - (B) Art
 - (C) Science and art
 - (D) None of These
95. Incremental Profit is _____.
- (A) Increase Profit
 - (B) Decrease loss
 - (C) Both
 - (D) None of These

96. Time value of money relates with _____.
 (A) Discounting Principal
 (B) Opportunity Cost
 (C) Equi-marginal principal
 (D) Incremental Cost
97. A demand of a particular firm relates with _____.
 (A) Individual Demand
 (B) Market Demand
 (C) Firm Demand
 (D) Indian Government
98. What are the types of elasticity?
 (A) Price Elasticity
 (B) Income Elasticity
 (C) Cross Elasticity
 (D) All of these
99. It is a:



- (A) Positive curve
 (B) Negative curve
 (C) Both
 (D) None of These
100. It shows:



- (A) Zero Elasticity
 (B) Infinite Elasticity
 (C) Unitary Elasticity
 (D) More than 1 Elasticity

(Second Section) द्वितीय खण्ड

101. The Characteristics of Accounting are:
- (A) Recording
 - (B) Classifying
 - (C) Summarizing
 - (D) All of the above
102. Goods sold to Sharma for Rs. 320 was recorded in his account as Rs. 230 in the rectifying entry, Sharma's account will be credited with:
- (A) 90
 - (B) 230
 - (C) 320
 - (D) None of the above
103. The Objective/Function of Accounting is not to:
- (A) Record the Transactions of Business
 - (B) Record the personal Transactions of the proprietor
 - (C) Ascertain the profit or Loss of Business
 - (D) Ascertain the financial position of the Business
104. In Accounts recording is made of:
- (A) Only financial transactions
 - (B) Only non-financial transactions
 - (C) Financial and non-financial transactions
 - (D) Personal transactions of the proprietor
105. Which of the following transactions is not of financial character?
- (A) Purchase of asset on credit
 - (B) Purchase of asset for cash
 - (C) Withdrawing of money by proprietor from business
 - (D) Strike by employees

106. Rs. 2000 received from Ram Mohan whose account was previously written off as bad debts should be credited to:
- (A) Ram Mohan A/c
 - (B) Cash A/c
 - (C) Bad debts recovered A/c
 - (D) Suspense A/c
107. Accounting Cycle starts with:
- (A) Recording of transactions in ledger
 - (B) Recording of transactions in journal
 - (C) Preparing trial balance
 - (D) Preparing trading account
108. Creditors of the business want to know:
- (A) Profitability of the business
 - (B) What should be the capacity of the business to pay higher salaries
 - (C) Creditworthiness of the business
 - (D) Employment opportunities
109. Calculate COGS – opening stock Rs. 20,000, purchases Rs. 45000, direct wages Rs. 12000, interest on loan Rs. 5000 and closing stock Rs. 22000:
- (A) 55,000
 - (B) 60,000
 - (C) 104,000
 - (D) None
110. Which of the following is not the limitation of accounting?
- (A) Based on accounting conventions
 - (B) Evidence in legal matters
 - (C) Incomplete information
 - (D) Omission of qualitative information's

111. Trial balance contains the following information:
15% bank loan Rs. 40,000
Interest paid Rs. 4500
Interest debited to P & L A/c will be:
- (A) Rs. 6000
 - (B) Rs. 4500
 - (C) Rs. 1500
 - (D) Rs. 3000
112. If accounting information is based on facts and it is verifiable by documents, it has the quality of:
- (A) Relevance
 - (B) Reliability
 - (C) Understand ability
 - (D) Comparability
113. Which of the following is not a sub-field of accounting?
- (A) Financial accounting
 - (B) Book keeping
 - (C) Management accounting
 - (D) Cost accounting
114. What is the most relevant accounting information for taxation officers?
- (A) Cash balance of the firm
 - (B) Book value of the fixed assets
 - (C) Credit sales of the year
 - (D) Profit generated during the year

115. The term fixed assets include:
- (A) Closing stock
 - (B) Bills receivable
 - (C) Debtors
 - (D) Furniture
116. Tangible asset is:
- (A) Goodwill
 - (B) Motor vehicle
 - (C) Patents
 - (D) Prepaid expenses
117. Non-current/fixed liabilities include:
- (A) Bank overdraft
 - (B) Long-term loans
 - (C) Short-term loans
 - (D) Creditors
118. Which of the following is capital expenditure?
- (A) Wages
 - (B) Wages paid for building construction
 - (C) Repair expenses of building
 - (D) Advertisement expenses
119. Which of the following is revenue expenditure?
- (A) Repair expenses
 - (B) Building construction expenses
 - (C) Expenses on purchase of machinery
 - (D) Purchase of investments

120. A person who owes money to the firm is called:
- (A) Debtor
 - (B) Creditor
 - (C) Supplier
 - (D) None of these
121. Patent is:
- (A) Tangible asset
 - (B) Intangible assets
 - (C) Current asset
 - (D) None of above
122. Which of the following will be treated as drawings:
- (A) Who withdraws money for salaries to employees
 - (B) Withdrawing money for payment to creditors
 - (C) Withdrawing money from business for private expenses
 - (D) Withdrawing money for purchase of asset
123. Mr. Jain purchased goods from Mr. Malik on credit. This is a/an:
- (A) Event
 - (B) Transaction
 - (C) Both (A) and (B)
 - (D) None of the above
124. Cash is an example of:
- (A) Personal account
 - (B) Real account
 - (C) Nominal account
 - (D) Both (A) and (B)

125. Net realizable value of an asset means:
- (A) The historical cost of the asset
 - (B) Its sale value as on a particular date
 - (C) Its written down value as on a particular date
 - (D) None of the above
126. From the following, find out the cost of goods sold : opening inventory 67000.
Closing inventory 51,000, purchases 102,000. Carriage inward Rs. 3000:
- (A) Rs. 122,000
 - (B) Rs. 112,000
 - (C) Rs. 92,000
 - (D) Rs. 121,000
127. Limited liability is a feature of which of the following forms of business?
- (A) Sole trader
 - (B) Company
 - (C) Partnership
 - (D) None of the above
128. Which of the following would not appear in the profit and loss account?
- (A) Capital
 - (B) Expenses
 - (C) Income
 - (D) Net profit
129. Preference shareholders are those:
- (A) Take away most of the profit of the business
 - (B) Are the personal friend of owner
 - (C) Get dividend at a fixed rate
 - (D) All of the above

130. Which of the following would not normally be recorded in an accounting books?
- (A) Debtors
 - (B) Creditors
 - (C) Furniture
 - (D) Loyalty of employees
131. Aman traders purchased 100 units of goods at the cost of Rs. 8 per unit during period. The sales of goods during the period amounted to 70 units at a price of Rs. 10 per unit. Assuming the firm did not have any opening stock, the profit or loss during the period would amount to:
- (A) Profit Rs. 100
 - (B) Profit Rs. 140
 - (C) Loss Rs. 100
 - (D) Loss Rs. 140
132. If total assets of an enterprise at a point of time amounted to Rs. 250,000 and the owners capital was Rs. 75000, its liabilities would include:
- (A) Rs. 1,00,000
 - (B) Rs. 1,75,000
 - (C) Rs. 1,25,000
 - (D) Rs. 1,50,000
133. Liabilities of enterprise would include:
- (A) Bank loan, creditors and investors
 - (B) Bank loan, bills payable and motor car
 - (C) Bank loan, investors and inventories
 - (D) Bank loan, creditors and bills payable

134. What would be the double entry for the expenses of rent paid by cheque?
- (A) Rent account dr. bank account cr.
 - (B) Bank A/c dr. rent A/c cr.
 - (C) Rent A/c dr. cash A/c cr.
 - (D) Cash A/c dr. rent A/c cr.
135. The owner has taken goods worth Rs. 5000 from business for his personal use. The entry for this transaction will be:
- (A) Cash A/c dr. capital A/c cr.
 - (B) Purchase A/c dr. drawing A/c cr.
 - (C) Cash A/c dr. drawing A/c cr.
 - (D) None of the above
136. Following transaction took place during January.
- Ramesh started business with Rs.200,000 cash.
- He purchased goods for cash Rs.30,000
- Sold goods to Mohan on credit Rs.20,000
- Paid rent Rs.5,000 in cash.
- Purchased furniture for cash Rs.10,000
- The net balance in the cash account at the end of the above transactions would be:
- (A) 2,05,000
 - (B) 1,55,000
 - (C) 1,75,000
 - (D) None
137. Goods worth Rs.10,000 previously purchased from V. K. stores are returned to it. The journal entry to record this transaction would be:
- (A) Purchases A/c dr. purchase returns A/ c cr.
 - (B) V.K. stores dr. purchase returns A/ c cr.
 - (C) Purchase A/ c dr. V. K. stores cr.
 - (D) None

138. The following transactions took place in February:
- Shyam brings capital in cash Rs.1,00,000
 - Cash deposited in the bank Rs.75,000
 - Machinery purchased for Rs.20,000 paid by Cheque
 - Cash purchased Rs.20,000
 - Purchased goods from Bhusan Rs.25,000
- What would be the total of capital and liabilities after the above transactions?
- (A) 1,75,000
 - (B) 1,20,000
 - (C) 1,25,000
 - (D) 2,00,000
139. Bank charges Rs.8,000 debited twice in pass book. What should be done in BRS if overdraft as per cash book is starting point?
- (A) Rs. 16,000 must be deducted
 - (B) Rs. 8,000 must be deducted
 - (C) Rs. 16,000 must be added
 - (D) Rs.8000 must be added
140. Which of the following balance is true, given:
- Debit balance as per cash book Rs. 40,000;
 - Cheque deposited into bank for Rs. 25,000 but cheque of only Rs. 16,000 were credited by bank:
- (A) Rs. 40,000
 - (B) Rs. 56,000
 - (C) Rs. 65,000
 - (D) Rs. 31,000

141. On 1st July 2020, a firm purchased a machinery for Rs. 4,00,000 on 1st October in the same year additional machinery was purchased for Rs. 1,00,000 Depreciation is provided each year on 31st December @ 10% p. a. on written down value of the asset. The amount of depreciation in the second year will be:
- (A) Rs. 47,750
 - (B) Rs. 45,750
 - (C) Rs. 45,000
 - (D) Rs. 47,000
142. A machine is purchased for Rs. 8,00,000 and its installation charges are Rs. 1,00,000 if scrap value is Rs. 60,000 and effective life is 10 years, its yearly depreciation as per fixed installment method will be:
- (A) Rs. 86,000
 - (B) Rs. 96,000
 - (C) Rs. 90,000
 - (D) Rs. 84,000
143. Bharat's trial balance provides you the following information :
- Bad debts Rs. 6,000, provision for bad debts Rs. 10,000. It is desired to maintain a provision of Rs. 3,000 for doubtful debts, the amount to be recorded in P&I A /c will be:
- (A) Rs. 4000 in debit
 - (B) Rs. 8000 in credit
 - (C) Rs. 1000 in credit
 - (D) Rs. 1000 in debit
144. Salary account is:
- (A) Real A/c
 - (B) Personal A/c
 - (C) Nominal A/c
 - (D) None A/c

145. COGS Rs. 1,50,000 opening stock Rs. 60,000 closing stock Rs. 40,000 amount of purchase will be:
- (A) Rs.1,70,000
 - (B) Rs. 1,30,000
 - (C) Rs. 50,000
 - (D) None
146. Right shares can be offered by the companies to persons other than existing shareholders or employees by passing a:
- (A) Special Resolution
 - (B) Extra- ordinary Resolution
 - (C) Ordinary Resolution
 - (D) Board Resolution
147. A Company cannot issue fully paid –up bonus shares to its members out of:
- (A) Securities premium
 - (B) Capital Redemption Reserve
 - (C) Revaluation Reserve
 - (D) All of the above
148. Which of the following can be used for issuing bonus shares?
- (A) Capital Redemption Reserve
 - (B) Securities premium Account
 - (C) Profit and Loss Account
 - (D) Any of the above
149. Which of the following statement is true if the company issues bonus shares?
- (A) Bonus share is an income
 - (B) Total market value comes down after the bonus issue
 - (C) Paid- up share capital increases with the issue of bonus shares
 - (D) Fund flow is affected adversely due to bonus issues
150. Value of the right=:
- (A) Market value plus the average price of the share
 - (B) Market value less average price of the share
 - (C) Market value multiplied by ad. adjustment factor
 - (D) Market value less average price of the share multiplied by an adjustment factor

151. Which of the following statement is false?
- (A) The bonus shares shall not be issued in lieu of dividends
 - (B) The company which has once announced the decision of its Board recommending a bonus issue can withdraw the same
 - (C) In case of bonus issue there is no cash flow
 - (D) Issue of bonus shares does not affect the market value of the company
152. Which of the following is a correct journal entry for the issue of bonus shares?
- (A) Debit the equity share capital account and credit the securities premium account
 - (B) Debit the bonus to shareholders account and credit the general reserve account
 - (C) Debit the general reserve account and credit the equity share capital account
 - (D) Debit the capital reserve account and credit the equity share capital account
153. Forfeiture of shares results in the reduction of:
- (A) Reserve capital
 - (B) Subscribed capital
 - (C) Paid up capital
 - (D) Authorized capital
154. Penalty for delaying in the refunding application money is charged:
- (A) 10%
 - (B) 15%
 - (C) 20%
 - (D) 5%
155. Which of the following is not an inventory?
- (A) Machines
 - (B) Raw material
 - (C) Finished products
 - (D) Consumable tools

156. The minimum stock level is calculated as:
- (A) Reorder level – (Normal consumption × Normal delivery time)
 - (B) Reorder level + (Normal consumption × Normal delivery time)
 - (C) (Reorder level + Normal consumption) × Normal delivery time
 - (D) (Reorder level + Normal consumption) / Normal delivery time
157. Which of the following is not the inventory control technique?
- (A) FSN analysis
 - (B) ABC analysis
 - (C) GOLF analysis
 - (D) FTMN analysis
158. Shares Application and allotment A/ c is a:
- (A) Personal
 - (B) Real
 - (C) Nominal
 - (D) None
159. Amount of discount given at the time of reissue of shares should be debited to:
- (A) Share forfeiture A/c
 - (B) Share capital
 - (C) Discount on share
 - (D) Calls in arrears
160. ABC company allotted 20,000 shares to applicants of 50,000 shares after rejecting 10,000 applications. The ratio in which company allotted the share will be:
- (A) 5:1
 - (B) 2:1
 - (C) 5:3
 - (D) 3:1

161. Debentures indicate the:
- (A) Short-term Borrowings of a Company
 - (B) Directors' shares in a company
 - (C) The Investment of Equity-Shareholders
 - (D) Long-term Borrowings of company
162. When a company is liquidated, the debenture holders have a prior right for:
- (A) Principal amount
 - (B) Interest
 - (C) Both (A) & (B)
 - (D) None of these
163. Noting charges are ultimately borne by:
- (A) Drawee
 - (B) Drawer
 - (C) Payee
 - (D) Maker
164. Point out the false statements:
- (A) A firm can buy its own debentures and shares.
 - (B) A Company can issue convertible debentures.
 - (C) A business can issue debentures with voting rights.
 - (D) An organisation can issue redeemable debentures.
165. According to SEBI guidelines, a Company will have to create debenture redemption reserve equivalent to the amount of the following percentage of debenture issued:
- (A) 50%
 - (B) 25%
 - (C) 70%
 - (D) 100%

166. If debenture of Rs. 1,00,000 were issued for discount of Rs. 10,000, which are redeemable after four years. Then amount of discount to be written off from P. & L. Account each year is:
- (A) Rs. 3,000
 - (B) Rs. 4,000
 - (C) Rs. 2,500
 - (D) Rs. 5,000
167. Regardless of how long it takes to produce and sell inventory, inventory is always considered to be a:
- (A) Current liability
 - (B) Current assets
 - (C) Stockholders equity
 - (D) Long term assets
168. Which of the following is a capital expenditure?
- (A) Carriage paid on goods purchased
 - (B) Payment of compensation to a discharged employee
 - (C) Cost of formation of a new company
 - (D) Legal expenses incurred for abuse of trademark
169. The balance in Petty Cash Book is:
- (A) An expense
 - (B) A profit
 - (C) A liability
 - (D) An asset
170. Which of the following is debited to Trading Account?
- (A) Rent
 - (B) Wages and Salaries
 - (C) Commission
 - (D) Salaries and Wages

171. Liability of sole trader is:
- (A) Limited
 - (B) Unlimited
 - (C) Undecided
 - (D) Qualified
172. Heavy advertising to launch a new product is a:
- (A) Capital expenditure
 - (B) Revenue expenditure
 - (C) Deferred revenue expenditure
 - (D) None of the above
173. Depreciation arise because of _____.
- (A) Abnormal quality
 - (B) Normal wear and tear
 - (C) Excessive use of a product
 - (D) Low quality product
174. Which type of asset class includes those assets which have only definite use and become valueless when the yield is over?
- (A) Fixed asset
 - (B) Current asset
 - (C) fictitious asset
 - (D) Wasting asset
175. The accounting standards are mandatory for:
- (A) Societies
 - (B) Firms
 - (C) Sole trader
 - (D) Companies

176. Which of the following is a fundamental accounting assumption?
- (A) Going concept
 - (B) Consistency concept
 - (C) Accrual concept
 - (D) All of the above
177. Total number of IFRS is:
- (A) 17
 - (B) 16
 - (C) 15
 - (D) 14
178. IASB was established in the year:
- (A) 1977
 - (B) 2002
 - (C) 2013
 - (D) 2001
179. As per GAAP financial statement are presented at:
- (A) Cost
 - (B) Fair value
 - (C) Market value
 - (D) None
180. Which of the following business entity is considered as a “legal person” in the eye of law?
- (A) Sole trader
 - (B) Partnership
 - (C) Company
 - (D) All of the above

181. What standards are used to prepare financial statements by most of the countries and companies:
- (A) International Financial Reporting Standards
 - (B) International Financial Accounting Standards
 - (C) International Accounting & Auditing Standards
 - (D) International Risk Reporting Standards
182. Advance payments are recognized as:
- (A) Receivable
 - (B) Payable
 - (C) Bad debt
 - (D) None of these
183. Depreciable amount =
- (A) Cost of an asset + Residual value
 - (B) Cost of an asset – Residual value
 - (C) Residual value – Cost of an asset
 - (D) None of these
184. The process of recording consumption of natural resources (or wasting assets) is called:
- (A) Amortization
 - (B) Depletion
 - (C) Going Concern
 - (D) Residual Value
185. The withdrawal of inventory by the owner for personal use should appear in the trading account a deduction from:
- (A) Sales
 - (B) Purchases
 - (C) Overdrafts
 - (D) None of these

186. A debit entry usually represents:
- (A) Assets and Expenses
 - (B) Assets and Income
 - (C) Liabilities and Income
 - (D) Liabilities and Expenses
187. Which of the following defines outstanding salaries accounts:
- (A) Nominal Account
 - (B) Real Account
 - (C) Representative personal Account
 - (D) Tangible real Account
188. All revenue incomes are credited to:
- (A) manufacturing Account
 - (B) Trading Accounts
 - (C) Profit and loss Accounts
 - (D) Balance sheet
189. Rent shown in the unadjusted trial balance if Rs. 150,000. at the end of the year, the accountant revealed that Rs. 23,000 out of this rent is relevant for next financial year. How much amount is to shown as expenses as rent in the current years income statement?
- (A) Rs. 138,000
 - (B) Rs. 150,000
 - (C) Rs. 23,000
 - (D) Rs. 127,000
190. _____ is a specialized branch of accounting that keeps track of a company's financial transactions.
- (A) Cost Accounting
 - (B) Management Accounting
 - (C) Financial Accounting
 - (D) Corporate Accounting

191. _____ is a written evidence in support of a business transaction.
- (A) Ledger
 - (B) Voucher
 - (C) Ledger Posting
 - (D) Journal
192. Capital increases if _____.
- (A) cost increases
 - (B) Expenses increases
 - (C) Revenue increases
 - (D) Interest on capital increases
193. Which of the following statements is NOT true about Reserves?
- (A) It is charge against profits.
 - (B) It is an appropriation of profit.
 - (C) It is shown of the liability side of Balance sheet.
 - (D) It is discretionary as a matter of financial prudence.
194. Which of the following is not an error of commission?
- (A) Overcasting of sales book.
 - (B) Credit sales to Ramesh Rs. 5,000 credited to his account.
 - (C) Wrong balancing of machinery account.
 - (D) Cash sales not recorded in cash book.

195. Sales of Rs. 10,000 recorded as Rs. 1,000 is an example of:
- (A) Compensating Error
 - (B) Errors of principle
 - (C) Errors of omission
 - (D) Errors of Commission
196. Income tax is treated as:
- (A) Business expense
 - (B) Direct Expense
 - (C) Personal Expense
 - (D) Indirect Expense.
197. A cheque on which two parallel lines are drawn in the left top corner is called:
- (A) Bearer cheque
 - (B) Traveler's cheque
 - (C) Account payee cheque
 - (D) None of these
198. Which is not contra entry in the cash book:
- (A) Cash deposited into bank
 - (B) Cash withdrawn from bank
 - (C) Cash withdrawn from bank for personal use
 - (D) None of these

199. Credit balance of bank account in cash book shows:

- (A) Overdraft
- (B) Cash deposited in our bank
- (C) Cash withdrawn from bank
- (D) None of these

200. Return of goods by a customer is recorded in:

- (A) Purchase book
- (B) Sales book
- (C) Sales return book
- (D) Purchase return book

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