

Roll No.-----

<b>Paper Code</b>		
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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  
**B**

**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 : —

- 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।
- 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।
- प्रत्येक प्रश्न के अंक समान हैं। आप के जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।
- 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।
- ओ०एम०आर० उत्तर पत्रक (O.M.R. ANSWER SHEET) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाय।
- 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।
- 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. The demand for necessities is usually:  
(A) Highly elastic  
(B) Highly inelastic  
(C) Unit elasticity  
(D) Relatively inelastic (B)
2. 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
3. Which is not a statistical method in forecasting?  
(A) Trend analysis  
(B) Consumer survey  
(C) Regression method  
(D) Least square method
4. 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
5. When price rises, quantity supplied:  
(A) Expands  
(B) Falls  
(C) Increases  
(D) Unchanged

6. In case of perfectly inelastic supply the supply curve will be:
- (A) Rising
  - (B) Vertical
  - (C) Horizontal
  - (D) Falling
7. 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
8. \_\_\_\_\_ 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
9. Which utility approach suggests that utility can be measured and quantified?
- (A) Ordinal
  - (B) Cardinal
  - (C) Both (A) & (B)
  - (D) Diminishing marginal utility
10. \_\_\_\_\_ 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

11. 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
12. Generally demand curve have\_\_\_\_\_.
- (A) Negative slope
  - (B) Positive slope
  - (C) Horizontal line
  - (D) Vertical line
13. 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
14. 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
15. When the quantity demanded falls due to a rise in price, it is called:
- (A) Extension
  - (B) Upward shift
  - (C) Downward shift
  - (D) Contraction

16. The Giffen goods are \_\_\_\_ Goods.
- (A) Inferior goods
  - (B) Superior goods
  - (C) Related goods
  - (D) Same goods
17. 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
18. Demand for Milk, sugar, tea for making tea, is an example of:
- (A) Composite demand
  - (B) Derivative demand
  - (C) Joint demand
  - (D) Direct demand
19. \_\_\_\_\_ 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
20. Perfect elasticity is known as:
- (A) Finite elastic
  - (B) Infinite elastic
  - (C) Unitary elastic
  - (D) Zero elastic

21. The relationship between demand for a commodity and price, ceteris paribus, is:
- (A) Negative
  - (B) Positive
  - (C) Non-negative
  - (D) Non-positive
22. A horizontal demand curve shows\_\_\_\_\_.
- (A) Zero elasticity
  - (B) Infinite elasticity
  - (C) Greater than one elasticity
  - (D) Less than one elasticity
23. 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
24. 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
25. In case of Giffen goods, demand curve will slope:
- (A) Vertical
  - (B) Horizontal
  - (C) Upward
  - (D) Downward

26. Cross elasticity of demand between tea and sugar is:
- (A) Positive
  - (B) Zero
  - (C) Infinity
  - (D) Negative
27. “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
28. \_\_\_\_\_ 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
29. The main characteristic of monopoly market structure is \_\_\_\_\_.
- (A) Single buyer
  - (B) Single seller
  - (C) Many sellers
  - (D) Many buyers
30. 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

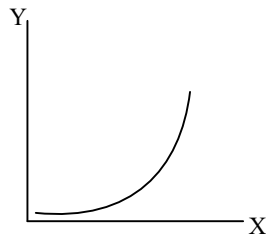


31. In “Perfect competition” firms and consumers are:
- (A) Small
  - (B) Few
  - (C) Large
  - (D) None of the above
32. In “Imperfect competition” products are:
- (A) Heterogeneous
  - (B) Homogeneous
  - (C) Differentiated
  - (D) None of the above
33. In “Imperfect competition” firm are:
- (A) Price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

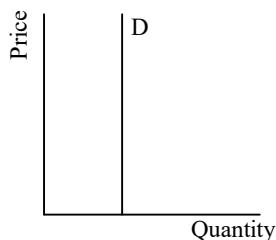
36. In economics competition refers to the market structure which means:
- (A) The extent to which individual firm have the power to influence market price
  - (B) Competition among firms
  - (C) Number of firms
  - (D) None of the above
37. In monopoly a single firm is selling:
- (A) A single product 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
38. 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
39. A monopolist can:
- (A) Fix price and output
  - (B) Either fixes price or output
  - (C) Fix output
  - (D) None of the above
40. In “Monopoly” firms entry of other firms are:
- (A) Free
  - (B) Restricted
  - (C) Sometimes free & sometimes restricted
  - (D) None of the above

41. 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
42. 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
43. What are the objectives of a firm?
- (A) Profit Maximization
  - (B) Wealth Maximization
  - (C) Both
  - (D) None of These
44. Principle (s) or Economics is / are \_\_\_\_\_.
- (A) Science
  - (B) Art
  - (C) Science and art
  - (D) None of These
45. Incremental Profit is \_\_\_\_\_.
- (A) Increase Profit
  - (B) Decrease loss
  - (C) Both
  - (D) None of These

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



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



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

51. 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
52. The distinction between variable cost and fixed cost is relevant in:
- (A) Long period
  - (B) Short period
  - (C) Both
  - (D) None of these
53. 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
54. 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
55. 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

56. Which one is the method for measurement of elasticity ?
- (A) Proportional or Percentage Method
  - (B) Outlay Method
  - (C) Geometric Method
  - (D) All the above
57. \_\_\_\_\_ 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
58. 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
59. Psychological pricing is also called as:
- (A) Penetration pricing
  - (B) Skimming pricing
  - (C) Odd pricing
  - (D) None of these
60. Customary pricing is also known as
- (A) Consumer pricing
  - (B) Conventional pricing
  - (C) Cost plus pricing
  - (D) Full cost pricing

61. If the commodities are substitute in nature, cross elasticity will be:
- (A) Negative
  - (B) Positive
  - (C) Zero
  - (D) Any of the above
62. Which one of the following is not an internal factor influencing pricing policy ?
- (A) Cost
  - (B) Objectives
  - (C) Marketing mix
  - (D) Demand
63. For the commodities like salt, sugar etc., the income elasticity will be:
- (A) Zero
  - (B) Negative
  - (C) Positive
  - (D) Unitary
64. Income elasticity depends on the:
- (A) Yield production
  - (B) Income of consumers
  - (C) Income of producer
  - (D) Supply
65. 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

66. 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
67. 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
68. Fixing high price during the introduction is called:
- (A) Skimming
  - (B) Penetrating
  - (C) Full cost pricing
  - (D) Target pricing
69. 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
70. 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



71. Under oligopoly a single seller cannot influence significantly:
- (A) Market price
  - (B) Quantity supplied
  - (C) Advertisement cost
  - (D) All the above
72. 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
73. 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
74. 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
75. 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

76. When income increases, quantity demanded falls, it is:
- (A) Positive income elasticity
  - (B) Zero income elasticity
  - (C) Negative income elasticity
  - (D) Unitary income elasticity
77. Consumer Interview method of demand forecasting may undertaken by :
- (A) Complete enumeration
  - (B) Sample survey
  - (C) End – use method
  - (D) All the above
78. 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
79. 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
80. Average revenue is the revenue per:
- (A) Unit commodity sold
  - (B) Total commodity sold
  - (C) Marginal commodity sold
  - (D) None of these

81. Fixed cost creates:
- (A) Risk
  - (B) Competition
  - (C) Total Consumption
  - (D) Preference of Producer
82. \_\_\_\_\_ means relationship between demand and its various determinants expressed mathematically.
- (A) Demand extension
  - (B) Demand contraction
  - (C) Demand analysis
  - (D) Demand function
83. “\_\_\_\_\_ in economics means demand backed up by enough money to pay for the goods demanded.”
- (A) Utility
  - (B) Consumption
  - (C) Supply
  - (D) Demand
84. 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
85. 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

86. In the case of perfect inelasticity, the demand curve is:
- (A) Vertical
  - (B) Horizontal
  - (C) Flat
  - (D) Steep
87. 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
88. 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
89. 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
90. 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

91. Who is the father of Economics?
- (A) Alfred Marshall
  - (B) Adam Smith
  - (C) Lionel Robbins
  - (D) Samuelson
92. Economics is a \_\_\_\_\_.
- (A) Positive science
  - (B) Normative science
  - (C) None
  - (D) Both
93. The relationship between price and demand is \_\_\_\_\_.
- (A) Direct
  - (B) Positive
  - (C) Negative
  - (D) None of these
94. Law of demand shows \_\_\_\_\_ relationship between price and quantity demanded.
- (A) Positive
  - (B) Negative
  - (C) Direct
  - (D) None of the above
95. Consumer surplus is \_\_\_\_\_.
- (A) Potential price – actual price
  - (B) Demand = supply
  - (C) Both
  - (D) None of these

96. Unitary elastic demand is \_\_\_\_\_.  
(A)  $e_p = 0$   
(B)  $e_p > 1$   
(C)  $e_p < 1$   
(D)  $e_p = 1$
97. If demand is perfectly inelastic then  $e$  is \_\_\_\_\_.  
(A)  $E = \infty$   
(B)  $e < 1$   
(C)  $e > 1$   
(D)  $e = 0$
98. 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
99. Production refers to \_\_\_\_\_.  
(A) Destruction of utility  
(B) Creation of utility  
(C) Both  
(D) None of the above
100. The long run average cost curve is also called as \_\_\_\_\_.  
(A) Budget line  
(B) Planning curve  
(C) Indifference curve  
(D) None of the above

**(Second Section) द्वितीय खण्ड**

101. 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
102. 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
103. Forfeiture of shares results in the reduction of:
- (A) Reserve capital
  - (B) Subscribed capital
  - (C) Paid up capital
  - (D) Authorized capital
104. Penalty for delaying in the refunding application money is charged:
- (A) 10%
  - (B) 15%
  - (C) 20%
  - (D) 5%
105. Which of the following is not an inventory?
- (A) Machines
  - (B) Raw material
  - (C) Finished products
  - (D) Consumable tools

106. The minimum stock level is calculated as:
- (A)  $\text{Reorder level} - (\text{Normal consumption} \times \text{Normal delivery time})$
  - (B)  $\text{Reorder level} + (\text{Normal consumption} \times \text{Normal delivery time})$
  - (C)  $(\text{Reorder level} + \text{Normal consumption}) \times \text{Normal delivery time}$
  - (D)  $(\text{Reorder level} + \text{Normal consumption}) / \text{Normal delivery time}$
107. Which of the following is not the inventory control technique?
- (A) FSN analysis
  - (B) ABC analysis
  - (C) GOLF analysis
  - (D) FTMN analysis
108. Shares Application and allotment A/c is a:
- (A) Personal
  - (B) Real
  - (C) Nominal
  - (D) None
109. 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
110. 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



111. 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
112. 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
113. Noting charges are ultimately borne by:
- (A) Drawee
  - (B) Drawer
  - (C) Payee
  - (D) Maker
114. 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.
115. 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%

116. 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
117. 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
118. 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
119. The balance in Petty Cash Book is:
- (A) An expense
  - (B) A profit
  - (C) A liability
  - (D) An asset
120. Which of the following is debited to Trading Account?
- (A) Rent
  - (B) Wages and Salaries
  - (C) Commission
  - (D) Salaries and Wages

121. Liability of sole trader is:
- (A) Limited
  - (B) Unlimited
  - (C) Undecided
  - (D) Qualified
122. Heavy advertising to launch a new product is a:
- (A) Capital expenditure
  - (B) Revenue expenditure
  - (C) Deferred revenue expenditure
  - (D) None of the above
123. Depreciation arise because of \_\_\_\_\_.
- (A) Abnormal quality
  - (B) Normal wear and tear
  - (C) Excessive use of a product
  - (D) Low quality product
124. 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
125. The accounting standards are mandatory for:
- (A) Societies
  - (B) Firms
  - (C) Sole trader
  - (D) Companies

126. Which of the following is a fundamental accounting assumption?
- (A) Going concept
  - (B) Consistency concept
  - (C) Accrual concept
  - (D) All of the above
127. Total number of IFRS is:
- (A) 17
  - (B) 16
  - (C) 15
  - (D) 14
128. IASB was established in the year:
- (A) 1977
  - (B) 2002
  - (C) 2013
  - (D) 2001
129. As per GAAP financial statement are presented at:
- (A) Cost
  - (B) Fair value
  - (C) Market value
  - (D) None
130. 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

131. 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
132. Advance payments are recognized as:
- (A) Receivable
  - (B) Payable
  - (C) Bad debt
  - (D) None of these
133. 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
134. The process of recording consumption of natural resources (or wasting assets) is called:
- (A) Amortization
  - (B) Depletion
  - (C) Going Concern
  - (D) Residual Value
135. 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

136. A debit entry usually represents:
- (A) Assets and Expenses
  - (B) Assets and Income
  - (C) Liabilities and Income
  - (D) Liabilities and Expenses
137. Which of the following defines outstanding salaries accounts:
- (A) Nominal Account
  - (B) Real Account
  - (C) Representative personal Account
  - (D) Tangible real Account
138. All revenue incomes are credited to:
- (A) manufacturing Account
  - (B) Trading Accounts
  - (C) Profit and loss Accounts
  - (D) Balance sheet
139. 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
140. \_\_\_\_\_ 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

141. \_\_\_\_\_ is a written evidence in support of a business transaction.
- (A) Ledger
  - (B) Voucher
  - (C) Ledger Posting
  - (D) Journal
142. Capital increases if \_\_\_\_\_.
- (A) cost increases
  - (B) Expenses increases
  - (C) Revenue increases
  - (D) Interest on capital increases
143. 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.
144. 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.

145. 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
146. Income tax is treated as:
- (A) Business expense
  - (B) Direct Expense
  - (C) Personal Expense
  - (D) Indirect Expense.
147. 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
148. 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



149. 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
150. Return of goods by a customer is recorded in:
- (A) Purchase book
  - (B) Sales book
  - (C) Sales return book
  - (D) Purchase return book
151. The Characteristics of Accounting are:
- (A) Recording
  - (B) Classifying
  - (C) Summarizing
  - (D) All of the above
152. 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

153. 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
154. 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
155. 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
156. 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
157. Accounting Cycle starts with:
- (A) Recording of transactions in ledger
  - (B) Recording of transactions in journal
  - (C) Preparing trial balance
  - (D) Preparing trading account

158. 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
159. 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
160. 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
161. 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

162. 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
163. Which of the following is not a sub-field of accounting?
- (A) Financial accounting
  - (B) Book keeping
  - (C) Management accounting
  - (D) Cost accounting
164. 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
165. The term fixed assets include:
- (A) Closing stock
  - (B) Bills receivable
  - (C) Debtors
  - (D) Furniture
166. Tangible asset is:
- (A) Goodwill
  - (B) Motor vehicle
  - (C) Patents
  - (D) Prepaid expenses

167. Non-current/fixed liabilities include:
- (A) Bank overdraft
  - (B) Long-term loans
  - (C) Short-term loans
  - (D) Creditors
168. Which of the following is capital expenditure?
- (A) Wages
  - (B) Wages paid for building construction
  - (C) Repair expenses of building
  - (D) Advertisement expenses
169. Which of the following is revenue expenditure?
- (A) Repair expenses
  - (B) Building construction expenses
  - (C) Expenses on purchase of machinery
  - (D) Purchase of investments
170. A person who owes money to the firm is called:
- (A) Debtor
  - (B) Creditor
  - (C) Supplier
  - (D) None of these
171. Patent is:
- (A) Tangible asset
  - (B) Intangible assets
  - (C) Current asset
  - (D) None of above

172. 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
173. 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
174. Cash is an example of:
- (A) Personal account
  - (B) Real account
  - (C) Nominal account
  - (D) Both (A) and (B)
175. 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
176. 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

177. 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
178. Which of the following would not appear in the profit and loss account?
- (A) Capital
  - (B) Expenses
  - (C) Income
  - (D) Net profit
179. 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
180. Which of the following would not normally be recorded in an accounting books?
- (A) Debtors
  - (B) Creditors
  - (C) Furniture
  - (D) Loyalty of employees
181. 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

182. 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
183. 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
184. 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.
185. 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



186. 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
187. 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
188. 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

189. 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
190. 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
191. On 1<sup>st</sup> July 2020, a firm purchased a machinery for Rs. 4,00,000 on 1<sup>st</sup> October in the same year additional machinery was purchased for Rs. 1,00,000 Depreciation is provided each year on 31<sup>st</sup> 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

192. 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
193. 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
194. Salary account is:
- (A) Real A/c
  - (B) Personal A/c
  - (C) Nominal A/c
  - (D) None A/c
195. 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
196. Right shares can be offered by the companies to persons other than existing shareholders or employees by passinga:
- (A) Special Resolution
  - (B) Extra- ordinary Resolution
  - (C) Ordinary Resolution
  - (D) Board Resolution

197. 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
198. 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
199. 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
200. 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

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## **Rough Work / रफ कार्य**

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1. Examinee should enter his / her roll number, subject and Question Booklet Series correctly in the O.M.R. sheet, the examinee will be responsible for the error he / she has made.
  2. **This Question Booklet contains 200 questions, which is divided into 2 sections. Kindly attempt any 75 questions from section 1<sup>st</sup> and any 75 questions from section 2<sup>nd</sup>. In this way examinee has to attempt only 150 questions in total. Every question has 4 options and only one of them is correct. The answer which seems correct to you, darken that option number in your Answer Booklet (O.M.R ANSWER SHEET) completely with black or blue ball point pen. If any examinee will mark more than one answer of a particular question, then the first most option will be considered valid.**
  3. Every question has same marks. Every question you attempt correctly, marks will be given according to that.
  4. Every answer should be marked only on Answer Booklet (O.M.R ANSWER SHEET). Answer marked anywhere else other than the determined place will not be considered valid.
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