

# CPT June 2013 – Questions & Answers



This paper is based on memory of students who have taken the CPT June 2013 paper.

Source: Mastermind

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## CA - CPT – June 2013 Question Paper (Based on Memory)

## Part A – Fundamentals of Accounting

1. Bill is drawn by Mr. Mohan on Mr. Mahesh on 30th January 2012 for one Month, then due date of the bill is
  - a) 29th February, 2012
  - b) 2nd March, 2012
  - c) 3rd March, 2012
  - d) 4th March, 2012
2. The expenditure Rs.2,000 incurred on a trial run of newly purchased machine is
  - a) Preliminary expenses
  - b) Capital expenditure
  - c) Revenue expenditure
  - d) Deferred revenue expenditure
3. Unclaimed dividend is shown under
  - a) Other current liabilities
  - b) Reserves & Surplus
  - c) Secured loans
  - d) Miscellaneous expenditure
4. Proprietor used a rented building both for business purpose and as well as residence equally. The rent paid during the year for the building was Rs.1,32,000 debited to rent expenses A/c in the books of business. One month rent is still outstanding. Liability of the business for rent outstanding
  - a) Rs.11,000
  - b) Rs.12,000
  - c) Rs.5,500
  - d) Rs.6,000
5. Which of the following will not affect trial balance?
  - a) Purchase book was under casted by Rs.5,000
  - b) White wash charges Rs.10,000 were debited to building A/c
  - c) Cash paid to Briz Binan Rs.500 was debited to Briz Binan A/c as Rs.5,000
  - d) Credit sales of Rs.2,000 to P correctly recorded in sales book but not posted to P's account.
6. Which of the following is an event ?
  - a) Purchase of goods worth Rs.4,000
  - b) Sale of goods worth Rs.2,000
  - c) Closing stock worth Rs.2,000
  - d) Rent paid Rs.2,000
7. The normal rate of return is 20%. The total capital employed is Rs.6,00,000. The average profit is Rs.1,50,000. Calculate goodwill as the basis of 3 years purchase of super profits.
  - a) Rs.90,000
  - b) Rs.1,20,000
  - c) Rs.1,00,000
  - d) Rs.60,000
8. Which of the following is not a contingent liability?
  - a) Claim against enterprises not acknowledged as debt
  - b) Guarantee given in respect of third parties
  - c) Liability in respect of bills discounted
  - d) Penalty imposed by excise officer for violation of provisions of Central Excise Act

9. Opening stock 400 units @ Rs.20 each .Purchases during the year 200 units @ Rs.25each. Issues – 250 units In LIFO Method, closing stock will be?
- 8750
  - 7000
  - 7750
  - 8000
10. Which of the following concept shows difference between amount of receipt and right to receive an amount?
- Matching Concept
  - Going concern Concept
  - Accrual Concept
  - Realisation Concept
11. Balance in JLP A/c of partners is
- Total premium paid by the firm
  - Annual premium paid each year
  - Surrender Value
  - JLP amount - Surrender Value
12. Goods sent on sale or return basis at a cost of Rs.1 lakh. In that, 50% of goods were accepted and 30% of the goods were returned. The remaining stock was held with customer and the period not yet expired. Then closing stock will be
- 1,00,000
  - 50,000
  - 20,000
  - 30,000
13. Goods costing Rs.5,000 will be distributed as wages for Rs.5,000. Market price is Rs.6,000. Journal entry is
- Wages A/c      Dr. 6000 To salary A/c      6000
  - Wages A/c      Dr. 6000 To salaries A/c      6000
  - Wages A/c      Dr. 5000 To purchases A/c      5000
  - Wages A/c      Dr. 6000 To purchases      6000
14. 'A' has discounted 3 months bill @ 10% p.a. from bank and given credit of 11,700. On due date, the bill was dishonoured and noting charges of Rs.50 was paid by bank. The amount by which A's A/c will be debited by bank is
- 13050
  - 12050
  - 11000
  - None
15. Which of the following is true?
- Co-venturers always share profits equally
  - They cannot be more than two co-venturers
  - The relationship between co-venturers is Principal & Agent
  - Co-venturers may provide funds for venture
16. Proprietor's personal expenditure not recorded in the books of accounts due to
- Materiality
  - Conservatism
  - Going concern
  - Business entity concept

17. The debenture amount Rs.2,000 issued as collateral security required the following Journal entry
- Debit debenture A/c and credit debenture suspense A/c
  - Debit debenture suspense A/c and credit debenture A/c
  - Debit collateral security and credit debenture A/c
  - Debit collateral security and credit debenture suspense A/c
18. Which of the following is false with respect to debentures?
- Companies can issue irredeemable debentures
  - Companies can issue debentures with voting rights
  - Companies can issue debentures for consideration other than cash
  - Companies can issue convertible debentures
19. Which of the following are not taken into consideration while calculating closing stock
- Insurance of warehouse
  - Carriage
  - Octroi
  - Loading expenses
20. Cost of machinery Rs.60,000. They charged depreciation @ 20% on SLM method. In 2nd year they decided to change method and adopt WDV method @ 20%. If machine was sold for Rs.30,000 at the end of 3rd year. Calculate the amount of loss.
- Loss 4720
  - Loss 4560
  - Loss 720
  - Loss 560
21. A company issued 10,000 shares out of 14,000 applied. Mr.A got 300 shares on pro-rata basis. How many shares he would have applied?
- 420 shares
  - 300 shares
  - 380 shares
  - 500 shares
22. Tree limited forfeited 500 shares of Rs.20 each issued at 5% discount, for non payment of allotment and final call of Rs.9 and Rs.5 respectively. Amount credited to share forfeiture A/c will be
- 3,500
  - 2,500
  - 3,000
  - 4,000
23. ABC partners, each partner has an individual life policy of Rs.50000 on 31st August, partner 'B' died and the surrender value of each policy at death is Rs.2,000. Share of 'B' partner is (equal sharing)
- |          |          |
|----------|----------|
| a) 17000 | b) 18000 |
| c) 50000 | d) 54000 |
24. Rohan & Sohan are partners in a firm sharing profits & losses in the ratio of 3 : 1. A partner Mohan is admitted and he brought Rs.40,000 as goodwill. New profit sharing ratio of all the partners is equal. The amount of goodwill to be shared by old partners is
- Equally Rs.20,000 each
  - Rohan Rs.30,000 & Sohan Rs.10,000
  - Rohan Rs.40,000
  - Rohan received Rs.50,000 & Sohan paid Rs.10,000

25. The directors of E limited made the final call of Rs.50 per share on 1st August 2012 indicating the last date of payment of call money to be 31st August. Mr. White holding 5000 shares paid the call money on October 15th 2012. If the company adopts table 'A', the amount of interest on calls-in-arrears to be paid by Mr. White would be  
a) 3125    b) 1562.50    c) 1875    d) 1500
26. The accounting equation asset = capital + liabilities, which of the following is true. Ram has started business with 5,50,000 and has purchased goods worth 1,50,000 on credit  
a)  $7,00,000 = 5,50,000 + 1,50,000$     b)  $7,00,000 = 6,50,000 + 50,000$   
c)  $5,50,000 = 7,00,000 - 1,50,000$     d)  $5,50,000 = 5,00,000 + 50,000$
27. A & B are sharing profits in the ratio 2 : 1 . C is admitted as a partner for 1/4th of the share of profits, 3/4th part of his share from A and 1/4th of his share from the B. The new profit sharing ratio is  
a) 2 : 1 : 1  
b) 23 : 13 : 12  
c) 1 : 1 : 1  
d) 3 : 1 : 5
28. Delcredre commission will be given for  
a) Speedy collection of cash  
b) Prompt payment of cash  
c) To cover risk of bad debts  
d) Sale of goods above invoice price
29. What is the principle of nominal A/c?  
a) Debit what comes in, credit what goes out.  
b) Debit all expenses & losses & credit all incomes & gains.  
c) Debit the receiver, credit the giver.  
d) Debit all assets, credit all liabilities.
30. X purchased goods on 90 days credit from Y of worth Rs.20,000. Y has given a trade discount of Rs.1,000 on the same. He also allowed a cash discount of Rs.500, if payment is made within 30 days. X availed cash discount and also paid the dues of Y. At the end, goods purchased from Y remained unsold and included in the stock. What is the amount of stock.  
a) Rs.20,000  
b) Rs.19,500  
c) Rs.19,000  
d) Rs.18,500
31. Opening and closing balances of debtors are 30,000 & 40,000 respectively. Cash collected from debtors 2,40,000. Discount allowed is 15,000 for prompt payment. Bad debts Rs.10,000. The total goods sold on credit are  
a) 2,55,000    b) 2,45,000    c) 2,95,000    d) 2,75,000
32. Goods sent on consignment at a cost of Rs.50,000. 1/4th lost in transit and claim received Rs.10,000. The amount of abnormal loss to be transferred to general P & L A/c is  
a) 12,500    b) 2,500    c) 10,000    d) None
33. All the enterprises should follow the same method of accounting policies for comparability of accounts is due to  
a) Conservatism    b) Consistency  
c) Matching    d) Going concern

34. The Piston & Rings are arranged for increasing fuel efficiency. This is a
- Revenue expenditure
  - Deferred revenue expenditure
  - Capital expenditure
  - None of these
35. Over Draft balance as per Cash Book of 'X' Rs.20,500. Direct remittance of his customer is Rs.50,000 and 'X' was not aware that Rs.25,000 cheque was deposited, returned unpaid and he was yet to be informed. Balance as per Pass Book is
- 4,500 Cr.
  - 4,500 O.D.
  - 45,500 Cr.
  - None
36. Which of the following are accounting policies
- Treatment of goodwill
  - Valuation of inventories
  - Treatment of retirement benefits
  - All the above
37. Goods costing Rs.4,000 having normal sales value of Rs.6,000 were destroyed by fire. The scrap value of Rs.400 was taken over by insurance company. Insurance company accepted a final claim of Rs.2,700. What amount of loss by fire will be transferred to P & L A/c.?
- 3,300
  - 1,300
  - 1,700
  - 900
38. A & B entered into Joint Venture to share Profit & Losses equally. A supplied goods worth Rs.7,000 and incurred expenses of Rs.300. B sold the goods for Rs.10,000 and incurred expenses of Rs.500. What is the final remittance by B to A?
- 7,900
  - 5,200
  - 8,400
  - 8,800
39. A, B, C are partners sharing profits & losses equally and A paid liability of Rs.10,000 of the firm, from his private property, then the entry in the books of firm is
- A's Capital A/c Dr. 10,000  
To Cash A/c 10,000
  - Liability A/c Dr. 10,000  
To A's Capital A/c 10,000
  - Liability A/c Dr. 10,000  
To Cash A/c 10,000
  - A's Capital A/c Dr. 10,000  
To Liability A/c 10,000
40. Where is "Loss on issue of shares" is shown in financial statements?
- Contingent Liability
  - General Reserve
  - Other Non – Current Assets
  - None of these
41. 'A Limited' purchased goods of Rs.10,00,000, and sold 90% of goods and remaining goods market value is Rs.90,000, and closing stock is 10%, but he recorded Rs.90,000 and not Rs.1,00,000. Which concept does he follows:-
- Materiality concept
  - Cost concept
  - Entity concept
  - Conservatism concept
42. On scrutiny, an accountant found that
- Bad debts recovery of Rs.500 was credited to debtors A/c wrongly

- ii. Bank charges of Rs.50 was wrongly entered twice in Cash Book.  
 iii. Purchase returns of Rs.100 was omitted to be entered in the book of A/c's.  
 What is the impact on profit after rectification?

a) Increase Rs.650      b) Increase Rs.350      c) Decrease Rs.650      d) Decrease Rs.350

43. Mr. A started business with a capital of Rs.10 lakhs as a cloth merchant. During the year he purchased goods worth Rs.7,10,000 and sales during the year was Rs.8,42,000. He pays shop rent of Rs.20,000 for the year 2011-12, and other expenses Rs.75,000. Closing stock at the end of the year is Rs.45,000. What is gross profit?

a) 1,02,000                  b) 82,000  
 c) 1,77,000                  d) 1,57,000

44. A machine is purchased for Rs.5,00,000. It's estimated working life is 10,000 hours, the Scrap value is Rs.1,00,000. Anticipated pattern of working hours are as follows:-

Year	Hours
1-2	1500
3-6	1000
7-10	750

Depreciation for the 3rd year is

a) 30,000    b) 37,500    c) 40,000    d) 45,000

45. Calculate the amount of salary debited to P & L A/c for the year ending 31-03-13.

Salary outstanding as on 31-03-12 – Rs.25,000

Salary outstanding as on 31-03-13 – Rs.10,000

Prepaid Salary as on 31-03-12 – Rs.10,000

Salary paid in cash during the year – Rs.3,00,000

a) 3,00,000                  b) 3,05,000  
 c) 2,95,000                  d) 3,10,000

46. On 1-4-10 machine purchased for Rs.1,00,000 and 1st October another machine purchased for Rs.50,000. Depreciation on the machinery is charged by SLM @ 10%. What is the amount that should be shown in the books at the end of 31st March 2012.

a) 1,33,500                  b) 1,22,500    c) 1,42,500                  d) 1,10,500

47. On dissolution of a firm all assets are transferred to realization account at

a) Book value                  b) Market value  
 c) Both (a) or (b)              d) None

48. Which of the following is revenue expenditure?

a) Demolition & dismantling expenses  
 b) Carriage on machinery purchased  
 c) Packing charges of goods sold  
 d) Oil painting expenses

49. The dealer of construction materials due to unknown reason took physical stock of inventories on 11th April. The cost of stock was Rs.4,20,000 (including goods returned on consignment basis). The dealer received goods cost Rs.1,00,000 in March 2011 for sale on consignment basis. 20% goods have been sold in March, 60% of stock in between 1st – 10th April. Find cost of stock on 31-3-11.

a) 3,20,000                  b) 4,00,000                  c) 3,40,000                  d) 3,60,000

50. Sold old furniture valued Rs.2,000 to Sona was recorded as sales, the book value of furniture was Rs.2,500. What will be the rectifying entry?

- a) Sales A/c           Dr. 2000  
     Suspense A/c   Dr. 500  
         To furniture A/c   2500
- b) Sales A/c           Dr. 2000  
     P & L A/c         Dr. 500  
         To Furniture A/c   2500
- c) Sales A/c           Dr. 2000  
     Suspense A/c   Dr. 500  
         To sona A/c       2500
- d) Furniture A/c     Dr. 2000  
     To sona A/c       2000

51. Opening stock - 1,50,000

Cash sales - 1,20,000

Credit sales - 2,30,000

Closing stock - Nil

Selling price - 125% of cost, then purchases =?

- a) 1,50,000           b) 1,40,000           c) 1,30,000           d) 1,20,000

52. Find closing stock value

Units	Cost	Market value
70	5000	2000
20	3000	6000
30	7000	9000

- a) 4,00,000           b) 4,10,000           c) 7,30,000           d) 7,40,000

53. Bills receivable is A/c

- a) Personal A/c       b) Real A/c  
 c) Nominal A/c       d) None of above

54. 600 shares allotted to Mr. X, on which Rs.100 each called up, and Rs.50 paid up were forfeited and reissued for Rs.70 each as fully paid up. Amount transferred to capital reserve A/c is

- a) Rs.12,000           b) Rs.15,000           c) Rs.30,000           d) Rs.18,000



## Part B – Mercantile Laws

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

67. Execution of a bond requiring employees leaving the organisation before the expiry of the term of service to pay compensation to the employee is considered as:
- a) Un enforceable agreement
  - b) Voidable agreement
  - c) Valid agreement
  - d) Void agreement
68. As per the provisions of Indian Contract Act,1872 the original contract need not be performed in case of
- a) Novation
  - b) Alteration
  - c) Rescission
  - d) All of these
69. Change in some or all terms of the contract is
- a) Novation
  - b) Alteration
  - c) Merger
  - d) Rescission
70. A, B, C were partners in a partnership firm. "A paid the liability of the firm without having authority. What the other partners will do?
- a) Can ratify the transaction
  - b) Can't ratify the transaction
  - c) Ignore the transaction
  - d) None of these
71. Retiring Partner will be liable till
- a) After Retirement
  - b) Before Retirement
  - c) Both (a) & (b)
  - d) None of these
72. Sharing of profits is evidence of partnership.
- a) Conclusive
  - b) Non – conclusive
  - c) Confirmative
  - d) Collaborative
73. Partners should attend to his duties.
- a) Diligently
  - b) Sincerely
  - c) Systematically
  - d) Efficiently
74. A retiring partner is entitled to profits of the firm?
- a) Up to 31st March
  - b) When last accounts is made up
  - c) up to retirement date
  - d) Not entitled to any profit.
75. A was an employee in a partnership firm with a salary of Rs.50,000 per month and he will get a share of 30% in profits if the profits of the firm exceed Rs.5 lakhs. Now 'A' is called
- a) Partner of the firm
  - b) Not a partner of the firm
  - c) He cannot take share in profits
  - d) is not entitled to any salary
76. The person who represents himself as a partner in a firm is called
- a) Sleeping Partner
  - b) Partner by holding out
  - c) Sub – Partner
  - d) Co-owner
77. On which of the following grounds all or any one of the partner can apply to the court for dissolution,
- a) Perpetual losses
  - b) Unsound mind of a partner
  - c) Misconduct

- d) All of these
78. When a partner of a firm is adjudicated as an insolvent, he ceases to be a partner as
- On the date of order of adjudication
  - On the date of dissolution
  - On the date of information of insolvency
  - Decided by Indian partnership firm.
79. Partnership at will means
- No duration period is fixed
  - Dissolved at the will of the creditors
  - Dissolved at the will of the debtors
  - None of the above
80. The loss arising out of partners insolvency shall be borne by according to Garner Vs. Murray case
- All the partners equally
  - Solvent partners in capital ratio
  - All the partners in profit & loss sharing ratio
  - None of the Above
81. Partnership deed is also called as
- Partnership document
  - Articles of partnership
  - Both of these
  - None of the above
82. A partnership firm cannot exceed the maximum number other than banking company:-
- 10 members
  - 20 members
  - 15 members
  - 25 members
83. What are the essential elements of contract of sale?
- Atleast two parties
  - Subject matter must be goods
  - Both (a) & (b)
  - None of these
84. By transferring the property, the rights and liabilities will transfer to
- Buyer
  - Seller
  - Both (a) & (b)
  - None of these
85. Auction Sale completes by
- Fall of Hammer
  - Acceptance
  - Offer
  - None of these
86. A document issued by railway company acknowledging receipt of goods is known as
- Bill of lading
  - Railway Receipt
  - Dock Warrant
  - None of these
87. Giving document of title to goods is which type of delivery?
- Symbolic
  - Constructive
  - Actual
  - None of these

88. Merchantable Quality of goods means
- a) Goods are free from latent defects
  - b) Marketable at their full value
  - c) Goods can be used for the purpose for which they are purchased
  - d) All of the above
89. The keys of warehouse where goods are stored is handed over to the buyer. It is called delivery.
- a) Actual
  - b) Symbolic
  - c) Constructive
  - d) Conditional
90. M sold goods to B. The payment was to be done after one month. B did not make payment. The right of lien can be exercised by M When goods are
- a) Handed over to transporters.
  - b) Not handed over to anyone
  - c) Handed over to B
  - d) Handed over to any one.
91. The property of goods will be transferred to the buyer at the time where total payment is made.
- a) Sale
  - b) Agreement to sell
  - c) Hire Purchase
  - d) Sale / Approval Basis
92. An agreement made between two parties to pay consideration in future and in execution of sale deed is known as
- a) Sale
  - b) Agreement to sell
  - c) Hire purchase
  - d) None
93. Unpaid seller sells goods to the new buyer who was in possession of the goods. The new buyer
- a) Gets good title to the goods
  - b) Does not get good title to the goods
  - c) Gets good title to the goods subject to consent of original buyer
  - d) None of these
94. The implied warranties as per sale of goods act includes
- a) Enjoyment of undisturbed possession
  - b) Disclosure of dangerous nature of goods
  - c) Quality or fitness by usage of trade
  - d) All of the above

## Key - Part A – FUNDAMENTALS OF ACCOUNTING

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

## Part B – MERCANTILE LAWS

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

2nd session

Marks: 100 Marks

Time: 2 hrs.

## Part A – General Economics

1. The upper part of kinked demand curve is
  - a) Elastic
  - b) Inelastic
  - c) Perfectly Elastic
  - d) Unitary Elastic
2. IC curve for perfectly complementary goods is
  - a) L-Shape
  - b) U-Shape
  - c) Straight Line
  - d) None
3. EXIM bank was started on
  - a) 1972
  - b) 1988
  - c) 1982
  - d) 1998
4. Which one of the following is not an objective of RBI.
  - a) Economic Stability
  - b) Issue of currency
  - c) Advancing loans to public
  - d) Maintenance of foreign exchange reserves
5. FDI up-to is being allowed in defense production.
  - a) 26%
  - b) 49%
  - c) 74%
  - d) 51%
6. Marshall's utility analysis is known as ----- analysis.
  - a) Cardinal
  - b) Ordinal
  - c) Classical
  - d) Historical
7. Given  $AR=5$ , Elasticity of demand  $=2$  find MR
  - a) 2.5
  - b) -2.5
  - c) 1.5
  - d) 2.0
8. Direct costs are
  - a) Traceable costs
  - b) Indirect costs
  - c) Implicit costs
  - d) Explicit costs
9. Under monopoly which of the following are correct.
  - a) AR & MR both are downward sloping
  - b) MR lies half way between AR & Y axis
  - c) MR can be zero or negative
  - d) All of the above
10. NABARD was established under the recommendation of
  - a) Public accounts committee
  - b) Shivaraman Committee
  - c) Narasimham Committee
  - d) None of the above
11. Price reduction of 20% brings more than 10% fall in quantity supplied then elasticity of supply is
  - a) 2.0
  - b) 0.5
  - c) 1.0
  - d) 1.5
12. Short run price is also known as:
  - a) Market price
  - b) Showroom price
  - c) Maximum retail price
  - d) None of these
13. The difference between the value of a nation's visible exports and visible imports is called
  - a) Balance of trade

- b) Balance of payments  
c) Balance of current account  
d) Balance of capital account
14. To reduce the value of domestic currency in terms of foreign currency is known as  
a) Appreciation                      b) Devaluation  
c) Depreciation                      d) None of above
15. In disguised unemployment marginal productivity of labour becomes.  
a) Zero    b) One    c) Infinite    d) Doubles
16. Price under perfect competition is determined by  
a) Firm                      b) Industry                      c) Government                      d) Society
17. Non-price competition in popular sense called  
a) Monopoly market  
b) Oligopoly market  
c) Monopolistic competition  
d) Perfect competition
18. Pradhana Mantri Bharat Jodo Pariyojana is related to  
a) Communication  
b) Social integration  
c) Linking of rivers  
d) Highways developing
19. External economies can be achieved through  
a) Foreign trade only  
b) Extension of transport & transport credit facility  
c) Superior managerial skills  
d) External assistance
20. What will be the price elasticity if original price is Rs=5, original quantity is 8 units and changed price is Rs=6 changed quantity is 4 units?  
a) 2.5    b) 2.0    c) 1.5    d) 1.0
21. The objectives of Monetary Policy?  
a) Price Stability  
b) Exchange rate Stability  
c) Employment Generation  
d) All of these
22. Which of the following suffer due to inflation.  
a) Debtors                      b) Creditors  
c) Businessman                      d) Owners of real assets
23. Suppose the total cost of production of a commodity X is Rs.1,25,000 out of which implicit cost 35,000 and normal profit is 25,000. What would be the explicit cost of commodity?  
a) 90,000                      b) 65,000  
c) 1,00,000                      d) 60,000
24. Inductive and deductive methods are complementary. This statement is  
a) Absolutely correct    b) Partially correct    c) Absolutely wrong    d) Partially wrong

25. You are the factory owner and have given employment to 400 workers. If 10 workers are retrenched by you without loss of production then this situation be described as
- Open unemployment
  - Disguised unemployment
  - Frictional unemployment
  - Seasonal unemployment
26. The original price of commodity is Rs.500 and quantity demanded is 20 kgs. If price rises to Rs.750 and quantity demanded reduces to 15 kgs, price elasticity of demand is
- 0.25
  - 0.50
  - 1.00
  - 1.50
27. If marginal rate of substitution is increasing then shape of indifference curve is
- Concave
  - Convex
  - L – shape
  - None of these
28. Which of the following measure is not related to tendency reforms?
- Regulation of rent
  - Security of tenants
  - Conferment of ownership rights on tenants
  - Consolidation of holdings
29. Which of the following is the reason of the working of law of increasing returns?
- Fuller utilization of fixed factor
  - Indivisibility of factor
  - Greater specialization of factor
  - All of the above
30. Which curve is downward sloping and does not touch the X-axis?
- AVC
  - MC
  - ATC
  - AFC
31. Banking Ombudsman means
- Person appointed to recover dues from defaulting borrowers
  - A person to whom customers can approach for redressal of their grievances
  - A person appointed to settle disputes between employees and management
  - A person appointed by RBI to oversee the functioning of foreign banks
32. Control of credit by central bank
- Issue of directives
  - Direct action
  - Moral suasion
  - All of the above
33. The reasons for downward sloping curve
- Diminishing MRS
  - Increasing MRS
  - Constant MRS
  - None
34. Free market economy driving force is
- Profit motive
  - Welfare of the people
  - Rising incomes and level of living
  - None of the above
35. A system of economy in which all means of production are owned and controlled by private individuals for the purpose of profit is called



- a) Socialistic economy  
b) Capitalistic economy  
c) Mixed economy  
d) All of the above
36. Economics is neutral between ends said by  
a) Robbins                      b) Mrs. Joan Robinson      c) Alfred Marshall              d) AC Pigou
37. Which of the following is not a qualitative measure of credit control  
a) Rationing of credit  
b) Change in cash reserve ratio  
c) Publicity and notification  
d) Regulation of consumer credit
38. In which of the following cases opportunity cost will apply.  
a) Resources have alternative uses  
b) Resources have limited uses  
c) Resources have no uses  
d) None of these
39. Purchasing power of money falls when  
a) Price level increases  
b) Price level decreases  
c) Income level increases  
d) Money supply falls
40. The difference between the GDPMP and GNPMP is  
a) Net factor income from abroad  
b) Depreciation  
c) Net income  
d) None of these
43. Which is not the static function of money  
a) As a medium of exchange  
b) As a unit of account  
c) As encouragement to division of labour  
d) As standard of deferred payment
44. Equilibrium price is where  
a) Market supply and market demand are equal  
b) Firm supply and market demand are equal  
c) Firm demand and market supply are equal  
d) None of these
45. Which of the following is not a current account transaction?  
a) Export receivable  
b) Insurance  
c) Dividend  
d) External commercial borrowings
46. Bank rate means  
a) The rate at which central bank discounts the bills of commercial banks  
b) Portion of total deposit that a commercial bank has to keep with central bank  
c) Rate of savings deposits

d) None of the above

47. Objective of RRB's is

- a) Providing credit to farmers and villagers.
- b) To monitor the activities of all banks in agriculture.
- c) Link between rural banks.
- d) To sponsor the rural development programmes of government.

**Part B - Quantitative Aptitude**

51. If  $(\log_{\sqrt{x}} 2)^2 = \log_x 2$ , then  $x = ?$

- a) 16   b) 32   c) 8   d) 4

52. If  $f(x) = x + 2$  and  $g(x) = 7^x$  then  $gof(x) = ?$

- a)  $7^x \cdot x + 2 \cdot 7^x$                       b)  $7^{x+2}$   
c)  $7^x + 2$                                       d) none

53. If  $f(x) = \log\left(\frac{1+x}{1-x}\right)$  then  $f\left(\frac{2x}{1+x^2}\right) = ?$

- a)  $f(x)$                       b)  $2f(x)$                       c)  $3f(x)$                       d)  $-f(x)$

54. If  $A = \{1, 2, 3\}$  then the relation  $R = \{(1, 1), (2, 3), (2, 2), (3, 3), (1, 2)\}$  on A is

- a) reflexive   b) symmetric   c) transitive   d) equivalence

55. In an AP if  $S_n = 3n^2 - n$  and its common difference is 6 then its 1<sup>st</sup> term is .....

- a) 2   b) 3   c) 4   d) 6

56. In an AP if the sum of 4<sup>th</sup> and 12<sup>th</sup> terms is 8 then sum of 1<sup>st</sup> 15 terms is .....

- a) 60                      b) 120                      c) 110                      d) 150

57. There are n AMs between 7 & 71 and 5<sup>th</sup> AM is 27 then  $n = ?$

- a) 15   b) 16   c) 17   d) 18

58. In a GP the 6<sup>th</sup> term is 729 and the common ratio is 3 then 1<sup>st</sup> term is .....

- a) 2   b) 3   c) 4   d) 7

59. In the co-ordinate plane, the points in order (1, 1), (4, 4), (4, 8), (1, 5) forms

- a) rhombus   b) square   c) rectangle   d) parallelogram

60. In the co-ordinate plane, if the points (1, 3), (-2, 1) & (k, -1) are collinear then the value of k is

- a) 0   b) -5   c) 4   d) 7

61. The union forbids the employer to employ less than 2 experienced persons (x) to each fresh person (y). This

situation can be expressed as

a)  $x \leq y/2$     b)  $y \leq x/2$     c)  $y \geq x/2$     d) none

62. If  $\alpha, \beta$  are roots of  $x^2 + 7x + 11 = 0$  then the equation whose roots as  $(\alpha + \beta)^2 & (\alpha - \beta)^2$  is

a)  $x^2 - 54x + 245 = 0$     b)  $x^2 - 14x + 49 = 0$

c)  $x^2 - 24x + 144 = 0$     d)  $x^2 - 50x + 49 = 0$

63. Evaluate :  $\lim_{n \rightarrow \infty} \frac{(n+2)! + (n+1)!}{(n+2)! - (n+1)!} = ?$

a) 1    b) 2    c)  $\infty$     d) 0

64.  $\lim_{x \rightarrow 0^+} \frac{2e^{1/x} - 3x}{e^{1/x} + x} = ?$

a) -3    b) 0    c) 2    d) 4

65. If  $y = \log_y x$  then  $\frac{dy}{dx} = ?$

a)  $\frac{1}{x + \log y}$

b)  $\frac{1}{x + x \log y}$

c)  $\frac{1}{1 + x \log y}$

d)  $\frac{1}{y + \log x}$

66.  $y = e^t & x = \log t$  then  $\frac{dy}{dx} = ?$

a)  $1/t$

b)  $te^t$

c)  $-1/t^2$

d) none

67.  $\int_1^2 \frac{[\log_e(ex)]^n}{x} dx = ?$  where  $n \neq -1$

a)  $\frac{[\log 2e]^{n+1}}{n+1}$

b)  $\frac{[\log 2e]^{n+1}}{n+1} - \frac{\log e}{n+1}$

c)  $\frac{[\log 2e - \log 2]^{n+1}}{n+1}$

d) none

68.  $\int 2^{3x} \cdot 5^x \cdot 3^{2x} dx = ?$

a)  $\frac{2^{3x} \cdot 3^{2x} \cdot 5^x}{\log 720} + C$

b)  $\frac{2^{3x} \cdot 3^{2x} \cdot 5^x}{\log 360} + C$

c)  $\frac{2^{3x} \cdot 3^{2x} \cdot 5^x}{\log 90} + C$

d)  $\frac{2^{3x} \cdot 3^{2x} \cdot 5^x}{\log 180} + C$

69. The total number of shake hands in a group of 10 persons to each other are .....

a) 45

b) 54

c) 90

d) 10

70. A regular polygon has 44 diagonals then the no. of sides are .....

- a) 8            b) 9            c) 10            d) 11
71. In how many ways the word "ARTICLE" can be arranged in a row so that vowels occupy even places ?  
a) 132            b) 144            c) 72            d) 160
72. Triplicate ratio of 4 : 5 is  
a) 125 : 64      b) 16 : 25      c) 64 : 125      d) 120 : 46
73. The mean proportion between 24 and 54 is .....
- a) 33            b) 34            c) 35            d) 36
74. The difference between CI and SI on a certain sum of money for 2 years at 4% per annum is Rs 1. The sum is  
a) 625            b) 630            c) 640            d) 635
75. If the sum of money when compounded annually become 1140 in 2 years and 1710 in 3 years at rate of interest .....
- a) 30%            b) 40%            c) 50%            d) 60%
76. The odds that a book will be reviewed favourably by 3 independent critics are 5 to 2, 3 to 4, 4 to 3 respectively then, the probability that out of 3 critics the majority will be favourable is .....
- a)  $\frac{209}{343}$             b)  $\frac{209}{434}$             c)  $\frac{209}{443}$             d)  $\frac{209}{350}$
77. Find the probability of drawing spade on each of 2 consecutive draws from a well shuffled pack of cards when the draws are without replacement ?
- a)  $\frac{2}{51}$             b)  $\frac{3}{51}$             c)  $\frac{4}{51}$             d)  $\frac{5}{51}$
78. A bag contains 2 red, 3 green and 2 blue balls. If 2 balls are drawn random from the bag. Find the probability that none of them will be blue ?
- a)  $\frac{11}{21}$             b)  $\frac{5}{7}$             c)  $\frac{10}{21}$             d)  $\frac{2}{7}$
79. A player tosses 3 coins. He wins Rs 5 if 3 heads appear, Rs 3 if 2 heads appear, Rs 1 if 1 head appear and a loss of Rs 15 if no head appear. Find his expected gain in Rs. ....
- a) 0.5            b) 0.25            c) 0.2            d) none
80. Which of the following is false in case of normal distribution ?
- a) it is multimodal  
b) mean = median = mode  
c) it is symmetric  
d) total area is 1

81. If  $x \sim B = (5, p)$  and  $p(x = 2) = 0.4362$  and  $p(x = 3) = 0.2181$  then  $p = ?$   
a)  $\frac{3}{4}$       b)  $\frac{1}{3}$       c)  $\frac{2}{3}$       d)  $\frac{1}{4}$
82. In a Poisson distribution  
a) mean & SD are equal  
b) mean & variance are equal  
c) SD & variance are equal  
d) both (a) and (b)
83. In a Binomial distribution  $\mu = 4$  and  $\sigma^2 = 3$  then mode = ?  
a) 4      b) 4.25      c) 4.5      d) 4.1
84. Which of the following measures of central tendency can not be shown by graphical method ?  
a) mean      b) median      c) mode      d) quartiles
85. GM of 8, 4, 2 is .....  
a) 4      b) 2      c) 8      d) none
86. In a Normal distribution, the relation between QD and SD is .....  
a)  $3QD = 2SD$       b)  $3SD = 2QD$       c)  $4QD = 3SD$       d) none of these
87. Two variables X and Y are related as  $4x + 3y = 7$  then correlation between x and y is  
a) perfect positive      b) perfect negative      c) zero      d) none of these
88. Time Reversal Test is satisfied by .....  
a) Fisher's Ideal Index      b) Dorbish Bowley's Index  
c) Laspeyre's Index      d) none of these
89. 99% confidence limits of population mean are .....  
a)  $\bar{x} \pm 1.96 SE$       b)  $\bar{x} \pm 2.58 SE$       c)  $\bar{x} \pm 3 SE$       d) none
90. Bowley's Index number = 150, Laspeyre's Index number = 180 then Paasche's Index number = ?  
a) 120      b) 30      c) 105      d) none
91. A sampling technique providing separate estimates for population means for different segments and also an overall estimate is .....  
a) Stratified sampling      b) Random sampling  
c) Systematic sampling      d) none of these
92.  $\sum x^2 = 3390$ ,  $n = 30$ ,  $\sigma = 7$  then  $\bar{x} = ?$

- a) 113      b) 210      c) 8      d) none

93. If  $r$  is the Karl Pearson's coefficient of correlation in a bivariate distribution, the two regression lines are at right angles when .....

- a)  $r = \pm 1$       b)  $r = 0$       c)  $r = \pm \infty$       d) none

94. The probability of selecting a sample of size  $n$  from a population of size  $N$  by simple random sampling with replacement is .....

- a)  $\frac{1}{N}$       b)  $\frac{1}{N^n}$       c)  $\frac{1}{\binom{N}{n}}$       d)  $\frac{1}{\binom{N}{n} \cdot n!}$

95. A pie diagram used to represent the following data .....

Source	Customers	Excise	Income Tax	Wealth Tax
Revenue in Millions	120	180	240	180

The central angles corresponding to income tax and wealth tax are .....

- a)  $(90^\circ, 120^\circ)$       b)  $(120^\circ, 90^\circ)$       c)  $(60^\circ, 120^\circ)$       d)  $(90^\circ, 60^\circ)$

96. If the mean of frequency distribution is 100 and coefficient of variation is 45% then standard deviation is .....

- a) 45      b) 0.45      c) 0.045      d) none

97. The average age of 15 students is 15 years. Out of these the average age of 5 students is 14 years and that of other 9 students is 16 years, then the age of 15<sup>th</sup> student is .....

- a) 11 years      b) 14 years      c) 15 years      d) none of these

98. If  $r = 0.28$ ,  $Cov(x, y) = 7.6$ ,  $V(x) = 9$  then  $\sigma_y = ?$

- a) 8.75      b) 9.04      c) 6.25      d) none

99. In 2005, price index is 286% with base year 1995 then how much price increased in 2005 with the base year 1995 ?

- a) 286%      b) 386%      c) 86%      d) 186%

100.  $8x - 3y + 7 = 0$ ,  $14x - 7y + 6 = 0$  are two regression equations then the correlation coefficient  $r = ?$

- a) 0.86      b) -0.86      c) 0.45      d) -0.45

## Key - Part A – GENERAL ECONOMICS

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

## Part B – QUANTITATIVE APTITUDE

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