

MOCK TEST PAPER - 1
COMMON PROFICIENCY TEST

Time Allowed – 2 Hours

Maximum Marks – 100

SECTION A: FUNDAMENTALS OF ACCOUNTING

1. Rent paid on 1st October, 2015 for the year to 30th September, 2016 was Rs. 1,200 and rent paid on 1st October, 2016 for the year to 30th September, 2017 was Rs. 1,600. Rent paid, as shown in the profit and loss account for the year ended 31st December 2016, would be:
 - (a) Rs. 1,200
 - (b) Rs. 1,600
 - (c) Rs. 1,300
 - (d) Rs. 1,500
2. A company purchased a machinery on April 01, 2012, for Rs. 15,00,000. It is estimated that the machinery will have a useful life of 5 years after which it will have no salvage value. The depreciation charged during the year 2016-17 was
 - (a) 5,00,000
 - (b) 4,00,000
 - (c) 3,00,000
 - (d) 1,00,000
3. The cost of a machine is Rs. 20,00,000. Two years later the book value is Rs.10,00,000. The Straight-line percentage depreciation is
 - (a) 50%
 - (b) 33-1/3%
 - (c) 25%
 - (d) 20%
4. While finalizing the current year's profit, the company realized that there was an error in the valuation of closing Inventory of the previous year. In the previous year, closing Inventory was valued more by Rs. 50,000. As a result,
 - (a) Previous year's profit is overstated and current year's profit is also overstated
 - (b) Previous year's profit is overstated and current year's profit is understated
 - (c) Previous year's profit is understated and current year's profit is also understated
 - (d) Previous year's profit is understated and current year's profit is overstated
5. Which of the following assets does not depreciate?
 - (a) Machinery and equipment

- (b) Patents
 - (c) Land
 - (d) Furniture
6. Premium on redemption of debentures account appearing in the balance sheet is _____.
- (a) A nominal account - expenditure
 - (b) A nominal account - income
 - (c) A personal account
 - (d) A real account
7. If the equipment account has a balance of Rs. 22,50,000 and the accumulated depreciation account has a balance of Rs. 14,00,000, the book value of the equipment is
- (a) 36,50,000
 - (b) 22,50,000
 - (c) 14,00,000
 - (d) 8,50,000
8. Debenture interest
- (a) Is payable before the payment of any dividend on shares
 - (b) Accumulates in case of losses or inadequate profits
 - (c) Is payable after the payment of preference dividend but before the payment of equity dividend
 - (d) Is payable only in case of profits
9. When debentures are issued as collateral security, the final entry for recording the collateral debentures in the books is _____.
- (a) Credit Debentures A/c and debit Cash A/c.
 - (b) Debit Debenture suspense A/c and credit Cash A/c.
 - (c) Debit Debenture suspense A/c and credit Debentures A/c.
 - (d) Debit Debentures A/c and credit Debenture suspense A/c
10. If cost of goods sold is Rs. 80,700, Opening stock Rs. 5,800 and Closing stock Rs. 6,000. Then the amount of purchase will be
- (a) Rs. 80,500
 - (b) Rs. 74,900
 - (c) Rs. 74,700
 - (d) Rs. 80,900
11. Writing of transaction in the ledger is called
- (a) Posting
 - (b) Journalizing
 - (c) Balancing

- (d) Casting
12. When debentures are redeemable at different dates, the total amount of discount on issue of debentures should be written off
- (a) Every year by applying the sum of the year's digit method
 - (b) Every year by applying the straight line method
 - (c) To profit and loss account in full in the year of final or last redemption
 - (d) To profit and loss account in full in the year of first redemption
13. The excess price received over the par value of shares, should be credited to _____.
- (a) Calls-in-advance account
 - (b) Share capital account
 - (c) Securities premium account
 - (d) Reserve capital account
14. The Securities Premium amount may be utilized by a company for _____.
- (a) Writing off any loss on sale of fixed asset
 - (b) Writing off any loss of revenue nature
 - (c) Writing off the expenses/discount on the issue of debentures
 - (d) Payment of dividends
15. When shares are forfeited, the share capital account is debited with _____ and the share forfeiture account is credited with _____.
- (a) Paid-up capital of shares forfeited; Called up capital of shares forfeited
 - (b) Called up capital of shares forfeited; Calls in arrear of shares forfeited
 - (c) Called up capital of shares forfeited; Amount received on shares forfeited
 - (d) Calls in arrears of shares forfeited; Amount received on shares forfeited
16. T Ltd. proposed to issue 6,000 equity shares of Rs.100 each at a premium of 40%. The minimum amount of application money to be collected per share as per the Companies Act, 2013
- (a) Rs.5.00
 - (b) Rs.6.00
 - (c) Rs.7.00
 - (b) Rs.4.00
17. Dividends are usually paid as a percentage of _____.
- (a) Authorized share capital
 - (b) Net profit
 - (c) Paid-up capital
 - (d) None of the above

18. As per the SEBI guidelines, on issue of shares, the application money should not be less than
- (a) 2.5% of the nominal value of shares
 - (b) 2.5% of the issue price of shares
 - (c) 25.0% of the issue price of shares
 - (d) 20% of the issue price of shares
19. G Ltd. acquired assets worth Rs.7,50,000 from H Ltd. by issue of shares of Rs.100 at a premium of 25%. The number of shares to be issued by G Ltd. to settle the purchase consideration = ?
- (a) 6,000 shares
 - (b) 7,500 shares
 - (c) 9,375 shares
 - (d) 8,000 shares
20. The date of maturity of bill is 10th October, 2016. The Government of India suddenly declared 10th October, 2016 as the holiday under the Negotiable Instruments Act, then the bill will mature on _____
- (a) 9th October, 2016
 - (b) 10th October, 2016.
 - (c) 12th October, 2016
 - (d) 11th October, 2016.
21. Mr. A sent 250 units costing Rs. 10,000 each to Mr. B. Mr. B sold 150 units @ Rs. 14,200 per unit on credit and 75 units @ Rs. 14,000 for cash. Mr. B is entitled to a commission Rs.500 per unit. The amount of commission will be:
- (a) Rs. 75,000
 - (b) Rs. 37,500
 - (c) Rs. 1,12,500
 - (d) Rs. 85,000
22. If bank balance as per cash book differs from that appearing in the current account statement, then the balance considered for finalizing the accounts is of
- (a) Adjusted cash book.
 - (b) Cash book before any adjustments.
 - (c) Pass book.
 - (d) Not taken to final accounts in case of difference in the balance
23. He, She and Me are partners in a firm sharing profits and losses in the ratio of 5:3:2. Firm took Separate Life Policy of Rs. 50,000, Rs.1,00,000 and Rs.1,50,000 for He, She and Me respectively. The share of Me in the policy will be:
- (a) Rs. 1,50,000.
 - (b) Rs. 90,000.

- (c) Rs. 60,000.
(d) Rs. 3,00,000.
24. It is essential to standardize the accounting principles and policies in order to ensure
- (a) Transparency
 - (b) Consistency
 - (c) Comparability
 - (d) All of the above
25. Rs. 1,500 spent on repairs before using a second hand car purchased recently is a
- (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Prepaid revenue expenditure
 - (d) None of the three
26. The total of debit and credit side of Mr. Raja Ram's Trial balance as on 31st March, 2016 were Rs. 20,000 and Rs. 10,000 respectively. The difference was transferred to suspense A/c. On 4th April 2016, it was found that the total of sales book was carried forward as 5,000 instead of 4,000. The balance of suspense A/c after rectification of this error will be -
- (a) Rs.11,000
 - (b) Rs. 10,000
 - (c) Rs. 9,000
 - (d) Rs. 12,000
27. A Bank Reconciliation Statement is prepared with the help of:
- (a) Bank statement and bank column of the Cash Book.
 - (b) Bank statement and cash column of the Cash Book
 - (c) Bank column of the Cash Book and cash column of the Cash Book.
 - (d) None of the above.
28. The main objective of providing depreciation is to
- (a) Create secret reserve
 - (b) Reduce the book value of assets
 - (c) Value the assets properly
 - (d) Allocate cost of the assets
29. M/s Bhaskaran & Co. drew a three months' bill of Rs. 6,000 on M/s Patel & Co. on 1.1.2014 payable to M/s Surendran & Co. or bearer. Here the payee will be _____
- (a) M/s Bhaskaran & Co.
 - (b) M/s Patel & Co.
 - (c) M/s Surendran & Co. or bearer.

- (d) All of the above.
30. F Ltd. purchased Machinery from G Company for a book value of Rs. 4,00,000. The consideration was paid by issue of 10% debentures of Rs. 100 each at a premium of 25%. The debenture account was credited with _____.
- (a) Rs. 4,00,000
 - (b) Rs. 5,00,000
 - (c) Rs. 3,20,000
 - (b) Rs. 3,00,000
31. Which of the following is not a characteristic of Bearer Debentures?
- (a) They are treated as negotiable instruments
 - (b) Their transfer requires a deed of transfer
 - (c) They are transferable by mere delivery
 - (d) The interest on it is paid to the holder irrespective of identity.
32. Original cost Rs.13,00,000, Salvage value Rs. 40,000, Useful life 6 years. Depreciation for the first year under sum-of-years digit methods will be
- (a) 60,000
 - (b) 1,20,000
 - (c) 1,80,000
 - (d) 3,60,000
33. In journal, the entries which pertain to outstanding expenses, prepaid expenses or depreciation are called:-
- (a) Adjusting Entries
 - (b) Rectification Entries
 - (c) Transfer Entries
 - (d) Closing Entries
34. X sent some goods costing Rs. 3500 at a Profit of 25% on sale on return basis to Y. Y returned goods costing Rs. 800. At the end of accounting year, remaining goods were neither returned nor approved by him. The stock on approval will be shown in the Balance sheet at:
- (a) 2700
 - (b) 2000
 - (c) 2700 less 5% of 2700
 - (d) 3500
35. When separate set of books is maintained, expenses paid by venturer will be credited to
- (a) Joint bank A/c
 - (b) Venturer's A/c

- (c) Joint Venture A/c
 - (d) P & L A/c
36. Bank overdraft as per cash book on 31st Dec. 2017 Rs. 10,500
Cheque sent for collection but not collected Rs. 8,250
Cheque issued but not presented for payment Rs. 12,000
Balance as per pass book overdraft will be
- (a) 6,200
 - (b) 6,500
 - (c) 6,000
 - (d) 6,750.
37. "Bill payable discounted in cash by creditor." This transaction will be recorded in
- (a) Journal
 - (b) Ledger
 - (c) Bank book
 - (d) No entry required to be made
38. Purposes of an accounting system include all the following except
- (a) Interpret and record the effects of business transaction.
 - (b) Classify the effects of transactions to facilitate the preparation of reports.
 - (c) Dictate the specific types of business enterprise transactions that the enterprises may engage in.
 - (d) Summarize and communicate information to decision makers.
39. Book-keeping is mainly concerned with
- (a) Recording of financial data.
 - (b) Designing the systems in recording, classifying and summarising the recorded data.
 - (c) Interpreting the data for internal and external users.
 - (d) None of the above.
40. All of the following are functions of Accounting except
- (a) Decision making.
 - (b) Ledger posting.
 - (c) Forecasting.
 - (d) Measurement.
41. Amount received from IDBI as a medium term loan for augmenting working capital is
- (a) Capital expenditures
 - (b) Revenue expenditures
 - (c) Capital receipt

- (d) Revenue receipt
42. Revenue from sale of products, ordinarily, is reported as part of the earning in the period in which
- (a) The sale is made.
 - (b) The cash is collected.
 - (c) The products are manufactured.
 - (d) The planning takes place.
43. The total of discount column on the debit side of the cash book, recording cash discount deducted by customers when paying their accounts, is posted to the
- (a) Credit of the discount allowed account.
 - (b) Debit of the discount allowed account
 - (c) Credit of the discount received account.
 - (d) debit of the discount received account.
44. Cash book is a type of _____ but treated as a _____ of accounts.
- (a) Subsidiary book, principal book
 - (b) Principal book, subsidiary book
 - (c) Subsidiary book, subsidiary book
 - (d) Principal book, principal book
45. Which of the following is not a column of a three-column cash book?
- (a) Cash column
 - (b) Bank column
 - (c) Petty cash column
 - (d) Discount column
46. The preparation of a trial balance is for:
- (a) Locating errors of commission;
 - (b) Locating errors of principle;
 - (c) Locating clerical errors.
 - (d) All of the above
47. Rs. 20,000 received from Smith whose account, was written off as a bad debt should be credited to :
- (a) Bad Debts Recovered account;
 - (b) Smith's account;
 - (c) Cash account.
 - (d) Bad debts account
48. Abnormal loss on consignment is credited to _____
- (a) Profit and Loss account

- (b) Consignee's account
 - (c) Consignment account
 - (d) None of the three.
49. De-credere commission is fixed in terms of percentage say, 10%. The Credit Sales is of Rs. 1,00,000 and Cash Sales is of Rs. 50,000; amount of _____ commission will be allowed.
- (a) Rs. 10,000
 - (b) Rs. 15,000
 - (c) Rs. 5,000
 - (d) None of the above
50. Average Inventory = Rs. 12,000. Closing Inventory is Rs. 3,000 more than opening Inventory. The value of closing Inventory = _____.
- (a) Rs. 12,000
 - (b) Rs. 24,000
 - (c) Rs. 13,500.
 - (d) 10,500
51. Goods costing Rs. 7,500 were sold at 25% profit on selling price. The sales will be of
- (a) 8,000
 - (b) 9,000
 - (c) 10,000
 - (d) None
52. P shows a profit of Rs. 7,00,000 for the year ended 31.3.2018. The figure has been arrived at after charging following against revenue:
- (i) Purchase of Car on 28.3.2018 for use in business Rs. 3,00,000 and treated as vehicle expenses.
 - (ii) Omitted to record unpaid electricity bills for February and March, 2018 of Rs. 15,000 per month. The correct profit for the year ended 31st March, 2018 will be
- (a) Rs. 8,30,000
 - (b) Rs. 9,00,000
 - (c) Rs. 9,70,000
 - (d) Rs. 10,30,000.
 - (d) Rs. 3,400
53. Goodwill is to be calculated at one year's purchase of the average of the last 3 years profit. The profit of the first year was Rs.6,000,second year twice the profit of the first year and the third year one and half times of the profit of the second year goodwill amount will be -
- (a) Rs.10,000
 - (b) Rs.12,000

- (c) Rs.11,000
 (d) Rs.13,000
54. Fluctuating capital account is credited with
- (a) Interest on capital
 (b) Profit of the year
 (c) Salaries or Remuneration of the partners
 (d) All of the above
55. Consider the following for Alpha Co. for the year 2016-17:
- | | |
|----------------------------------|-------------|
| Cost of goods available for sale | Rs.1,00,000 |
| Total sales | Rs. 80,000 |
| Opening inventory of goods | Rs. 20,000 |
| Gross profit margin | 25% |
- Closing inventory of goods for the year 2016-17 was
- (a) Rs. 80,000
 (b) Rs. 60,000
 (c) Rs. 40,000
 (d) Rs. 36,000
56. Ramesh, an employee gets a salary of Rs. 10,000, he withdrew goods of Rs. 7,000 (cost price Rs. 6,000) for personal use and got salary Rs. 6,000. The excess payment will be
- (a) 2,000
 (b) 3,000
 (c) 4,000
 (d) 5,000.
57. Sona of Kanpur sent 400 chairs @ Rs. 300 per chair to Tom of Delhi. Sona paid freight of Rs. 1,000 and Rs. 400 as insurance in transit. Tom paid Rs. 200 as cartage and Rs. 600 as godown rent. At the end of the year, 300 chairs were sold. The selling price of each chair in Delhi was Rs. 350. Value of stock unsold will be
- (a) Rs. 30,000
 (b) Rs. 30,400
 (c) Rs. 32,000
 (d) None of the three.
58. If opening equity of a business is Rs. 90,000, profit for the year is Rs. 20,000 and liabilities at the end of year are of Rs. 60,000, total of assets side of the business will be
- (a) Rs. 1,50,000
 (b) Rs. 1,20,000

- (c) Rs. 30,000
 - (d) Rs. 1,70,000
59. Goods costing Rs. 1000 supplied to Ramesh at the invoice price of 10% above cost and a Trade Discount for 5%. The amount of Sales will be
- (a) Rs. 1045
 - (b) Rs. 1050
 - (c) Rs. 1100
 - (d) Rs. 1060
60. The purpose of accommodation bill is
- (a) To finance actual purchase or sale of goods
 - (b) To facilitate trade transmission
 - (c) To provide funds to both the needed parties.
 - (d) None of the three.

SECTION B: MERCANTILE LAW

61. Communication of offer is complete when-
- (a) It comes to the knowledge of the offeree
 - (b) It is posted to the offeree
 - (c) When the offeror writes the letter but does not post it.
 - (d) None of the above
62. Which of the following do not constitute ground for dissolution of partnership by Court?
- (a) Insanity of the partner
 - (b) Business carried on at a loss
 - (c) Wilful misconduct of partner
 - (d) Expulsion of a partner
63. The Sale of Goods Act, 1930 governs the transfer of property in
- (a) movable property
 - (b) immovable
 - (c) both movable and immovable property
 - (d) all type of properties
64. All contracts
- (a) Are agreements
 - (b) Are not agreements
 - (c) Do not have legal obligations
 - (d) Should be in writing
65. 'Goods' as defined in Sale of Goods Act, will include
- (a) rare coins, goodwill and money
 - (b) growing crops agreed to be severed before sale, old coins, and copyrights
 - (c) goodwill, copyright, patent and foreign currency
 - (d) both 'b' and 'c'
66. A, B and C are partners. C retires and A and B take D into partnership, continuing the old firm name. A customer deals with the firm as newly constituted without having notice of the change. He may:
- (a) Hold liable either A, B and C or A, B and D
 - (b) Hold liable A, B, C and D
 - (c) Hold liable A, B and C only
 - (d) Hold liable A, B and D only

67. Where a person is in a position to dominate the will of another person and uses that position to obtain an unfair advantage it is called:
- (a) Fraud
 - (b) Coercion
 - (c) Undue influence
 - (d) Misrepresentation
68. A contract without consideration is void. There are exceptions. Which one of the following exceptions is correct?
- (a) Promise to pay disputed debt.
 - (b) Promise to pay time barred
 - (c) Promise to pay time-barred debt which is in writing and signed
 - (d) Promise to pay any debt.
69. The general principle regarding transfer of title in case of sale of goods is that-
- (a) The seller cannot transfer to the buyer a better title than he himself has
 - (b) The seller can transfer to the buyer a better title than he himself has
 - (c) The buyer can transfer to the seller a better title than he himself has
 - (d) The seller's representative can transfer to the buyer no title.
70. A makes a contract with B to buy his house for Rs. 5,00,000 if he able to secure to bank loan for that amount. The contract is
- (a) Void for vagueness
 - (b) Wagering contract
 - (c) Contingent contract
 - (d) Voidable contract.
71. A wagering agreement in India is declared by the Contract Act as
- (a) Illegal and void
 - (b) Void but not illegal
 - (c) Voidable at the option of the aggrieved party
 - (d) Immoral
72. The authority of a partner to bind the firm for his acts as contained in section 19 of the Partnership Act is known as:
- (a) Express authority
 - (b) Legal authority
 - (c) Implied authority
 - (d) Managerial authority

73. Acceptance is to offer what a lighted match is to a train of gun powder. This statement indicates-
- (a) Once an offer is accepted it results in binding contract.
 - (b) Communication of acceptance is necessary
 - (c) Acceptance must be absolute & unqualified
 - (d) All the above.
74. A bid at an auction sale is
- (a) An implied offer to buy
 - (b) An express offer to buy
 - (c) An Invitation to offer to buy
 - (d) An invitation to come to bid
75. In case of _____ goods, property passes to the Buyer, only when the goods are ascertained.
- (a) Future
 - (b) Specific
 - (c) Contingent
 - (d) Unascertained
76. A promises B to pay Rs. 10,000 if it rains on Monday, and B promises A to pay Rs.10,000 if it does not rain on Monday. This agreement is
- (a) a valid agreement
 - (b) a voidable agreement
 - (c) a wagering agreement
 - (d) an illegal agreement
77. Which of the following is not included in the term Unpaid Seller?
- (a) any person who is in the position of a Seller
 - (b) a consignor or an agent who has himself paid, or is directly responsible for the price.
 - (c) Buyer's agent to whom the Bill of Lading is endorsed
 - (d) Seller's agent to whom the goods have been delivered
78. If a partner commits fraud in the conduct of the business of the firm:
- (a) He shall indemnify the firm for any loss caused to it by his fraud.
 - (b) He is not liable to the partners
 - (c) He is liable to the partners
 - (d) He is liable to the third partners
79. A finder of goods can:
- (a) file a suit to recover his expenses
 - (b) sell the goods if he likes

- (c) can sue for a reward, if any
 - (d) None of the above
80. Which of the following types of persons are not disqualified from contracting?
- (a) Foreign Sovereigns
 - (b) Alien Enemy
 - (c) Convicts
 - (d) None
81. Which are the matters that require unanimous consent of all the partners:
- (a) Admission of a partner
 - (b) Transfers by a partner of his interest in the firm
 - (c) Fundamental change in the nature of the business
 - (d) All the above
82. A contingent contract is
- (a) Void
 - (b) Voidable
 - (c) Valid
 - (d) Illegal
83. An agreement which restricts a person's freedom to marry or to marry any person of his choice is against public policy and is
- (a) Lawful
 - (b) Illegal
 - (c) Void
 - (d) None of these
84. The latin term "*quid pro quo*" refers to:
- (a) Something in return
 - (b) Stranger to consideration
 - (c) Something sensible
 - (d) Something valuable
85. A partner may not be expelled from the firm by any majority of partners unless
- (a) The terms of partnership agreement confer the power to expel a partner
 - (b) The expulsion is made by a majority of the partners of the firm
 - (c) The decision of expulsion is made by all the partners in good faith
 - (d) All the above

86. In a sale by sample and description, there is an implied condition
- (a) that bulk of the goods correspond with the sample
 - (b) that bulk of goods must correspond to the description as well as the sample thereof
 - (c) the bulk of goods must correspond to the description or to the sample
 - (d) the bulk of goods must correspond to the description only
87. Past consideration means
- (a) Consideration and promise should move together
 - (b) Executed consideration
 - (c) Consideration is provided prior to the making of the contract
 - (d) Invalid consideration
88. Which of the following transactions cannot be described as Quasi-contracts
- (a) Claims of necessities supplied to incompetent person.
 - (b) Right to recover money paid for another person.
 - (c) Right to claim money if given under coercion or mistake.
 - (d) Right to claim money if given under fraud or misrepresentation.
89. A firm is compulsory dissolved
- (a) By adjudication of any partner of the firm as insolvent
 - (b) By the death of a partner
 - (c) By adjudication of all the partners or of all the partners but one is insolvent
 - (d) In any of the above circumstances
90. The definition of "Documents of title to goods" given in the Sale of Goods Act, is-
- (a) exhaustive
 - (b) inclusive
 - (c) exclusive
 - (d) not clear
91. According to Indian Contract Act, a promise is
- (a) A communication of intention to do something
 - (b) A proposal which has been accepted
 - (c) A gentleman's word to do something
 - (d) A statement on oath
92. A wagering agreement is:
- (a) Voidable
 - (b) Void
 - (c) Valid

- (d) Illegal
93. Upon dissolution of firm, losses, including deficiencies of capital, shall be paid first-
- (a) Out of Profits
 - (b) Out of Capital
 - (c) By the partners in their profit sharing ratio
 - (d) By the partners equally
94. The right of lien is available to the Unpaid Seller, only when-
- (a) he is not in possession of the goods
 - (b) he is in possession of the goods
 - (c) he has delivered the goods to the Carrier/Transporter
 - (d) he has delivered the goods to the Buyer
95. 'A' threatened to commit suicide if his wife did not execute a sale deed in favour of this brother. The wife executed the sale deed. This transaction is:
- (a) Voidable due to under influence
 - (b) Voidable due to coercion
 - (c) Void being immoral
 - (d) Void being forbidden by law
96. A and B contract to marry each other. Before the time fixed for the marriage A goes mad. The contract is:
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Valid till avoided by B.
97. Non-registration of the firm does not affect the right of the firm to institute a suit or claim of set-off not exceeding-
- (a) Rs. 100
 - (b) Rs. 1,000
 - (c) Rs. 10,000
 - (d) Rs. 50,000
98. In case of contract for the sale of specific or ascertained goods the property in goods passes to the buyer:
- (a) At such time as the parties to the contract intend it to be transferred
 - (b) When the price is paid
 - (c) When delivery is given
 - (d) When the contract is made

99. What among the following is not an essential element of partnership:
- (a) There must be an agreement entered into by all the persons concerned
 - (b) The agreement must be to share the profits of a business;
 - (c) The business must start within six months from the date of agreement
 - (d) The business must be carried on by all or any one of them acting for all.
100. In the Indian Contract Act, Novation means
- (a) Substitution of an existing contract with a new one.
 - (b) No frustration of executed contracts
 - (c) Frustration due to change of circumstances
 - (d) Impossibility does not mean mere commercial difficulty

SESSION – 2

Test Series: May, 2018

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Maximum Marks – 100

SECTION C: GENERAL ECONOMICS

101. What implication does resource scarcity have for the satisfaction of wants
- (a) Not all wants can be satisfied
 - (b) We will never be faced with the need to make choices
 - (c) We must develop ways to decrease out individual wants
 - (d) The discovery of new natural resources is necessary to increase our ability to satisfy wants
102. Which of the following pairs of goods is an example of substitutes?
- (a) Tea and sugar
 - (b) Tea and coffee
 - (c) Pen and ink
 - (d) Shirt and trousers
103. In the production of wheat, all of the following are variable factors that are used by the farmer except:
- (a) the seed and fertilizer used when the crop is planted
 - (b) the field that has been cleared of trees and in which the crop is planted
 - (c) the tractor used by the farmer in planting and cultivating not only wheat but also corn and barley
 - (d) the number of hours that the farmer spends cultivating the wheat fields
104. Which of the following statements is correct?
- (a) The public sector was given a dominant position in the newly Independent India
 - (b) The foreign Trade Policy post Independence allowed free trade of all goods and services
 - (c) Monetary Policy post Independence was the responsibility of SBI
 - (d) None of the above
105. What is India's rank in the world Population
- (a) First
 - (b) Second
 - (c) Third
 - (d) Fourth
106. Find the tax which is direct tax among the following:
- (a) Personal income tax
 - (b) Excise duty

- (c) Sales tax
 - (d) Service tax
107. Larger production of _____ goods would lead to higher production in future.
- (a) Consumer goods
 - (b) Capital goods
 - (c) Agricultural goods
 - (d) Public Goods
108. A horizontal supply curve parallel to the quantity axis implies that the elasticity of supply is _____
- (a) zero
 - (b) infinite
 - (c) equal to one
 - (d) greater than zero but less than one
109. ____ is the apex bank for agriculture credit.
- (a) RBI
 - (b) SIDBI
 - (c) NABARD
 - (d) ICICI
110. A situation of employment in which a person is apparently employed but his contribution to the production is almost nil is called _____ unemployment.
- (a) structural
 - (b) chronic
 - (c) disguised
 - (d) cyclical
111. According to the planning Commission, using Mixed Recall period (MRP) _____% people were below poverty line in 2011-12.
- (a) 26.2
 - (b) 25.2
 - (c) 27.8
 - (d) 22
112. The economic analysis expects the consumer to behave in a manner which is:
- (a) Rational
 - (b) Irrational
 - (c) Emotional
 - (d) Indifferent

113. After reaching the saturation point, consumption of additional units of the commodity cause:
- (a) Total utility to fall and marginal utility to increase
 - (b) Total utility and marginal utility both to increase
 - (c) Total utility to fall and marginal utility to become negative.
 - (d) Total utility to become negative and marginal utility to fall.
114. Which of the following is not, by definition, equal to National Income?
- (a) National Product
 - (b) National expenditure
 - (c) National output
 - (d) National wealth
115. Which of the following is not an objective of Fiscal policy:
- (a) Economic growth
 - (b) Economic stability
 - (c) Maximization of employment level
 - (d) Regulating of financial institutions
116. The main objective of the World Trade Organisation is to secure among other:
- (a) A general agreement among common market countries on technical training and mutual prices of traded goods.
 - (b) The maintenance of intellectual property rights and patent rights of member countries.
 - (c) An improvement in the USA's terms of trade in the next decade.
 - (d) A reduction in tariffs through negotiation, elimination of export quotas and globalization of international trade.
117. Birth rate and Death rate are measured as per:
- (a) 100 population
 - (b) 1000 population
 - (c) 10000 population
 - (d) 100000 population
118. What is Bank Rate?
- (a) The rate of interest charged by public sector banks from the general public
 - (b) The rate of interest on housing loans
 - (c) The rate of interest on education loan
 - (d) The rate at which the RBI discounts the bills of commercial banks
119. Which of the following statements is correct?
- (a) Agriculture occupies 10 per cent population of India

- (b) Nearly 5 per cent population of India is below the poverty line
 - (c) The production techniques are backward
 - (d) None of the above
120. The green revolution is also known as:
- (a) Wheat revolution
 - (b) Rice revolution
 - (c) Maize revolution
 - (d) Forest Revolution
121. Which of the following has been specifically established to meet the requirements of credit of the farmers and villages?
- (a) ICICI Bank
 - (b) Regional Rural Banks
 - (c) State Bank of India
 - (d) EXIM Bank
122. Per Capita national income means
- (a) $NNP \div \text{population}$
 - (b) $\text{Total capital} \div \text{population}$
 - (c) $\text{Population} \div NNP$
 - (d) None of the above
123. Which of the following is also known as International Bank for Reconstruction and Development?
- (a) IMF
 - (b) RBI
 - (c) WTO
 - (d) World Bank
124. Who is the official lender of the last resort in India?
- (a) SBI
 - (b) PNB
 - (c) RBI
 - (d) OBC
125. Three steel plants in Bhilai, Rourkela and Durgapur were set up in the _____.
- (a) First plan
 - (b) Second plan
 - (c) Third plan
 - (d) Fourth plan

126. If income elasticity for gel pen is 0.8, we can say that gel pen in economics sense is a/an
- (a) Luxury Good
 - (b) Inferior good
 - (c) Normal good
 - (d) Nothing can be said.
127. Which of the following is not a characteristic of a "price taker"?
- (a) $TR = P \times Q$
 - (b) $AR = Price$
 - (c) Negatively – sloped demand
 - (d) $Marginal Revenue = Price$
128. Which cost increases continuously with the increase in production?
- (a) Average cost
 - (b) Marginal cost
 - (c) Fixed cost
 - (d) Variable cost
129. Which of the following statements is correct?
- (a) Under Zamindari system, farmers directly paid land revenue to the state
 - (b) At present, income tax revenues from the agriculture sector are negligible
 - (c) Commercial banks are providing loans to the agriculture at zero interest rate
 - (d) None of the above
130. We can say Indian agriculture has become modern since:
- (a) There has been an increase in the use of high yielding varieties of seeds, fertilizers, pesticides etc.
 - (b) There has been noticeable positive change in the attitude of farmers towards new techniques of production
 - (c) Farmers are increasingly resorting to intensive cultivation, multiple cropping, scientific water management
 - (d) All of the above
131. Jet Airways and Spicejet are examples of:
- (a) Private Schools
 - (b) Private Airlines
 - (c) Private Ships
 - (d) Private Railways
132. All of the following statements except one are correct about the foreign trade policy, 2004-09. Identify the incorrect statement:
- (a) Certain thrust areas like agriculture, handlooms handicrafts etc have been identified

- (b) Vishes Krishiupaj Yojana has been started
 - (c) ' Served from India' scheme has been started
 - (d) The entry of FDI in India has been restricted
133. In order to encourage investment in the country, the RBI may:
- (a) reduce CRR
 - (b) increase CRR
 - (c) sell securities in the open market
 - (d) increase Bank rate
134. Which of the following statements is incorrect?
- (a) The Indian road network is one of the longest in the world
 - (b) The rural road network connects around 65 per cent of all weather roads
 - (c) Most of the State Road Transport Corporation are running on profits
 - (d) The national highways carry more than 40 per cent of the total road traffic
135. _____ expressed the view that "Economics is neutral between end"
- (a) Robbins
 - (b) Marshall
 - (c) Pigou
 - (d) Adam Smith
136. On an average, one post office in India serves _____
- (a) about 100 person
 - (b) about 1000 persons
 - (c) more than 7100
 - (d) about 5800 persons
137. _____ is the Banker's Bank in India.
- (a) SBI
 - (b) PNB
 - (c) RBI
 - (d) OBC
138. In a typical demand schedule, quantity demanded:
- (a) varies directly with price
 - (b) varies proportionately with prices
 - (c) varies inversely with price
 - (d) is independent of price

139. All of the following are U shaped curved except the:
- (a) AVC curve
 - (b) AFC Curve
 - (c) AC curve
 - (d) MC curve
140. Production may be defined as an act of _____
- (a) creating utility
 - (b) earning profit
 - (c) destroying utility
 - (d) providing services
141. The sale of branded articles is common in a situation of
- (a) excess capacity
 - (b) monopolistic competition
 - (c) monopoly
 - (d) pure competition
142. Supply of a commodity is a:
- (a) Stock concept
 - (b) A flow concept
 - (c) Both stock and flow concept
 - (d) None of these.
143. Which of the following is not microeconomic subject matter?
- (a) The price of apples
 - (b) The cost of producing a fire truck for the fire department of Delhi, India
 - (c) The quantity of apples produced for the apple market.
 - (d) The national economy's annual rate of growth.
144. SJSRY stands for
- (a) Swarna Jayanti Shahari Rozgar Yojana
 - (b) Shahari Jeewan Sudhar Rashtriya Yojana
 - (c) Sampoorna Jeewan Shahari Rozgar Yojana
 - (d) None of the above.
145. Oil and Natural Gas Corporation Indian Oil Corporation, Steel Authority of India, and Bharat Heavy Electricals are all examples of
- (a) Small scale units.
 - (b) Private sector units

- (c) Public sector units
 - (d) Sick units
146. Money stock in India refers to:
- (a) M_1
 - (b) M_2
 - (c) M_3
 - (d) M_4
147. Three methods of computing national income are _____
- (a) Production, outlay and income methods.
 - (b) Balance of payments, income and consumption methods,
 - (c) Saving investment and income methods
 - (d) Outlay, depreciation and production methods.
148. _____ is a systematic record of all the economic transactions between one country and rest of the world.
- (a) Balance of trade
 - (b) Balance of transactions
 - (c) Budget
 - (d) Balance of payments
149. If as a result of 10% increase in the price of apples, the quantity demanded decrease by 25%, the price elasticity is
- (a) 2.5
 - (b) .25
 - (c) .1
 - (d) can't say
150. Which of the following is correct?
- (a) Normative economics is not concerned with value judgment.
 - (b) A market is a process that reconciles consumer decision, production decision, and labour decisions.
 - (c) A mixed economy has a certain level of government intervention in the economy along with private sector ownership of the economy.
 - (d) Both (b) and (c)

SECTION -D: QUANTITATIVE APTITUDE

Part: A Mathematics

151. Two numbers are in the ratio 7: 8. If 3 is added to each of them, their ratio becomes 8:9. The numbers are

- (a) 14, 16
- (b) 24, 27
- (c) 21,24
- (d) 16, 18

152. If $\log_{10000} x = -\frac{1}{4}$, then the value of x is given by:

- (a) $\frac{1}{100}$
- (b) $\frac{1}{10}$
- (c) $\frac{1}{20}$
- (d) none of these

153. The four numbers $\frac{1}{2}$, $\frac{1}{3}$, $\frac{1}{5}$, $\frac{1}{x}$ are proportional then x is

- (a) $\frac{6}{5}$
- (b) $\frac{5}{6}$
- (c) $\frac{15}{2}$
- (d) none of these

154. The value of $\left[1 - \{1 - (1 - x^2)^{-1}\}^{-1}\right]^{-1/2}$ is equal to

- (a) x
- (b) $\frac{1}{x}$
- (c) 1
- (d) none of these

155. on simplification

$$\frac{1}{1 + z^{a-b} + z^{a-c}} + \frac{1}{1 + z^{b-c} + z^{b-a}} + \frac{1}{1 + z^{c-a} + z^{c-b}} \text{ reduces to}$$

- (a) $\frac{1}{z^{2(a+b+c)}}$
- (b) $\frac{1}{z^{(a+b+c)}}$
- (c) 1
- (d) 0

156. $\log(m+n) = \log m + \log n$, m can be expressed as :

(a) $m = \frac{n}{n-1}$

(b) $m = \frac{n}{n+1}$

(c) $m = \frac{n+1}{n}$

(d) $m = \frac{n+1}{n-1}$

157. Find positive value of the equation k for which the equations $x^2+kx+64=0$ and $x^2-8x+k=0$ will have real roots:

(a) 12

(b) 16

(c) 18

(d) 22

158. The equation of the straight line through the point of intersection of $x+2y-5=0$ and $x-3y-7=0$ and passing through the point $(1, 0)$ is:

(a) $x+12y = 1$

(b) $x-12y = 1$

(c) $x-12y = 11$

(d) none

159. A man sells 6 radios and 4 televisions for Rs. 18, 480. If 14 radios and 2 televisions are sold for the same amount, what is the price of televisions?

(a) Rs. 1848

(b) Rs. 840

(c) Rs. 1680

(d) Rs. 3360

160. The area of a triangle with vertices $(1,3)$, $(5,6)$ and $(-3,4)$ in terms of square units

(a) 5

(b) 3

(c) 8

(d) 13

161. Solution space of the inequalities $2x+y \leq 10$ and $x-y \leq 5$:

(i) includes the origin (ii) includes the point $(4,3)$

(a) only (i)

(b) only (ii)

(c) Both (i) and (ii)

(d) none of these

162. The rules and regulations demand that the employer should employ not more than 5 experienced hands to 1 fresh one and this fact is represented by (Taking experienced person as x and fresh person as y)

(a) $y \geq \frac{x}{5}$

(b) $5y \leq x$

(c) $5y \geq x$

(d) none

163. Lt $\frac{3x + |x|}{7x - |x|}$ is

$x \rightarrow 0$

(a) 0

(b) 2

(c) 1/3

(d) does not exist

164. Lt $x \rightarrow 0 \left(\frac{u^x + v^x + w^x - 3}{x} \right)$ is

(a) $3uvw$

(b) $\frac{1}{3}(u+v+w)$

(c) 0

(d) $\log_e uvw$

165. $f(x) = \begin{cases} \frac{x^2 - 16}{x - 4} & ; x \neq 4 \\ 8 & , x = 4 \end{cases}$

Then f(x) is

(a) discontinuous at $x = 4$

(b) continuous at $x = 4$

(c) discontinuous at $x = -4$

(d) discontinuous at $x = 0$

166. The sum of n terms of the series 3+33+333+..... to n terms

(a) $\frac{1}{27}(10^{n+1} - 9n - 10)$

(b) $\frac{1}{81}(10^{n+1} - 9n - 10)$

(c) $(10^{n+1} - 9n - 10)$

(d) None of these

167. If 6 times the no. of permutations of n items taken 3 at a time is equal to 7 times the no. of Permutations of (n-1) items taken 3 at a time then the value of n will be

(a) 7

(b) 9

(c) 13

(d) 21

168. The number of arrangement of the letters of the word "COMMERCE"

(a) 8

(b) $\frac{8}{2 \cdot 2 \cdot 2}$

(c) 7

(d) None of these

169. If $y = a.e^{nx} + b.e^{-nx}$ then $\frac{d^2y}{dx^2}$ is equal to

(a) n^2y

(b) $-n^2y$

(c) ny

(d) none of these

170. The value of the integral $\int \frac{1}{x \log x} dx$ is

(a) $\frac{1}{(x \log x)^2} + c$

(b) $\log (x \log x)$

(c) $\log (\log x) + c$

(d) none of these

171. Find the f o g for the functions $f(x) = x^2$, $g(x) = x + 1$

(a) $x^2(x+1)$

(b) x^2

(c) $x+1$

(d) $(x+1)^2$

172. The number of proper subsets of the set $\{3, 4, 5, 6, 7\}$ is
- (a) 32
 - (b) 31
 - (c) 30
 - (d) 25
173. On the sets of lines in a plane the Relation "is perpendicular to" is
- (a) Reflexive
 - (b) Symmetric
 - (c) Transitive
 - (d) none of these
174. A sum of money placed at compound interest double itself in 3 years. In how many years will it amount to four times itself?
- (a) 5 years
 - (b) 6 years
 - (c) 8 years
 - (d) 7 years
175. If an amount is kept at Simple Interest, it earns Rs.600 in first 2 years but when kept at Compound Interest it earns at interest of Rs.660 for the same period; then the rate of interest and principle amount respectively are
- (a) 20%; Rs.1200
 - (b) 10%; Rs.1200
 - (c) 20%; Rs.1500
 - (d) 10%; Rs.1500

Part B: Statistics

176. Which sample provides separate estimates for population means for different segments and also overall estimate?
- (a) Multistage sampling
 - (b) Stratified sampling
 - (c) Simple random sampling
 - (d) Systematic sampling
177. According to Neyman's allocation, in stratified sampling
- (a) Sample size is proportional to the population size
 - (b) Sample size is proportional to the sample SD
 - (c) Sample size is proportional to the sample variance.
 - (d) Population size is proportional to the sample variance.
178. from which graphical representation, we can calculate partition values?
- (a) Lorenz curve

- (b) Ogive curve
- (c) Histogram
- (d) None of the above

179. The frequency of class 20-30 in the following data is

Class	0-10	10-20	20-30	30-40	40-50
Cumulative Frequency	5	13	28	34	38

- (a) 5
 - (b) 28
 - (c) 15
 - (d) 13
180. Which measure of dispersion is not affected in the presence of extreme observations?
- (a) Range
 - (b) Mean deviation
 - (c) Standard deviation
 - (d) Quartile deviation
181. if x and y are related as $3x + 4y = 20$ and the quartile deviation of x is 12. Then the Quartile deviation of y is:
- (a) 16
 - (b) 14
 - (c) 10
 - (d) 9
182. Two variables x and y satisfy the relation $3x - 2y - 25 = 0$ the mode of x is 25. Then the mode of y is:
- (a) 25
 - (b) 30
 - (c) 37.5
 - (d) $52/3$
183. In the year 2010 the monthly salary was Rs. 24,000. The consumer price index number was 140 in the year 2010 which rises to 224 in the year 2016. If he has to be rightly compensated what additional monthly salary to be paid to him
- (a) Rs. 14,400
 - (b) Rs. 38,400
 - (c) Rs. 7,200
 - (d) None of these
 - (d) None
184. Purchasing power of money is
- (a) Reciprocal of price index number
 - (b) Equal to price index number

- (c) Unequal to price index number
 (d) None of these
185. If R_x and R_y denote ranges of x and y respectively where x and y are related $3x + 2y + 10 = 0$, what would be the relation between x and y ?
- (a) $R_x = R_y$
 (b) $2. R_x = 3.R_y$
 (c) $3. R_x = 2.R_y$
 (d) $R_x = 2.R_y$
186. Two dice are thrown together. Find the probability of getting multiple of 2 on one dice and multiple of 3 on the other.
- (a) $2/3$
 (b) $1/6$
 (c) $1/3$
 (d) none of these
187. Which of the following regression equations represent regression equation line y on x :
- $7x + 2Y + 15 = 0$ and $2x + 5y + 10 = 0$
- (a) $7x + 2y + 15 = 0$
 (b) $2x + 5y + 10 = 0$
 (c) Both (a) and (b)
 (d) None of these
188. Geometric Mean of three observations 40, 50 and x is 10. The value of x
- (a) 2
 (b) 4
 (c) $\frac{1}{2}$
 (d) none of these
189. A parameter may be defined as a characteristic of a population based on _____
- (a) Sample units
 (b) All the units
 (c) Few units
 (d) Any of the above
190. If a variate X has, Mean $>$ Variance, then its distribution will be
- (a) Binomial
 (b) Poisson
 (c) Normal
 (d) t-distribution

191. If x is a poisson variate with $P(x=0) = P(x=2) =$

- (a) $\frac{1}{6e}$
- (b) $\frac{e}{6}$
- (c) $\frac{1}{2e}$
- (d) $\frac{e}{3}$

192. The distribution of demand as follows.

Demand	5	6	7	8	9	10
Probability	0.05	0.1	0.3	0.4	0.1	0.05

Then mean is given by

- (a) 7.55
 - (b) 7.85
 - (c) 1.25
 - (d) 8.35
193. sampling error is ____Proportional to the square root of the number of times in the sample.
- (a) Inversely
 - (b) Directly
 - (c) Equally
 - (d) None
194. If Ram and Sita are applied for 2 vacancies in the post. The probability that brother will select is $\frac{1}{7}$ and that of Sita is $\frac{1}{5}$ then then the probability that (i) Both will select (ii) one will select and (iii) none of them will select.
- (a) $\frac{1}{35}, \frac{10}{35}, \frac{24}{35}$
 - (b) $\frac{24}{35}, \frac{7}{35}, \frac{14}{35}$
 - (c) $\frac{3}{35}, \frac{24}{35}, \frac{11}{35}$
 - (d) $\frac{24}{35}, \frac{6}{35}, \frac{20}{35}$

195. The criteria for an ideal estimator are

- (a) Unbiasedness, consistency, efficiency and sufficiency
- (b) Unbiasedness, Expectation, sampling and estimation

- (c) Estimation, Consistency, Sufficiency and efficiency
 - (d) Estimation, expectation, unbiasedness and sufficiency
196. If the Population of SD is known to be 5 for a population containing 80 units, then the standard error of sample mean for a sample size of 25 without replacement is.
- (a) 5
 - (b) 0.20
 - (c) 1
 - (d) 0.83
197. If the profits of a company remain the same for last ten months, then the standard deviation of profits for these ten months would be?
- (a) Positive
 - (b) Negative
 - (c) Zero
 - (d) (a) or (c)
198. If the S.D of X is 3, what is the variance of $(5-2x)$?
- (a) 36
 - (b) 6
 - (c) 1
 - (d) 9
199. What is the number of trials with parameter 15 and $1/3$, what is the value of the mode of the distribution.
- (a) 5 and 6
 - (b) 5
 - (c) 5.50
 - (d) 6
200. If the mean deviation of normal variable is 16, what is the quartile deviation.
- (a) 10.00
 - (b) 13.50
 - (c) 15.00
 - (d) 12.05