

DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE ASKED TO DO SO

Test Booklet Series

A

TEST BOOKLET

**PART - B
(COMMERCE)**

T. B. C. : PGT - 9/17

Sl. No. 0205

Time Allowed : 2 Hours

Maximum Marks : 100

: INSTRUCTIONS TO CANDIDATES :

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET OF THE SAME SERIES ISSUED TO YOU.
2. ENCODE CLEARLY THE TEST BOOKLET SERIES A, B, C OR D, AS THE CASE MAY BE, IN THE APPROPRIATE PLACE IN THE ANSWER SHEET USING BALL POINT PEN (BLUE OR BLACK).
3. You have to enter your Roll No. on the Test Booklet in the Box provided alongside. DO NOT write anything else on the Test Booklet.
4. YOU ARE REQUIRED TO FILL UP & DARKEN ROLL NO., TEST BOOKLET / QUESTION BOOKLET SERIES IN THE ANSWER SHEET AS WELL AS FILL UP TEST BOOKLET / QUESTION BOOKLET SERIES AND SERIAL NO. AND ANSWER SHEET SERIAL NO. IN THE ATTENDANCE SHEET CAREFULLY. WRONGLY FILLED UP ANSWER SHEETS ARE LIABLE FOR REJECTION AT THE RISK OF THE CANDIDATE.
5. This Test Booklet contains 100 items (questions). Each item (question) comprises four responses (answers). You have to select the correct response (answer) which you want to mark (darken) on the Answer Sheet. In case, you feel that there is more than one correct response (answer), you should mark (darken) the response (answer) which you consider the best. In any case, choose ONLY ONE response (answer) for each item (question).
6. You have to mark (darken) all your responses (answers) ONLY on the separate Answer Sheet provided by using BALL POINT PEN (BLUE OR BLACK). See instructions in the Answer Sheet.
7. All items (questions) carry equal marks. All items (questions) are compulsory. Your total marks will depend only on the number of correct responses (answers) marked by you in the Answer Sheet. There will be no negative markings for wrong answers.
8. Before you proceed to mark (darken) in the Answer Sheet the responses to various items (questions) in the Test Booklet, you have to fill in some particulars in the Answer Sheet as per the instructions sent to you with your Admission Certificate.
9. After you have completed filling in all your responses (answers) on the Answer Sheet and after conclusion of the examination, you should hand over to the Invigilator the Answer Sheet issued to you. You are allowed to take with you the candidate's copy / second page of the Answer Sheet along with the Test Booklet, after completion of the examination, for your reference.
10. Sheets for rough work are appended in the Test Booklet at the end.

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SEAL

1. As per Industrial Policy Resolution, 1956, reserved industries for public sector are :
 - (A) 14
 - (B) 15
 - (C) 16
 - (D) 17

2. Liberalisation means :
 - (A) Reducing number of industries from 17 to 8
 - (B) Liberating the industry, trade and economy from unwanted restrictions
 - (C) Opening up of economy to the world by attaining international competitiveness
 - (D) Free determination of interest rates

3. Which among the following is not opened for private sector participation ?
 - (A) Power Sector
 - (B) Telecommunication Sector
 - (C) Education Sector
 - (D) Railways

4. The pre-liberalisation era of Indian Economy was under the grip of :
 - (A) Unemployment
 - (B) Under-employment
 - (C) Fiscal Deficit
 - (D) Unfavourable and alarming balance of payment

5. Which among these is monopolistic trade practice ?
 - (A) Unreasonably limiting competition
 - (B) Manufacturing only one product
 - (C) Limiting technical development
 - (D) Selling only one product

6. A graph of a cumulative frequency distribution is called :
 - (A) Frequency polygon
 - (B) Pie diagram
 - (C) Ogive
 - (D) Histogram

7. Laissez Faire policy is adopted in :
 - (A) Socialist Economic System
 - (B) Capitalist Economic System
 - (C) Mixed Economic System
 - (D) Communist Economic System

8. Which of the following is not the objective of Competition Act, 2002 ?
 - (A) Prohibition of abuse of dominant position
 - (B) Prohibition of restrictive trade practices
 - (C) Prohibition of anti-competitive agreement
 - (D) Regulation of combinations

9. If the amount claimed by consumer is Rs. 89 Lac, the case under the Consumer Protection Act shall be filed with :
- (A) District Consumer Redressal Forum
 (B) State Consumer Dispute Redressal Commission
 (C) National Consumer Dispute Redressal Commission
 (D) Supreme Court
10. Given : Closing Stock Rs. 53,400 ;
 Cost of Goods Sold Rs. 75,000 ;
 Gross Profit Rs. 5,090 and
 Purchases Rs. 82,000.
 What is the amount of Opening Stock ?
- (A) Rs. 46,400
 (B) Rs. 41,400
 (C) Rs. 60,400
 (D) Rs. 55,400
11. Which ratio explains that how much the portion of earning is distributed in the form of dividend ?
- (A) Equity-Debt Ratio
 (B) Pay-out Ratio
 (C) Earning Yield Ratio
 (D) Dividend-Debt Ratio
12. The total area of normal distribution between average value ± 1.96 of standard deviation is :
- (A) 95.45%
 (B) 95%
 (C) 99%
 (D) 68.34%
13. Economic life of an enterprise is split into the periodic interval as per :
- (A) Money measurement concept
 (B) Matching concept
 (C) Going concern concept
 (D) Accrual concept
14. The Cash Flow Statement consists of which of the following sections ?
- (A) Operating and non-operating
 (B) Current and non-current
 (C) Operating, investing and financing
 (D) Manufacturing, trading and profit and loss
15. Which of the following equations represents the Balance Sheet ?
- (A) $\text{Assets} + \text{Liabilities} = \text{Shareholders' equity}$
 (B) $\text{Assets} = \text{Liabilities} + \text{Shareholders' equity}$
 (C) $\text{Assets} = \text{Liabilities} - \text{Shareholders' equity}$
 (D) $\text{Assets} = \text{Liabilities} + \text{Shareholders' equity}$

16. Entry made on both sides of cash book is called :
- (A) Double Entry
 - (B) Compound Entry
 - (C) Contra Entry
 - (D) Mixed Entry
17. Accounting for Intangible Assets are related to :
- (A) AS -- 10
 - (B) AS -- 12
 - (C) AS -- 24
 - (D) AS -- 26
18. Consignment stock will be recorded in the balance sheet of consignor on asset side at :
- (A) Invoice Value
 - (B) Invoice value less stock reserve
 - (C) Lower than cost price
 - (D) 10% lower than invoice value
19. In the books of the consignor, the loss on consignment business will be charged to :
- (A) Consignee Account
 - (B) General Trading Account
 - (C) General P/L Account
 - (D) Bank Account
20. Pre-received income is deducted from income in the current year's P & L Account, the underlying assumption being :
- (A) Matching cost against revenue
 - (B) Conservatism
 - (C) Realisation
 - (D) Consistency
21. Which of the following accounts is not opened under Joint Venture accounts ?
- (A) Joint Bank Account
 - (B) Other Partner's Account
 - (C) Stock Reserve Account
 - (D) Joint Venture Account
22. Joint Venture is a :
- (A) Personal Account
 - (B) Real Account
 - (C) Nominal Account
 - (D) Memorandum Account
23. Which of the following books should be used to record purchase of goods on account ?
- (A) Cash Book
 - (B) Purchase Book
 - (C) Sales Book
 - (D) Journal

24. A Balance Sheet shows only :

- (A) Personal Accounts and Nominal Accounts
- (B) Real Accounts and Nominal Accounts
- (C) Personal Accounts and Real Accounts
- (D) Personal, Real and Nominal Accounts

25. Capital Redemption Reserve Account is available for :

- (A) Redemption of Redeemable Preference Shares
- (B) Redemption of Redeemable Debentures
- (C) Reorganisation of Share Capital
- (D) Issue of Bonus Shares

26. "Higher the ratio, the more favourable it is" This does not apply to :

- (A) Operating Ratio
- (B) Operating Profit Ratio
- (C) Stock Turnover Ratio
- (D) ROI

27. X Ltd. forfeited 30 shares of Rs. 10 each fully called up for non payment of allotment money of Rs. 3 per share

and call money of Rs. 4 per share. These shares are reissued for Rs. 8 per share fully paid. What is the amount to be transferred to Capital Reserve Account ?

- (A) Rs. 300
- (B) Rs. 90
- (C) Rs. 60
- (D) Rs. 30

28. A profit centre is a centre :

- (A) Where the manager has the responsibility of generating and maximising profits
- (B) Which is concerned with earning an adequate Return on Investment
- (C) Both (A) and (B) above
- (D) Which manages cost

29. Fixed Cost is a cost :

- (A) Which changes in total in proportion to changes in output
- (B) Which is partly fixed and partly variable in relation to output
- (C) Which do not change in total during a given period despite changes in output
- (D) Which remains same for each unit of output

30. A company makes a single product and incurs fixed costs of Rs. 30,000 per annum. Variable Cost per unit is Rs. 5 and each unit sells for Rs. 15. Annual sales demand is 7,000 units. The break-even point is :
- (A) 2,000 units
 (B) 3,000 units
 (C) 4,000 units
 (D) 6,000 units
31. When P/V Ratio is 25% and BEP is Rs. 50,000 then fixed cost will be :
- (A) Rs. 1,00,000
 (B) Rs. 1,25,000
 (C) Rs. 2,00,000
 (D) Rs. 20,000
32. Period Costs are :
- (A) Variable Costs
 (B) Fixed Costs
 (C) Prime Costs
 (D) Overhead Costs
33. In process costing, if an abnormal loss arises, the Process Account is generally :
- (A) Debited with scrap value of the abnormal loss units
 (B) Debited with the full production cost of the abnormal loss units
 (C) Credited with the scrap value of the abnormal loss units
 (D) Credited with the full production cost of the abnormal loss units
34. Which of the following organisations should NOT be advised to use service costing ?
- (A) Distribution Service
 (B) Hospital
 (C) Maintenance division of a manufacturing company
 (D) A light engineering company
35. In 'make or buy' decision, it is profitable to buy from outside only when the supplier's price is below the firm's own :
- (A) Fixed Cost
 (B) Variable Cost
 (C) Total Cost
 (D) Prime Cost
36. On an equity share of Rs. 10, the company has called up Rs. 8 but only Rs. 7 has been received by the company. The share capital account should be credited by :
- (A) Rs. 100
 (B) Rs. 8
 (C) Rs. 7
 (D) Rs. 2

37. Which of the following errors is revealed by Trial Balance ?

- (A) Wrong amount entered in the book of original entry
- (B) Wrong amount entered in the ledger account
- (C) Complete omission of an entry from the book of original entry
- (D) None of the above

38. Gross Profit Ratio is the Ratio of :

- (A) Gross profit to net sales
- (B) Gross profit to net credit sales
- (C) Gross profit to net cash sales
- (D) Gross profit to gross sales

39. Issue of share capital in consideration of purchase of plant and machinery results into :

- (A) Source of fund
- (B) Application of fund
- (C) Flow of fund
- (D) No flow of fund

40. Which of the following items is NOT added to net profit for computing the amount of funds from operations ?

- (A) Depreciation on machinery
- (B) Profit on the sale of machinery
- (C) Goodwill written off
- (D) Loss on the sale of furniture

41. Which of the following test is used to test the significance of the coefficient of association ?

- (A) Z-test
- (B) t-test
- (C) F-test
- (D) Chi-square test

42. The following frequency distribution is classified as :

X	F
12	2
17	5
18	7
20	8
21	9

- (A) Continuous distribution
- (B) Discrete distribution
- (C) Cumulative distribution
- (D) Non-cumulative distribution

43. Median of the data 1, 5, 4, 3, 2 is :

- (A) 1
- (B) 5
- (C) 3
- (D) 4

44. Standard Deviation of 5, 5, 5, 5, 5, 5 is :

- (A) 0
- (B) 5
- (C) 1
- (D) 6

45. In symmetric distribution relation among Mean, Median and Mode will be :
- (A) Mean = Median = Mode
 (B) Mean is greater than Median
 (C) Median is greater than Mode
 (D) Mode is less than Mean
46. If correlation coefficient between two variable is zero, then the variables are :
- (A) Independent
 (B) Dependent
 (C) Uncorrelated
 (D) Controlled
47. In a Regression Line Y on X, the variable X is known as :
- (A) Independent Variable
 (B) Dependent Variable
 (C) Explanatory Variable
 (D) Nominal Variable
48. Level of significance is probability of :
- (A) Type I Error
 (B) Type II Error
 (C) Not Committing Error
 (D) None of these
49. Degree of Freedom of Chi-square in case of contingency table of order 4×3 are :
- (A) 12
 (B) 9
 (C) 8
 (D) 6
50. Sum of Square of the deviations is minimum when deviations are taken from :
- (A) Mean
 (B) Median
 (C) Mode
 (D) Zero
51. A shopkeeper bought 600 bananas at the rate of Rs. 16 a dozen. He sold 200 bananas of them at 4 for Rs. 5 and the remaining bananas at 2 for Rs. 3. His gain or loss percent is :
- (A) 6.25% gain
 (B) 5.50% loss
 (C) 5.50% gain
 (D) 6.25% loss
52. Value of $\log_{10}(1000)$ is :
- (A) 1
 (B) 10
 (C) 3
 (D) 100

53. Rs. 2,000 is invested at an annual rate of interest of 10%. What will be the amount after 2 years if the compounding is done semi-annually?

- (A) Rs. 2,420
- (B) Rs. 2,431
- (C) Rs. 2,440
- (D) Rs. 2,442

54. If Set A = {1, 2, 3} and Set B = {3, 4, 5}, then the A union B ($A \cup B$) is :

- (A) {3}
- (B) {1, 2, 3}
- (C) {3, 4, 5}
- (D) {1, 2, 3, 4, 5}

55. If $f(x) = x - 5$ then the value of $f(-1)$ is :

- (A) -5
- (B) -6
- (C) 5
- (D) 6

56. The sum of two Matrix $A = \begin{bmatrix} 1 & 2 & 1 \\ 2 & 3 & 1 \\ 3 & 0 & 1 \end{bmatrix}$

and $B = \begin{bmatrix} 0 & 2 & 1 \\ 1 & 0 & 1 \\ 2 & 0 & 1 \end{bmatrix}$ is :

- (A) $\begin{bmatrix} 1 & 4 & 1 \\ 3 & 3 & 0 \\ 5 & 0 & 1 \end{bmatrix}$

(B) $\begin{bmatrix} 1 & 2 & 1 \\ 3 & 3 & 2 \\ 5 & 0 & 0 \end{bmatrix}$

(C) $\begin{bmatrix} 1 & 4 & 2 \\ 3 & 3 & 2 \\ 5 & 0 & 2 \end{bmatrix}$

(D) $\begin{bmatrix} 1 & 2 & 2 \\ 2 & 3 & 1 \\ 3 & 0 & 2 \end{bmatrix}$

57. Value of $\lim_{x \rightarrow 2} \frac{x^2 - 4}{x - 2}$ is :

- (A) 2
- (B) 5
- (C) 8
- (D) 4

58. Value of ${}^7C_0 : {}^6P_0$ is :

- (A) 1
- (B) 5
- (C) 7
- (D) 0

59. Derivative of 5, $\frac{d5}{dx}$ is :

- (A) 5
- (B) 1
- (C) 0
- (D) 5x

60. Integral of $6, \int 6 dx =$
- (A) $6x + C$
 - (B) $6 + C$
 - (C) $36 + C$
 - (D) C
61. The oldest form of business organisation is :
- (A) Joint Stock Company
 - (B) Partnership
 - (C) Sole Proprietorship
 - (D) Joint Venture
62. The liability of a sole proprietor is :
- (A) Limited to the extent of the capital invested in the business
 - (B) Limited to the extent of value of business assets
 - (C) Limited to the extent of value of business assets and his all personal assets
 - (D) Limited to the extent of value of business assets, his all personal assets and his parents personal assets
63. The maximum number of partners in a firm for a general business is :
- (A) 7
 - (B) 10
 - (C) 20
 - (D) 50
64. The maximum number of partners in a firm has been specified by :
- (A) The Partnership Act, 1932
 - (B) The Companies Act, 2013
 - (C) The Contract Act, 1872
 - (D) The Income Tax, 1961
65. Which of the following statement is NOT true with reference to Limited Liability Partnership (LLP) ?
- (A) The liability of some partners is limited
 - (B) Easy to establish, manage and run
 - (C) The maximum number of partners is limited
 - (D) Partners are not liable for the act of other partners
66. The maximum number of directors in a private limited company is :
- (A) 2
 - (B) 7
 - (C) 15
 - (D) 20
67. The maximum number of members permitted for a Private Limited Company is :
- (A) 20
 - (B) 50
 - (C) 200
 - (D) Unlimited

68. Which of the following statements is NOT true with reference to One Person Company (OPC) ?
- (A) It is incorporated as a private limited company
 - (B) The member should be natural person, Indian citizen and resident in India
 - (C) It can have minimum of 2 directors
 - (D) It must have only one member at any point of time
69. Which of the following management functions are closely related ?
- (A) Planning and organising
 - (B) Staffing and control
 - (C) Planning and control
 - (D) Planning and staffing
70. The opportunity cost approach in human resource accounting was introduced by :
- (A) Hekimian and Jones
 - (B) Rensis Likert
 - (C) Eric G. Flamholtz
 - (D) William C. Pyle
71. The main drawback of functional organisation developed by Taylor is that it fails to recognise the :
- (A) Scalar principle
 - (B) Principle of equity
 - (C) Principle of unity of command
 - (D) Principle of **esprit de corps**
72. In Taylor's Functional Foremanship, the repairs and maintenance of machine is looked after by :
- (A) Speed Boss
 - (B) Repair Boss
 - (C) Gang Boss
 - (D) Inspector
73. Effective supervision is an activity of :
- (A) Organisation function
 - (B) Staffing function
 - (C) Direction function
 - (D) Control function
74. Delegation of authority depends on the subordinate's :
- (A) Training
 - (B) Educational qualification
 - (C) Ability and potential
 - (D) Social contacts

75. The main advantage of line organisation is ;
- (A) Well defined fixed responsibility
 - (B) Specialisation
 - (C) Expert advice
 - (D) Simplicity
76. What is Repo Rate ?
- (A) It is a rate at which RBI sell government securities to banks
 - (B) It is a rate at which banks borrow rupees from RBI
 - (C) It is the rate at which RBI allows small loans in the market
 - (D) It is a rate which is offered by banks to their most valued customers
77. Which is the first bank to introduce credit card in India ?
- (A) Canara Bank
 - (B) Central Bank of India
 - (C) Bank of Baroda
 - (D) ICICI Bank
78. How many digits are there in IFSC Code ?
- (A) 10
 - (B) 11
 - (C) 12
 - (D) 13
79. Which among the following is incorrect ?
- (A) RBI is the Bank of Issue
 - (B) RBI acts as Banker to the Government
 - (C) RBI is Banker's Bank
 - (D) RBI does not regulate the flow of credit
80. Which one of the following does not belong to the main products of life insurance ?
- (A) Endowment
 - (B) Personal accident insurance
 - (C) Term
 - (D) Whole life
81. When was Life Insurance sector nationalised ?
- (A) 1834
 - (B) 1907
 - (C) 1938
 - (D) 1956
82. Which is the apex institution to provide credit facility of agriculture and rural development ?
- (A) NABARD
 - (B) State Bank of India
 - (C) Reserve Bank of India
 - (D) National Cooperative Bank of India

83. Lead Bank system was started on the recommendations of :
- (A) Raja Chellaia Committee
 - (B) Kelkar Committee
 - (C) Nariman Committee
 - (D) Malhotra Committee
84. Which method is followed by the Reserve Bank of India for issuing currency ?
- (A) Gold Reserve System
 - (B) Proportional Reserve System
 - (C) Minimum Reserve System
 - (D) Fixed Fiduciary System
85. What does RBI regulate through Open Market Operation Transactions ?
- (A) Flow of Foreign Direct Investment
 - (B) Borrowing powers of banks
 - (C) Inflation
 - (D) Liquidity in economy
86. When the consent of a party is not free, the contract is :
- (A) Void
 - (B) Voidable
 - (C) Valid
 - (D) Illegal
87. A threatens to kill B if he does not sell his horse to him for Rs. 1,000 only. Here B's consent is obtained by :
- (A) Undue influence
 - (B) Fraud
 - (C) Coercion
 - (D) Pressure
88. Under Section 2(2) of the Sale of Goods Act, 1930, 'delivery' means :
- (A) Gratuitous transfer of possession from one person to another
 - (B) Involuntary transfer of possession from one person to another
 - (C) Voluntary transfer of possession from one person to another
 - (D) Transfer of possession irrespective of whether it is gratuitous, involuntary or voluntary from one person to another
89. 'No one on the organisation should have more than one boss' is a statement of :
- (A) Principle of specialisation
 - (B) Principle of authority
 - (C) Principle of unity of command
 - (D) Principle of span of control

90. Studying the future and arranging the means for dealing with it is part of the process of :
- (A) Organising
 - (B) Commanding
 - (C) Controlling
 - (D) Planning
91. Profit shown by absorption costing will tend to exceed profit shown by marginal costing method if :
- (A) Units produced exceed units sold
 - (B) Variable manufacturing costs decrease
 - (C) Units sold exceeds units produced
 - (D) Fixed manufacturing costs decrease
92. If a general manager asks the sales manager to recruit some salesmen on his behalf, it is an instance of :
- (A) Division of authority
 - (B) Decentralisation of authority
 - (C) Delegation of authority
 - (D) Delegation of responsibility
93. The concept of Managerial Grid has been propounded by :
- (A) Black and Mouton
 - (B) Likert
 - (C) Fiedler
 - (D) Vroom
94. For the success of business plan, the goals should be :
- (A) Generalised
 - (B) Limitless
 - (C) Specific
 - (D) Imaginary
95. Which of the following is the most important for the entrepreneur, while starting a new venture, to make an assessment ?
- (A) Risk
 - (B) Profit
 - (C) Social Status
 - (D) Competitors
96. Entrepreneurship can best be described as :
- (A) A process that requires setting up a business
 - (B) Taking a significant risk in a business context
 - (C) Having a strong vision
 - (D) A process involving innovation, new products or services and value creation

97. The headquarters of Investment Information and Credit Rating Agency (ICRA) Limited is located in :
- (A) Mumbai
 - (B) Gurugram
 - (C) Noida
 - (D) New Delhi
98. SMERA is a joint initiative between :
- (A) SIDBI and Leading Public Sector Banks
 - (B) Dun and Bradstreet Information Services India Private Limited (D & B) and Leading Private Banks
 - (C) RBI and SEBI
 - (D) Both (A) and (B)
99. Which one of these is the most important external factor governing recruitments ?
- (A) Sons of soil
 - (B) Labour market
 - (C) Unemployment Rate
 - (D) Supply and demand
100. Which of the following refers to the process of identifying and attracting job seekers so as to build a pool of qualified job applicants ?
- (A) Selection
 - (B) Training
 - (C) Recruitment
 - (D) Induction

SPACE FOR ROUGH WORK

SEAL