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### For Admission in

CA – CPT, IPCC, Final

CS – Foundation, Executive, Professional

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**From 30<sup>th</sup> December 2013**

**Session 1<sup>st</sup>**  
**Part A – Fundamentals of Accounting**

1. If nothing is given in the financial statements about the three accounting assumptions then it is to be treated as it
  - a) Is assumed that it is not followed
  - b) **Is assumed to be followed**
  - c) Is assumed to be followed to some extent
  - d) None of the above
  
2. The proprietor of the business is treated as creditor for the capital introduced by him due to concept.
  - a) Money measurement
  - b) Cost
  - c) **Entity**
  - d) Dual aspect
  
3. Accounting has universal application in Recording \_\_\_\_\_ and events for have adequate information:
  - a) **Trasanction**
  - b) Accounting standards
  - c) Accounting policies
  - d) Accounting conventions
  
4. An Asset purchased for Rs.60,000 and paid Rs.10,000 and remaining amount is payable in installments. This effect leads to \_\_\_\_\_
  - a) **Both assets & Liabilities increased by Rs.50,000**
  - b) Both assets & Liabilities Decreased by Rs.50,000
  - c) Assets Increased by Rs.10,000 & Liabilities Decreased by Rs.10,000
  - d) Assets Increased by Rs.50,000 & Liabilities Decreased by Rs.50,000
  
5. Renewal fee of patents is a \_\_\_\_\_ expenditure.
  - a) Capital
  - b) **Revenue**
  - c) Deffered revenue
  - d) Development
  
6. A Bill is Discounted Rs.10,000. Where is it shown at the time of preparation of balance sheet?
  - a) Liability side of balance sheet
  - b) Assets side of balance sheet
  - c) **Foot note to Balance sheet**
  - d) Debit side of profit & loss A/c
  
7. Expenditure spend for Increasing the cinema hall seats is called \_\_\_\_\_
  - a) **Capital expenditure**
  - b) Revenue expenditure
  - c) Deffered revenue expenditure
  - d) None of the above
  
8. Which accounting concept specifies the practice of crediting closing stock to the trading account?
  - a) Cost
  - b) Realisation
  - c) Going concern
  - d) **Matching**

9. Goods purchased costing Rs.60,000 and cash paid Rs.45,000 after receipt of a cash discount Rs.9,000. What is the percentage of trade discount got \_\_\_\_\_
- |         |        |
|---------|--------|
| a) 15 % | b) 10% |
| c) 7½%  | d) 25% |
10. \_\_\_\_\_ is prepared to ascertain the arithmetical accuracy of posting & balancing of accounts.
- |                         |                                  |
|-------------------------|----------------------------------|
| a) Cash book            | b) Journal                       |
| c) <b>Trial Balance</b> | d) Bank Reconciliation statement |
11. Consistency with reference to application of accounting procedures means:
- |   |
|---|
| a) All companies in the same Industry should use identical accounting procedures              |
| b) Income & assets have not been overstated   |
| c) <b>Accounting methods &amp; procedures shall be followed uniform basis year after year</b> |
| d) Any accounting method can be followed as per convenience                                   |
12. Salaries paid Rs.4,500 is shown on credit side of Trail Balance. The Debit side of Trial Balance will be \_\_\_\_\_
- |                             |                       |
|-----------------------------|-----------------------|
| a) Short by Rs.4,500        | b) Excess by Rs.4,500 |
| c) <b>Short by Rs.9,000</b> | d) Excess by Rs.9,000 |
13. Wages paid Rs.2,500 for Installation of new machinery wrongly debited to wages A/c instead of machinery A/c. It is an error of \_\_\_\_\_
- |                     |                    |
|---------------------|--------------------|
| a) Omission         | b) Commission      |
| c) <b>Principle</b> | d) Clerical errors |
14. Petty cash book is used to record \_\_\_\_\_
- |   |                             |
|---|-----------------------------|
| a) <b>Expenses for postage and conveyance</b> | b) Purchase of Raw material |
| c) Paid salaries                              | d) None of the above        |
15. Rectification of errors are first entered in:
- |                          |                     |
|--------------------------|---------------------|
| a) <b>Journal proper</b> | b) Subsidiary books |
| c) Trial balance         | d) Ledger           |
16. Which Accounts are used to prepare Bank Reconciliation statement?
- |                                 |  |
|---------------------------------|--|
| a) Cash column & Bank statement | b) <b>Bank column &amp; Bank Statement</b> |
| c) Cash column & Bank Balance   | d) None of the above                       |
17. On 31-03-13 balance of Cash book is Rs.7,074 (Credit), balance as per bank statement is Rs.3,159 (Debit). On scrutiny it was found that, it was due to cheques issued but not yet presented. Bank balance on 31-03-13 to be shown in Balance sheet is \_\_\_\_\_
- |                              |                          |
|------------------------------|--------------------------|
| a) Bank O.D. Rs.3,159        | b) Cash at Bank Rs.7,074 |
| c) <b>Bank O.D. Rs.7,074</b> | d) Cash at Bank Rs.3,159 |
18. The credit balance as per pass book of 'X' was Rs.65,000. Cheques issued but not paid Rs.75,800. Cheques deposited by one of the customers of bank but wrongly credited in 'X' A/c Rs.20,600. The balance as per cash book is \_\_\_\_\_
- |                      |                               |
|----------------------|-------------------------------|
| a) Rs.31,400 Debit   | b) <b>Rs.31,400 Overdraft</b> |
| c) Rs.1,20,000 Debit | d) Rs. 10,400 Overdraft       |

19. The opening stock is overstated by Rs.10,000 and closing stock is understated by Rs.15,000. The impact on the net profit of the current year is
- |                          |                                 |
|--------------------------|---------------------------------|
| a) Rs.5,000 overstated   | b) Rs.25,000 overstated         |
| c) Rs. 5,000 understated | <b>d) Rs.25,000 understated</b> |

20. Net realizable value is \_\_\_\_\_
- Estimated selling price
  - Estimated cost price plus marketing cost
  - Estimated selling price less cost incurred in order to make sale**
  - Estimated selling price plus cost incurred in order to make sale

21. The value of inventory as on Apr.04 is Rs.1,60,000. The following transactions takes place during Apl.01 to Apl.04. The value of stock sold is Rs.40,000. The mode of sale is as follows:-
- The damaged goods are sold for Rs.15,000, Sold at 25% below cost.
  - The remaining goods are sold at cost plus 25%.

The value of stock as on 31<sup>st</sup> March is (Damaged goods valued at NRV) \_\_\_\_\_

- |                |                       |
|----------------|-----------------------|
| a) Rs.2,00,000 | <b>b) Rs.1,95,000</b> |
| c) Rs.2,05,000 | d) None of the above  |
22. Where a machine produces products of uniform size, the method of depreciation to be applied \_\_\_\_\_
- |                        |                            |
|------------------------|----------------------------|
| a) Machine Hour method | b) Annuity method          |
| c) Sinking fund method | <b>d) Production units</b> |

23. Which of the following is the meaning for the entry recorded in the machinery A/c?

Dr			Machinery A/c Cr		
Date	Particulars	Rs.	Date	Particulars	Rs.
			31-3-13	By P & L A/c	5000

- Portion of sale of machinery transferred to Profit & Loss A/c
  - Machinery of Rs.5,000 sold
  - Machinery of Rs.5,000 purchased
  - Loss on sale of machinery transferred to P & L A/C**
24. Provision for depreciation A/c is created by debiting to
- |                                    |                                 |
|------------------------------------|---------------------------------|
| a) Machinery A/c                   | <b>b) Profit &amp; Loss A/c</b> |
| c) Profit & Loss Appropriation A/c | d) None of these                |
25. If depreciation is charged at a fixed rate, then depreciation in SLM method, when compared to WDV is
- Equal in the first year & Less in subsequent years
  - Less in the first year & More in subsequent years
  - Equal in the first year & More in subsequent years**
  - More in the first year & Less in subsequent years

26. For a depreciable asset, obsolescence is due to
- |                                 |                      |
|---------------------------------|----------------------|
| a) Passage of time              | b) Wear & Tear       |
| c) <b>Technological Changes</b> | d) None of the above |
27. \_\_\_\_\_ method is used when repairs and Maintenance goes on increase.
- |                         |                            |
|-------------------------|----------------------------|
| a) SLM method           | b) <b>WDV method</b>       |
| c) Machine hours method | d) Production units method |
28. Fixed assets are held by business for \_\_\_\_\_
- |                         |                              |
|-------------------------|------------------------------|
| a) Converting into cash | b) <b>Generating revenue</b> |
| c) Resale               | d) None of the above         |
29. Change in the capital A/c of proprietor may occur due to \_\_\_\_\_
- |                       |                            |
|-----------------------|----------------------------|
| a) Profit earned      | b) Loss incurred           |
| c) Capital Introduced | d) <b>All of the above</b> |
30. The manager earned a commission of Rs.25,000, which is based on 10% of Net Profit. If sales is Rs. 3,50,000 is more than purchases. No opening & closing stock. Find Direct & Indirect expenses?
- |                |                       |
|----------------|-----------------------|
| a) Rs.75,000   | b) <b>Rs.1,00,000</b> |
| c) Rs.2,50,000 | d) Not attainable     |
31. Which of the following are current assets?
- |                             |                     |
|-----------------------------|---------------------|
| 1) Accounts receivable      |                     |
| 2) Salaries paid-in-advance |                     |
| 3) Bank Loan for 3 years    |                     |
| 4) Preliminary expenses     |                     |
| a) <b>1 &amp; 2</b>         | b) 2 & 3            |
| c) 3 & 4                    | d) All of the above |
32. On 31-3-13, prepaid expenses A/c (2012-13) shows a closing balance of Rs.5,000. It means:
- |   |
|---|
| a) Expenses transferred from previous years for Accounting in current year          |
| b) Expenses transferred to next year for Accounting in that year only               |
| c) <b>Expenses transferred to next year for accounting in that (or) future year</b> |
| d) Expenses to be transferred to P & L A/c of current year.                         |
33. In Profit & Loss a/c, Selling & Distribution expenses does not include \_\_\_\_\_
- |                          |                           |
|--------------------------|---------------------------|
| a) Commission on sale    | b) Packing expenses       |
| c) <b>Legal expenses</b> | d) Advertisement expenses |
34. Which of the following are not miscellaneous expenses?
- |  |
|--|
| a) Preliminary expenses                      |
| b) Amount spent for research & development   |
| c) Brokerage on Issue of shares & Debentures |
| d) <b>Goodwill yet to be written off</b>     |
35. Which of the following is false?
- |  |
|--|
| a) Assets can be arranged in the order of their liquidity. |
| b) Balance sheet can be prepared vertically                |
| c) <b>Intangible asset is not an asset</b>                 |
| d) None of these   |

36. Given : profit Rs.20,000, capital Rs. 1,00,000 and liabilities Rs. 50,000 then assets will be:
- |                        |                |
|------------------------|----------------|
| a) <b>Rs. 1,70,000</b> | b) Rs.1,30,000 |
| c) Rs. 70,000          | d) Rs. 30,000  |
37. A & B have started a Joint Venture for purchase & Sale of garments. Initial capital contribution was Rs.25,000 & Rs.50,000. There is no written agreement about share of P & L among them. They purchased garments worth Rs.50,000 & sold for Rs.75,000, the profit to be shared among them is
- |                                     |                          |
|-------------------------------------|--------------------------|
| a) Rs.8,333 & Rs.16,667             | b) Rs.10,000 & Rs.15,000 |
| c) <b>Rs.12,500 &amp; Rs.12,500</b> | d) Rs.20,000 & Rs.5,000  |
38. On 1<sup>st</sup> April, Mr.A sold goods of Rs.10,000 to B and drew a bill for 3 months. Mr. A discounted the bill with bank at 15%. Amount of discount will be?
- |                  |           |
|------------------|-----------|
| a) Rs. 125       | b) Rs.250 |
| c) <b>Rs.375</b> | d) None   |
39. In Joint Venture the minimum number of coventureres is :
- |             |      |
|-------------|------|
| a) <b>2</b> | b) 5 |
| c) 7        | d) 4 |
40. Retirement of a Bill means \_\_\_\_\_
- |                       |  |
|-----------------------|--|
| a) Discounting a Bill | b) Dishonour of a bill                 |
| c) Renewal of a bill  | d) <b>Payment made before due date</b> |
41. If the goods sent on approval, two vehicles of Rs.55,000 each, are recorded as Rs.75,000 each, then the cost of goods lying with customers is
- |                       |                |
|-----------------------|----------------|
| a) <b>Rs.1,10,000</b> | b) Rs.55,000   |
| c) Rs.75,000          | d) Rs.1,50,000 |
42. What are the options available to the holder of a bill in the bills of exchange (Besides retaining the bill, till the due date)?
- |                               |                                |
|-------------------------------|--------------------------------|
| a) Discount with bank         | b) Sent to bank for collection |
| c) Endorse it to his creditor | d) <b>All of these</b>         |
43. Which of the following is true?
- |   |
|---|
| a) Co-venturers always share profits equally            |
| b) Number of Co-venturers can never be more than two    |
| c) Relation between co-Venturers is principal and Agent |
| d) <b>Co-ventures may provide funds</b>                 |
44. Delcredere commission 10% is to be calculated on Rs.1,00,000 of cash sales and on Rs.50,000 of credit sales, then the commission will be
- |              |                      |
|--------------|----------------------|
| a) Rs.10,000 | b) <b>Rs.15,000</b>  |
| c) Rs.5,000  | d) None of the above |

45. Karthik and Dhoni entered into Joint venture, sharing profits & Losses in the Ratio of 2:1. Karthik purchased goods Rs.2,00,000 and entitled to 1% commission on purchases. Dhoni sold goods for Rs.2,50,000 and entitled to get a commission 5% on sales. The profit on venture will be \_\_\_\_\_
- a) **Rs.35,500** b) Rs.34,000  
c) Rs.36,000 d) Rs.38,000
46. Overriding commission is a commission, that is \_\_\_\_\_
- a) Calculated on gross sales b) Calculated on credit sales  
c) **Allowed for selling goods above invoice price** d) None of the above
47. Which of the following should be valued compulsory at the time of admission of a partner \_\_\_\_\_
- a) **Goodwill** b) Plant & machinery  
c) Land & Buildings d) Furniture & fillings
48. A & B are equal partners. They admitted 'C' for  $\frac{1}{7}$  share. The new Ratio of A & B is
- a)  $\frac{4}{7}, \frac{1}{7}$  b)  $\frac{3}{7}, \frac{3}{7}$   
c)  $\frac{6}{7}, \frac{1}{7}$  d)  $\frac{1}{7}, \frac{4}{7}$
49. C & D are the partners of a firm, who share profits & losses in the ratio of 5:3. D is entitled to get 5% commission. The net profit of the year is Rs.33,600 before charging such commission. Find the share of the profits of C & D.
- a) C 20,000 & D 12,000 b) **C 19,950 & D 11,970**  
c) C 21,000 & D 12,600 d) C 21,600 & D 12,000
50. In which method, Joint life policy premium paid is treated as an expense and not as an asset?
- a) **Ordinary expense method** b) Surrender value method  
c) Joint life policy reserve method d) None of the above.
51. Preference shares can be redeemed, unless they are
- a) Partly paid b) **Fully paid**  
c) Transferred d) Re-issued
52. Underwriting commission will not be paid on shares taken by
- a) Promoters b) Employees  
c) Directors d) **All of these**
53. Debentures are shown under the heading \_\_\_\_\_
- a) **Secured Loans** b) Reserves & surplus  
c) Capital Reserve d) Current liabilities
54. A LTD before commencing business, can it issue the shares at discount?
- a) Possible  
b) **Not possible**  
c) Possible with the permission of stock exchange  
d) Possible With the approval of shareholders and with the permission of Government.



55. In Balance sheet \_\_\_\_\_ is not shown
- |                       |                             |
|-----------------------|-----------------------------|
| a) Authorised Capital | b) <b>Un-issued capital</b> |
| c) Subscribed capital | d) Paid-up capital          |
56. Which of the following is not correct for debentures Issue?
- a) They can be issued for cash
- b) They can be issued for consideration other than cash
- c) A company can buy its own debentures
- d) **Can be issued in lieu of dividend**
57. Which is not a feature of company:
- a) Separate legal entity
- b) Perpetual existence
- c) Incorporated Association
- d) **No separation between management & Ownership**
58. A company issued shares for 5,000 but applications are received for 7,500 shares. Mr. X applied for 600 shares. How many shares he will get & how much amount is transferred to allotment money, where application money is Rs.3 per share?
- |                                   |                        |
|-----------------------------------|------------------------|
| a) <b>400 shares &amp; Rs.600</b> | b) 600 shares & Rs.600 |
| c) 500 shares & Rs.300            | d) None of the above   |
59. Ram Ltd. has issued 15% Debentures of Rs.20,00,000 at a Discount of 10% on April, 2012. The company pays interest half yearly on June 30<sup>th</sup> & Dec 31<sup>st</sup> every year. On March 31<sup>s</sup>, 2013. The amount shown as interest accrued is \_\_\_\_\_
- |                |                     |
|----------------|---------------------|
| a) Rs.2,25,000 | b) <b>Rs.75,000</b> |
| c) Rs.3,00,000 | d) Rs.1,50,000      |
60. Uma, being a holder of 1000 shares of Rs.20 each issued at a discount of 10% per share. She did not pay the allotment money of Rs.4 per share and first call of Rs.8 per share. At the time of forfeiture, the discount on the shares must be \_\_\_\_\_
- |                             |                     |
|-----------------------------|---------------------|
| a) <b>Credited Rs.2,000</b> | b) Debited Rs.2,000 |
| c) Credited Rs.1,000        | d) None of these    |



70. Karthik is the coach of Sachin a minor, who joined for Hockey coaching. The Fees is 10,000. The Contract is \_\_\_\_\_
- a) Void Agreement  
b) Contingent Contract  
c) **Quasi Contract**  
d) Wagering Agreement
71. A, B, C are partners. They promised to give 60,000 to D. If C dies, who will Perform the Contract?
- a) A, B  
b) **A, B and C's legal representatives**  
c) A, B do not perform  
d) None of the above
72. X & Y entered into an agreement to buy an imported car for Rs.30,000. Later on they cancelled the agreement. This is known as \_\_\_\_\_
- a) **Rescission**  
b) Remission  
c) Alteration  
d) Novation
73. A holds a house on lease. After that he buys the house and became owner. The contract is discharged by \_\_\_\_\_
- a) Rescission  
b) **Merger**  
c) Waiver  
d) Remission
74. A contract entered between promisor and promisee becomes impossible to perform due to destruction of subject matter. In this case \_\_\_\_\_
- a) Promisee is entitled for compensation  
b) Contract continues to be valid  
c) **Contract becomes void**  
d) None of the above
75. Which of the following Damages are punishment in nature?
- a) **Vindictive Damages**  
b) Nominal Damages  
c) Special Damages  
d) Ordinary Damages
76. \_\_\_\_\_ is a game of chance.
- a) Conditional Contract  
b) Contingent Contract  
c) **Wagering Agreement**  
d) Quasi Contract
77. A stipulation in a contract of sale with reference to the goods which may be \_\_\_\_\_
- a) Fair price  
b) Lawful price  
c) **Condition (or) warranty**  
d) Delivery
78. Under the sale of goods act 1930, the seller in a contract of sale transfers the \_\_\_\_\_ in goods to the buyer for a price.
- a) Possession  
b) Control  
c) Rights  
d) **Property**
79. If the goods completely perish before contract of sale, the contract becomes.
- a) Valid  
b) **Void**  
c) Voidable  
d) Unenforceable

80. When a person sells the goods by infringing the copyright or trademark of the others, there is breach of an implied \_\_\_\_\_
- |                                    |                                |
|------------------------------------|--------------------------------|
| a) <b>Condition as to title</b>    | b) Condition as to description |
| c) Condition as to merchantability | d) None of these               |
81. Conditions which are presumed by law to be present in a contract are \_\_\_\_\_
- |                         |                              |
|-------------------------|------------------------------|
| a) Express Conditions   | <b>b) Implied Conditions</b> |
| c) Qualified Conditions | d) Unqualified Conditions    |
82. The Doctrine of Caveat Emptor applies to the sale where \_\_\_\_\_
- |  |
|--|
| a) The Buyer Expressly informed the seller the particular purpose for which the goods are being bought |
| b) Sale under a Patent or Trade Name   |
| <b>c) When the good is of merchantable quality and the buyer has examined the good.</b>                |
| d) None of the above   |
83. Seller sends the goods to the buyer at larger (or) smaller quantity than ordered quantity. The option to the buyer is \_\_\_\_\_
- |   |                               |
|---|-------------------------------|
| a) Reject the whole quantity                    | b) Accepts the whole quantity |
| <b>c) Accept (or) Reject the whole quantity</b> | d) All of the above           |
84. The Goods are damaged after Sale. The Risk is to be borne by \_\_\_\_\_
- |                      |                      |
|----------------------|----------------------|
| <b>a) Buyer only</b> | b) Seller only       |
| c) Both (a) & (b)    | d) None of the above |
85. Q sells 100 tones of rice to P at Rs.50,000 per tone. P makes the full payment and says that he will take the goods on next week. Before P could take the goods, the goods are destroyed. The loss will be borne by \_\_\_\_\_
- |                       |         |
|-----------------------|---------|
| <b>a) P</b>           | b) Q    |
| c) Both P & Q equally | d) None |
86. Right of general lien cannot be exercised by \_\_\_\_
- |                      |                 |
|----------------------|-----------------|
| a) Factor            | b) Banker       |
| <b>c) Auctioneer</b> | d) All of these |
87. Under Indian partnership act 1932, the Partnership can be formed between \_\_\_\_\_
- |   |
|---|
| <b>a) One Indian &amp; Two Foreigners</b>       |
| b) One major person and one unsound mind person |
| c) Convicts undergoing Imprisonment             |
| d) None of the above                            |
88. The Mode of determining the existence of partnership is \_\_\_\_
- |  |
|--|
| a) Real relation between them  |
| b) Sharing of profits  |
| c) Business is to carried on by all (or) any of them acting for all. |
| <b>d) All of the above</b>   |
89. Each partner in a firm is in the position of \_\_\_\_\_
- |                                      |                                |
|--------------------------------------|--------------------------------|
| a) Only agent                        | b) Only principal              |
| <b>c) Agent as well as principal</b> | d) Neither agent nor principal |

90. Which of the following is a form in which all the partners are signed?  
a) Pronote  
b) **Partnership Deed**  
c) MOA  
d) None
91. Dormant partner is also known as \_\_\_\_  
a) **Sleeping Partner**  
b) Active partner  
c) Nominal Partner  
d) Sub – Partner
92. In which of the following, the partnership duration is not fixed?  
a) Particular Partnership  
b) **Partnership at will**  
c) Fixed term partnership  
d) None of these
93. As per the agreement, profits should be shared equally but loss shall be borne by one partner. Then the partnership agreement is \_\_\_\_  
a) **Lawful**  
b) Illegal  
c) Void  
d) Voidable
94. Which of the following is within the scope of implied authority of a partner in a partnership firm?  
a) Enter into partnership on behalf of the firm.  
b) Admit any liability in a suit or proceeding against the firm;  
c) Acquire immovable property on behalf of the firm  
d) **Purchasing & selling goods, in which the firm deals.**
95. The liability of newly admitted partner arise from \_\_\_\_  
a) The Date of his admission  
b) **As per agreement**  
c) For the pre-existing debts of the firm  
d) All of the above
96. Robert is a sleeping partner in a firm. He detected a wrong in the accounts of the firm. So he wants to check the complete accounts of the firm. But the other partners objected it. Can the objection made by the other partners is correct or not?  
a) **Void, their objection is wrong.**  
b) Valid, they can object.  
c) Valid, they have the right not to give the accounts to the sleeping partner.  
d) None of the above
97. The status of a partner making advances to the firm in addition to his capital, then he is \_\_\_\_  
a) A Partner of the firm  
b) Employee of the Firm  
c) **Creditor of the firm**  
d) All of the above
98. The Un-registered firm does not have a \_\_\_\_  
a) **Right to file a suit on third party**  
b) Right to acquire property  
c) Right to Transfer property  
d) All of the above
99. For Dissolution of a firm, partners may apply to the court on the ground of \_\_\_\_  
a) Insanity of partner  
b) Misconduct of Partner  
c) Perpetual Losses in Business  
d) **All of the above**
100. The mode of dissolution of firm under Indian partnership Act 1932 is \_\_\_\_  
a) Illustrative  
b) **Inclusive**  
c) Exhaustive  
d) None of the above

**Answer Key - Part – A, Fundamental of Accounting**

1	B	2	C	3	A	4	A	5	B	6	C	7	A	8	D	9	B	10	C
11	C	12	C	13	C	14	A	15	A	16	B	17	C	18	B	19	D	20	C
21	B	22	D	23	D	24	B	25	C	26	C	27	B	28	B	29	D	30	B
31	A	32	C	33	C	34	D	35	C	36	A	37	C	38	C	39	A	40	D
41	A	42	D	43	D	44	B	45	A	46	C	47	A	48	B	49	B	50	A
51	B	52	D	53	A	54	B	55	B	56	D	57	D	58	A	59	B	60	A

**Answer Key - Part – A, Mercantile Law**

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



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12. Under which of the following forms of market structure does a firm has very considerable control over the price of its product?
- |                             |                        |
|-----------------------------|------------------------|
| a) <b>Monopoly</b>          | b) Perfect competition |
| c) Monopolistic competition | d) Oligopoly           |
13. The price of a commodity decreases from 10 to 8 and the quantity demanded of it increases from 25 to 30 units .Then the coefficient of price elasticity will be \_\_\_\_\_
- |        |              |
|--------|--------------|
| a) 1   | <b>b) -1</b> |
| c) 1.5 | d) -1.5      |
14. What is the elasticity between midpoint & upper extreme point of a straight line continuous demand curve?
- |                 |         |
|-----------------|---------|
| a) Infinite     | b) Zero |
| <b>c) &gt;1</b> | d) <1   |
15. The concept 'Returns to scale' is related with \_
- |                       |                      |
|-----------------------|----------------------|
| a) Very short period  | b) Short period      |
| <b>c) Long period</b> | d) None of the above |
16. In a Cobb – Douglas production function, two inputs are \_\_\_\_\_
- |                             |                              |
|-----------------------------|------------------------------|
| a) Land and Labour          | <b>b) Capital and Labour</b> |
| c) Capital and Entrepreneur | d) Entrepreneur and land     |
17. From which of the following the concept of consumer's surplus has been derived
- |   |                                |
|---|--------------------------------|
| <b>a) Law of diminishing marginal utility</b> | b) Law of demand               |
| c) Law of supply                              | d) Indifference curve analysis |
18. The Price line / Budget line of a consumer is
- |  |                        |
|--|------------------------|
| a) Parallel to x-axis                    | b) Parallel to Y- axis |
| <b>c) Straight line joining two axis</b> | d) None of the above   |
19. Production function is
- |  |
|--|
| <b>a) Purely technical relationship between input &amp; output</b> |
| b) Purely economic relationship between input & out put            |
| c) Both (a) & (b)  |
| d) None of these   |
20. Which statement among below is correct in reference to AFC?
- |                             |                             |
|-----------------------------|-----------------------------|
| a) Never becomes zero       | b) Curve never touch x-axis |
| c) Curve never touch y-axis | <b>d) All of these</b>      |
21. Innovation theory of entrepreneur is propounded by
- |                |                      |
|----------------|----------------------|
| a) Prof knight | <b>b) Schumpeter</b> |
| c) Max weber   | d) Peter Ducker      |
22. In a perfectly competitive markets , if MR is greater than MC then a firm should
- |                                   |                            |
|-----------------------------------|----------------------------|
| <b>a) Increase its production</b> | b) Decrease its production |
| c) Increase in sales              | d) Decrease in sales       |

23. Kinked demand curve is related to
- a) **Oligopoly**
  - b) Monopsony
  - c) Monopoly
  - d) Monopolistic competition
24. In long-run a monopolist always earn \_\_\_ profits
- a) Normal
  - b) **Abnormal**
  - c) Zero profit
  - d) Loss
25. If a seller obtains Rs.3,000 after selling 50 units and Rs.3,100 after selling 52 units then MR will be
- a) 59.62
  - b) **50.00**
  - c) 60.00
  - d) 59.80
26. Objectives of price discrimination in international market is
- a) To capture foreign markets
  - b) To dispose of surplus stock
  - c) To earn maximum profit
  - d) **All of the above**
27. Who is responsible for collecting & presenting statistics in India
- a) ISI
  - b) **CSO**
  - c) ICAER
  - d) NCERT
28. Value added method is used to measure\_\_
- a) **National Income**
  - b) Domestic Income
  - c) Gross Income
  - d) Personal Income
29. Direct taxes are\_\_\_ in nature
- a) **Progressive**
  - b) Regressive
  - c) Proportionate
  - d) Digressive
30. Land development bank provide loans for a period of\_\_\_\_\_
- a) One year
  - b) Two to five years
  - c) Five to seven years
  - d) **Fifteen to twenty years**
31. Which of the following is the largest contribution of GDP in India.
- a) Agriculture
  - b) Tourism
  - c) Industries
  - d) **Service**
32. National Income differs from Net National Product at market price by the amount of
- a) **Net indirect taxes**
  - b) National debt interest
  - c) Subsidies
  - d) Current transfers from the rest of the world
33. The production method of calculating national income is also known as \_\_\_\_\_
- a) **Value added method**
  - b) Income method
  - c) Expenditure method
  - d) None of the above

34. Which of the following type land tenure system were prevailed in India at the time independence?  
a) Zamindari System  
b) Mahalwari System  
c) Ryotwari System  
d) **All of the above**
35. Censuses of population is done in India at an interval of \_\_\_\_  
a) 5 years  
b) **10 years**  
c) 15 years  
d) None of the above
36. Which index is used to measure inequality of income and wealth?  
a) **Gini index**  
b) Price index  
c) Both (a) & (b)  
d) None of the above
37. Fiscal deficit can be reduced by\_\_\_\_  
a) Increasing subsidy  
b) Restrict privatization  
c) **Reprioritize planning scheme**  
d) Reduction of tax revenue
38. When price rise because of growing factor prices then that inflation is called as  
a) Deflation  
b) Demand full inflation  
c) Stagflation  
d) **Cost push inflation**
39. Under strategic sale method disinvestment price is fixed on\_\_\_\_  
a) Prevailing price  
b) Estimated rate  
c) Pre-determined rate  
d) **Market based rate**
40. Which of the following is not a component of demand pull inflation  
a) An increase in the government expenditure with no change in tax rate  
b) A downward shift of saving function  
c) **A rise in money wage rate**  
d) An upward shift of investment function
41. Convertibility of rupee means \_\_\_\_  
a) Determine its own exchange rate in international market  
b) **Conversion of rupee into various Foreign currencies**  
c) Transfer of funds in international market  
d) None of the above
42. Globalization means\_\_\_\_\_  
a) Creation of global trading blocks  
b) **Dismantling trade barriers**  
c) Introducing single currency in the world  
d) None of the above
43. Fiscal policy means  
a) Policy related to money matter  
b) **Policy related to income and expenditure of the government**  
c) Policy related to disbursement of funds to state government  
d) Policy related to foreign trade matters

44. The term disinvestment is more popularly used
- Where a holding company sells shares of a subsidiary company
  - Where a investment company off loads its holding
  - Where central / State government sells its holding of public sector companies**
  - None of the above
45. One major proposal of new industrial policy (1991) was
- Impose restriction on technical know-how for one year
  - All types of industries have been made licensed
  - NRI'S will not be allowed for capital investment in India
  - Facility of direct foreign investment up to 51% in high priority industries**
46. Bad and doubtful debts of scheduled commercial banks are known as\_\_\_\_
- Non-performing Assets**
  - Withdrawals of assets
  - Non-recoverable Assets
  - None of the above
47. The portion of total deposits which a commercial bank has to keep with itself in liquid assets is known as\_\_
- CRR
  - SLR**
  - Repo Rate
  - Reverse Repo Rate
48. Which of the following is not controlled by RBI
- Cash deposit ratio**
  - Cash reserve ratio
  - SLR
  - SDR
49. The rate at which discounting of bills of first class is done by RBI is called
- Repo rate
  - Bank rate**
  - Prime lending rate
  - None of the above
50. Which of the following is a qualitative method of credit control?
- Bank rate
  - Open market operations
  - Variation in the reserve requirement
  - Regulation of consumer credit**

### Part B – Quantitative Aptitude

51. The ratio of numbers is 1:2:3 and sum of their squares is 504 then the numbers are
- 6,12,18**
  - 3,6,9
  - 4,8,12
  - 5,10,15
52. If  $\sqrt[3]{a} + \sqrt[3]{b} + \sqrt[3]{c} = 0$  then find the value of  $\left[\frac{a+b+c}{3}\right]^3$
- 9abc
  - $\frac{1}{9abc}$
  - abc**
  - $\frac{1}{abc}$
53. Find value of  $\left[\log_y^x \log_z^y \cdot \log_x^z\right]=$
- 0
  - 1
  - 1**
  - 3

54. Find the value of  $\log_4 9 \cdot \log_3 2 =$
- |      |      |
|------|------|
| a) 3 | b) 9 |
| c) 2 | d) 1 |
55. Divide 80 into two parts so that their products is maximum, then the numbers are
- |          |          |
|----------|----------|
| a) 15,65 | b) 25,55 |
| c) 35,45 | d) 40,40 |
56. If the equations  $kx + 2y = 5$ ,  $3x + y = 1$  has no solution then the value of k is
- |      |                  |
|------|------------------|
| a) 5 | b) $\frac{2}{3}$ |
| c) 6 | d) $\frac{3}{2}$ |
57. If  $b^2 - 4ac$  is a perfect square but not equal to zero then the roots of the equation  $ax^2 + bx + c = 0$  are
- |                               |                               |
|-------------------------------|-------------------------------|
| a) Real and equal             | b) Real, irrational and equal |
| c) Real, rational and unequal | d) Imaginary                  |
58. If  $kx - 4 = (k - 1)x$  which of the following is true
- |             |             |
|-------------|-------------|
| a) $x = -5$ | b) $x = -4$ |
| c) $x = -3$ | d) $x = 4$  |
59. The solution of the inequality  $8x + 6 < 12x + 14$  is
- |                  |                   |
|------------------|-------------------|
| a) $(-2, 2)$     | b) $(-2, 0)$      |
| c) $(2, \alpha)$ | d) $(-2, \alpha)$ |
60. In what time will a sum of money double itself at 6.25% p.a simple interest
- |          |          |
|----------|----------|
| a) 5 Yrs | b) 8 Yrs |
| c) 12yrs | d) 16Yrs |
61. What principle will amount to Rs.370 in 6 years at 8% p.a at simple interest
- |           |           |
|-----------|-----------|
| a) Rs.210 | b) Rs.250 |
| c) Rs.310 | d) Rs.350 |
62. The difference between and C.I & S.I at 7% p.a for 2 years is Rs. 29.4. then principal is
- |             |             |
|-------------|-------------|
| a) Rs.5,000 | b) Rs.5,500 |
| c) Rs.6,000 | d) Rs.6,500 |
63. How many different words can be formed with the letters of the word "LIBERTY"
- |         |         |
|---------|---------|
| a) 4050 | b) 5040 |
| c) 5400 | d) 4500 |
64. In how many ways can a family consist of 3 children have different birthdays in a leap year
- |                                |                      |
|--------------------------------|----------------------|
| a) $366 \times 365 \times 364$ | b) ${}^{366}C_3$     |
| c) ${}^{365}C_3$               | d) ${}^{366}C_3 - 3$ |
65. If  ${}^{15}C_{3r} = {}^{15}C_{r+3}$  then  $r =$
- |      |      |
|------|------|
| a) 2 | b) 3 |
| c) 4 | d) 5 |



75.  $\int_a^{2x} dx =$

a)  $\frac{2x^2 \log a}{2}$

b)  $\frac{2ax^{2x}}{\log a}$

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

d) **None**

76. The pair of averages whose value can be determined graphically?

a) Mean & Median

b) Mode & Mean

c) **Mode & Median**

d) None of the above

77. The difference between upper limit and lower limit of a class is called:

a) **Class Interval**

b) Class boundaries

c) Mid - value

d) Frequency

78. If the class intervals are 10 -14, 15 -19, 20 -24,... Then the first class boundaries are :

a) **9.5 – 14.5**

b) 10 – 15

c) 9 – 15

d) 10.5 – 15.5

79. If Arithmetic Mean =  $\frac{8+4}{2}$ , then Variance is :

a) 2

b) 6

c) 1

**d) 4**

80. Coefficient of mean deviation about mean for the first 9 natural numbers is :

a)  $\frac{200}{9}$

b) 80

c)  $\frac{400}{9}$

d) 50

81. Mean =5, S.D = 2.6, Median = 5, Q.D = 1.5 then Coefficient of Q.D is :

a) 35

b) 39

c) **30**

d) 32

82. The difference between maximum and minimum value of the data is known as :

a) **Range**

b) Size

c) Width

d) Class

83. Price and Demand is example for :

a) No correlation

b) Positive correlation

c) **Negative correlation**

d) None of these

84. Determine the coefficient of correlation between x and y series

	<b>X – Series</b>	<b>Y – Series</b>
Number of items	15	15
Arithmetic mean	25	18
Sum of Square of deviation of mean	136	138

Sum of product deviation of x and y series from mean = 122

- a) -0.89
- b) **0.89**
- c) 0.69
- d) -0.69

85. If  $r = +1$  or  $-1$  then the two regression lines \_\_\_
- a) Have  $30^\circ$  angle between them
  - b) Have  $45^\circ$  angle between them
  - c) **Coincide**
  - d) Perpendicular to each other
86. If mean of X and Y variables is 20 and 40 respectively and the regression coefficient Y on X is 1.608 then the regression line of Y on X is :
- a)  **$Y = 1.608 X + 7.84$**
  - b)  $Y = 1.56 X + 4.84$
  - c)  $Y = 1.608 X + 4.84$
  - d)  $Y = 1.56 X + 7.84$
87. Two coins are tossed simultaneously then the probability of getting exactly one head is
- a)  $\frac{3}{4}$
  - b)  $\frac{2}{3}$
  - c)  $\frac{1}{4}$
  - d)  $\frac{1}{2}$
88. The probability that a cricket team winning a match at Kanpur is  $\frac{2}{5}$  and loosing a match at Delhi is  $\frac{1}{7}$ . What is the probability of the team winning at least one match?
- a)  $\frac{1}{35}$
  - b)  $\frac{32}{35}$
  - c)  $\frac{18}{35}$
  - d)  $\frac{17}{35}$
89. Find the expected value of the following probability distribution
- |      |                |               |               |                |                |
|------|----------------|---------------|---------------|----------------|----------------|
| X    | -20            | -10           | 30            | 75             | 80             |
| P(x) | $\frac{3}{20}$ | $\frac{1}{5}$ | $\frac{1}{2}$ | $\frac{1}{10}$ | $\frac{1}{20}$ |
- a) 20.5
  - b) **21.5**
  - c) 22.5
  - d) 24.5
90. If  $P(A) = 0.45$ ,  $P(B) = 0.35$ ,  $P(A \text{ and } B) = 0.25$  then  $P(A/B) =$
- a) 1.4
  - b) 1.8
  - c) **0.714**
  - d) 0.556
91. In normal distribution mean, median and mode are
- a) **Equal**
  - b) Not equal
  - c) Zero
  - d) None of the above
92. In a certain poisson frequency distribution, the probability corresponding to two successes is half of the probability corresponding to three successes. The mean of the distribution is
- a) **6**
  - b) 12
  - c) 3
  - d) 2.95
93. If the points of inflexion of a normal curve are 6 and 14 then standard deviation is
- a) **4**
  - b) 8
  - c) 16
  - d) 32





**Answer Key - Part – B, General Economics**

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

**Answer Key - Part – B, Quantitative Aptitude**

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