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For Admission in

CA – CPT, IPCC, Final

CS – Foundation, Executive, Professional

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CPT – December 2014 Question Paper (Compiled By :- VSI, Jaipur. Based on Memory)

Marks 100 **Time : 2 Hours**

Session 1st

Part A – Fundamentals of Accounting

01. Which accounting concept satisfy the valuation criteria _____

a) Going concern, Realisation, Cost b) Going concern, Cost, Dual aspect
c) Cost, Dual aspect, Conservatism d) Realisation, Conservatism, Going concern

02. A trader has made a sale of Rs.75,500 out of which cash sales amounted to Rs.25,500. He showed trade receivables on 31-3-2014 at Rs.25,500. Which concept is followed by him?

a) Going concern b) Cost
c) Accrual d) Money measurement

03. In which of the following cases, accounting estimates are needed?

a) Employs benefit schemes b) Impairment of losses
c) Inventory obsolescence **d) All of the above**

04. Deewali advance given to an employee is __

a) Revenue Expenditure b) Capital Expenditure
c) Deferred Revenue Expenditure **d) Not an Expenditure**

05. The debit balance in the bank columns of cash book indicates _____

a) Total amount withdrawn from bank b) Total amount deposited in bank
c) Cash at bank d) Bank overdraft

06. At the end of the accounting year nominal accounts are _____

a) Balanced and transferred to the P & L A/c **b) Not balanced and transferred to P & L A/c**
c) Not balanced and transferred to balance sheet d) Balanced and transferred to balance sheet

07. Trial balance is a statement which shows _____ of all accounts.

a) Debit or Credit balances b) Balances and Totals
c) Positive and Negative balances d) Opening and Closing balances

08. A contingent asset is _____

a) Usually disclosed in the financial statements
b) Usually disclosed in the notes to accounts
c) Usually disclosed in the reports of approving authority
d) Not disclosed anywhere

09. All the following statements are correct except

a) Trial balance is a statement and not an account
b) Trial balance is prepared at the end of the financial year
c) Trial balance is not a concluding evidence that there are no error
d) Trial balance is tallied if a transaction is posted twice in the ledger

10. A firm has reported a profit of Rs.1,47,000 for the year ended 31-3-2014 after taking into consideration the following items.

(i) The cost of an asset Rs.23,000 has been taken as an expense
(ii) The firm anticipated a profit of Rs.12,000 on the sale of an old furniture
(iii) Salary of Rs.7,000 outstanding for the year has not been taken into account.
(iv) An asset of Rs.85,000 was purchased for Rs.75,000 and was recorded in the books at Rs.85,000.
What is the correct amount of profit to be reported in the books?

a) Rs.1,47,000 **b) Rs. 1,51,000**
c) Rs.1,63,000 d) Rs.1,41,000

11. The process of recording financial data upto trial balance is_____

a) Book keeping b) Classifying
c) Summarising d) Analising

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12. Rohit carrying on real estate business sold a piece of land for Rs.4,00,00,000 (cost Rs.3,50,00,000) then the type of receipt is _____ nature and profit on sale is _____

a) Capital & transferred to capital reserve
b) Revenue & transferred to P & L a/c
c) Capital & transferred to P & L a/c
d) Revenue & transferred to general reserve

13. Which of the following statements is false

a) Reserve is an appropriation of profits
b) Provision for tax still not paid is a reserve
c) Capital reserve is created out of capital profits
d) Reserve is a type of capital & revenue

14. The credit balance as per cash book is Rs.15,000. Cheques amounting to Rs.2,750 were deposited in bank but not yet collected. Cheques of Rs.4,000 were issued, but not yet presented for payment. A dividend of Rs.250 was collected and a premium of Rs.1,500 was paid by bank understanding instructions. The balance as per Pass Book will be _____

a) Rs.15,000 Dr.
b) Rs. 17,750 Cr.
c) Rs.16,000 Dr.
d) Rs.14,250 Cr.

15. On 27-03-14 four cheques of Rs.16,000, Rs.14,000, Rs.32,000, and Rs.23,000 were deposited in bank, out of which cheque of Rs.16,000 only was collected upto 31st March. Two cheques of Rs.23,000 and Rs.32,000 were collected on 4th April. An other cheque was not signed properly and was returned. What are the items to be taken in the B.R.S?

a) Rs.14,000, Rs.32,000, Rs.23,000
b) Rs.14,000, Rs.32,000, Rs.23,000, Rs.16,000
c) Rs.32,000, Rs.23,000
d) Rs.14,000

16. ____ is a non-historical cost method and is also called as Retail inventory method.

a) LIFO method
b) Adjusted selling price method
c) Average price method
d) Standard price method

17. A trader has credited certain items of sales on approval aggregating Rs.60,000 to Sales Account. Of these, goods of the value of Rs. 16,000 have been returned and taken into Inventories at cost Rs.8,000 though the record of return was omitted in the accounts. In respect of another parcel of Rs.12,000 cost being Rs.6,000 the period of approval did not expire on the closing date. Cost of goods lying with customers should be

a) Rs.12,000.
b) Rs.54,000.
c) Rs.6,000.
d) None of the above

18. Physical verification of inventory was done on 23rd June. The value of inventory was Rs.4,80,000. Following transactions took place between 23rd June and 30th June:

1. **Out of goods sent on consignment, goods costing Rs. 24,000 were unsold.**
2. **Purchases of Rs.40,000 were made, out of which goods worth Rs.16,000 were delivered on 5th July.**
3. **Sales were Rs.1,36,000, which include goods worth Rs.32,000 sent on approval. Half of these goods were returned before 30th June, but no intimation is available regarding the remaining goods. Goods are sold at cost plus 25%. However, goods costing Rs.24,000 had been sold for Rs.12,000.**

You want to determine the value of inventory on 30th June. You start with physical inventory on 23rd June. Cost of Normal Sales = _____.

a) 73,600
b) 80,000
c) 1,08,800
d) 99,200

19. S Ltd. follows perpetual inventory system. On March 31 of every year, the company undertakes physical Inventory verification. On March 31, 2011, the value of Inventories as per the records differed from the value as per the physical Inventory. On scrutiny, the following differences were noticed: Goods purchased for Rs.10,000 were received and included in the physical Inventory but no entry was made in the books. Goods costing Rs.30,000 were sold and entered in the books but the Inventory is yet to be delivered. Goods worth Rs.5,000 are returned to the suppliers but is omitted to be recorded. If the inventory is valued in the books at Rs.1,50,000, the value of the physical inventory is

a) Rs.1,11,000
b) Rs.1,89,000
c) Rs.1,85,000
d) Rs.1,59,000.

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20. Consider the following for Alpha Co. for the year 2009-10:
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 2009-10 was

a) Rs.80,000 b) Rs.60,000
c) Rs.40,000 d) Rs.36,000

21. The amount of depreciation charged under Annuity method _____

a) Remains Fixed for all the years b) Decreases every year
c) Increases every year d) Recalculated every year

22. The cost of an Asset is Rs.1,20,000. The scrap value will be 25% at end of 10 years. If straight line method of depreciation is followed, the rate of depreciation is _____

a) 10% b) 9%
c) 8.5% **d) 7.5%**

23. M/S Daga & Co. installed a machinery on 01-01-2007 at a cost of Rs.5,00,000. Useful life of the machine is estimated at 10 years. Depreciation is charged under straight line method. In December, 2013, they found that the machine became obsolete and could not be used. It was sold for Rs.50,000. There will be _____

a) Capital loss of Rs.1,50,000 **b) Revenue loss of Rs.1,00,000**
c) Capital loss of Rs.1,00,000 d) Revenue loss of Rs.1,50,000

24. Depreciation fund given in the balance sheet is _____

a) Credited to old partners in their old profit sharing ratio
b) Debited to old partners in their old profit sharing ratio
c) Credited to all partners in the new profit sharing ratio
d) not transferred to anywhere

25. Which of the following statements is/are false?

I. The term 'depreciation', 'depletion' and 'amortization' convey the same meaning.
II. Provision for depreciation A/c is debited when provision for depreciation A/c is created.
III. The main purpose of charging the profit and loss A/c with the amount of depreciation is to spread the cost of an asset over its useful life for the purpose of income determination.

a) Only I) above **b) Only II) above**
c) Only III) above d) All I) II) & III) above

26. Mukesh sold goods to Suresh at an invoice price of Rs. 6,00,000 at cost plus 25%. 1/4th of the goods are lost in transit. Insurance claim of Rs.72,000 is received. What is the amount of abnormal loss to be debited to P & L a/c?

a) Rs.1,20,000 **b) Rs.48,000**
c) Rs.72,000 d) Rs.1,50,000

27. Correct sequence as per the order of permanency?

(i) Trade Receivables **(ii) Patents**
(iii) Machinery **(iv) Cash in hand**

a) (i), (ii), (iii), (iv) **b) (ii), (iii), (i), (iv)**
c) (i), (iii), (iv), (ii) d) (iii), (ii), (i), (iv)

28. The balances of M/s Nagarjuna Traders are as follows:
Capital Rs. 9,00,000; Computers Rs. 1,30,000; Machinery Rs.4,50,000; Furniture Rs.1,50,000; Investments Rs.3,00,000; Salaries Rs.2,10,000; Sales Rs.16,00,000; Patents Rs.1,20,000; Freight Rs.1,21,000; Purchases Rs.9,15,000; Rent Rs.28,000; Cash in hand Rs.48,000; Bank overdraft Rs.20,000; Creditors Rs.1,00,000; Debtors Rs.1,48,000;
the total of trial balance is _____

a) Rs.26,40,000 b) Rs.24,99,000
c) Rs.26,20,000 d) Rs.25,12,000

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29. Neelam sold goods for Rs.40,000 on 1-5-14 on a credit of 3 months to Kamala. Out of that 40% only could be received from her estate as she became insolvent. What is the amount of bad debt?

a) Rs.30,000 **b) Rs. 24,000**
c) Rs.28,000 d) Rs.25,000

30. Goods costing Rs.50,000 were stolen. Insurance company accepted a claim of Rs.40,000. The appropriate journal entry is __

a) Loss by theft a/c Dr. 50,000
To Sales a/c 50,000

b) Outstanding insurance claim a/c Dr. 40,000
Profit & Loss a/c Dr. 10,000
To Purchases a/c 50,000

c) Loss by theft a/c Dr. 40,000
To Purchases a/c 40,000

d) Profit & Loss a/c Dr. 10,000
To Purchases a/c 10,000

31. M/s Ghulati & Sons made the following sales Sold to M/s Guptha & Co. on credit 30 shirts @ Rs.180 per shirt 20 trousers @ Rs.100 per trouser Sold furniture to M/s Shewag & Co. on credit Rs.8,000 Sold to M/s Jain & Co. 50 shirts @ Rs.190 per shirt for cash Sold to M/s Cheap stores 13 overcoats @ Rs.490 per overcoat
Trade discount 10%, Cash discount 2%, Sales tax 10% . The total of sales book is ____

a) Rs.13,632.30 b) Rs.22,849
c) Rs.23,828 d) Rs.14,632

32. On 1st April, 2013, Rakesh started business with Rs.1,20,000 and took a loan Rs.50,000 from Ramesh. During the year earned a profit of Rs.20,000 and introduced further capital of Rs.30,000. His drawings during the year amounted to Rs.10,000. He paid Rs.10,000 to Ramesh during the year as part payment of loan on 31st March, 2014 his total assets amounted to Rs.2,30,000. Find out the amount of outside liabilities.

a) Rs.70,000 b) Rs.80,000
c) Rs.30,000 d) Rs.40,000

33. Trial balance of a trader shows the following balances

Opening Inventory	**Rs.9600**
Purchases less returns	**Rs.11850**
Salaries	**Rs.3200**
Wages	**Rs.750**
Commission on Purchases	**Rs.200**
Carriage outwards	**Rs.300**
Sales Rs.24900	
Closing Inventory	**Rs.3500**
Carriage on purchases	**Rs.1,000**

Gross profit will be

a) Rs. 5,000 b) Rs. 6500
c) Rs. 3250 d) Rs. 3200

34. Manu's acceptance to Rishi of Rs.12,000 is retired two months before the due date at discount of 10% p.a. In the books of Rishi the journal entry will be _____

a) Cash A/c Dr. 10,800
Discount A/c Dr. 1,200
To B/R A/c 12,000

b) Manu's A/c Dr. 10,800
Discount A/c Dr. 1,200
To B/R A/c 12,000

c) Cash A/c Dr. 11,800
Discount A/c Dr. 200
To B/R A/c 12,000

d) Manu's A/c Dr. 11,800
Discount A/c Dr. 200
To B/R A/c 12,000

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35. If the goods are sent on Sale or Return basis frequently, the trader prepares _____

a) Sale or Return Journal with 4 main columns
b) Sale or Return Journal with 2 main columns
c) Cash book
d) Sale or Return ledger

36. Which of the following is not a foreign bill?

a) A bill drawn outside India and payable in India
b) A bill drawn in India and payable outside India
c) A bill drawn by a person resident outside India and payable outside India
d) None of the above

37. When the record of transactions relating to Joint Venture are made in books of one coventurer, then the venturer records his share of investment in the joint venture by _____

a) Debiting to cash a/c
b) Crediting to cash a/c
c) Crediting to co-venturer's personal a/c
d) No entry is required

38. In case of _____ the period of bill commences from the date of acceptance of the bill.

a) Bill after date
b) Bill after sight
c) Bill at sight
d) None of the above

39. A & B entered into a joint venture. A contributed Rs.2,00,000 for goods and Rs.15,000 expenses. B supplied goods of Rs.56,000 and paid expenses of Rs.2,000. B sold the goods for Rs.4,00,000. B is allowed a commission of 10%. Profit sharing is 3:2. How much amount B has to remit to A in full settlement of account?

a) Rs.2,67,200
b) Rs.2,65,200
c) Rs.1,67,200
d) Rs.2,00,000

40. A bill receivable of Rs.2,500 is received from a customer in full settlement of Rs.2,700. On dishonor of this bill, the entry will be passed in _____

a) Purchases book
b) Bills receivable book
c) Journal proper
d) None of the above

41. In the absence of agreement between the partners, on the death of a partner, his legal representatives are entitled to _____.

a) Profits till death, JLP, Interest on capital, Revaluation profit, Goodwill
b) Profits till death, JLP, Interest on capital, Goodwill
c) Profits till death, Capital, JLP, Revaluation profit, Goodwill
d) Profits till death, Interest on capital, Goodwill

42. A & B are partners in a firm in the ratio of 5:3. C is admitted as a new partner. He gets 1/4th of A's share and 1/5th of B's share. The new profit sharing ratio is _____

a) 19:8:9
b) 20:15:9
c) 75:45:37
d) None of the above

43. A, B and C are partners in a firm in the ratio of 3:2:1. A retired and the firm received Rs.1,52,500 towards JLP, which is appearing in the balance sheet at Rs.1,80,000. Cash a/c is debited and JLP a/c is credited with Rs.1,52,500. What will be the treatment for the balance left in JLP a/c?

a) Credited to Partners current a/c's in their profit sharing ratio
b) Debited to Revaluation a/c
c) Debited to Partners current a/c's in their profit sharing ratio
d) Either (b) or (c)

44. A & B are partners in the ratio of 3:2. They admitted C as a new partner with Rs.35,000 against his capital and Rs.15,000 against goodwill. C could bring in Rs.45,000 only. What is the treatment, if the new profit sharing ratio is 1:1:1?

a) A & B will be credited by Rs.8,000 and Rs.2,000 respectively
b) A further amount of Rs.5,000 is credited to capital accounts of A & B
c) Both (a) & (b)
d) None of the above

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45. Any, Tom & Bob are partners in the ratio of 2:2:1. Tom dies in Feb, 2014. They have taken life insurance policies, the premiums of which are debited to P & L a/c.

Partners	Policy value	Surrender value
Any	4,00,000	40,000
Tom	7,00,000	70,000
Bob	5,00,000	50,000

How much amount is paid to the legal representatives of Tom?

a) Rs.7,90,000 b) Rs.2,80,000
c) Rs.3,16,000 d) Rs.7,00,000

46. Kiran, Bittoo and Shravan are partners in a firm. Kiran withdrew Rs.5,000 in beginning of every month, where as Bittoo and Shravan withdrew Rs.2,000 and Rs.3,000 respectively at the end of every month. Calculate interest on drawings at 10% p.a. for the year ended 31st March, 2014.

	Kiran	Bittoo	Shravan
a)	Rs.6,000,	Rs.2,400,	Rs.3,600
b)	Rs.2,750,	Rs.1,300,	Rs.1,950
c)	Rs.3,000,	Rs.1,200,	Rs.1,800
d)	**Rs.3,250,**	**Rs.1,100,**	**Rs.1,650**

47. Average profit = Rs.3,72,000
Normal rate of return = 12%
Total assets = Rs.68,00,000
Outside liabilities = Rs.42,00,000
Calculate the value of goodwill under capitalisation method.

a) Rs.5,00,000 b) Rs.6,00,000
c) Rs.7,00,000 d) Rs.8,00,000

48. Securities premium account cannot be utilized for _____:

a) Financing the redemption of preference shares
b) Issue of bonus shares
c) Financing the premium payable on redemption of preference shares
d) Writing off preliminary expenses

49. Premium on redemption of debentures is ____ a/c.

a) Personal b) Nominal
c) Real d) None of the above

50. If the shares are forfeited, the share capital account is debited by _____

a) Called up value of shares b) Paid up value of shares
c) Face value of shares d) Issue price of shares

51. The subscribed share capital of X Ltd. is Rs.90,00,000 divided in to shares of Rs.100 each. There were no calls in arrears till the final call was made. The final call was paid on 85,000 shares. The calls in arrears was Rs.1,25,000. The final call money per share is Rs. _____

a) 25 b) 20
c) 75 d) 125

52. Preference shares of Rs.9,00,000 are redeemable by issuing 3000 shares of Rs.100 each at Rs.140. The amount to be transferred to CRR is _____

a) Rs.6,00,000 b) Rs.4,20,000
c) Rs.5,00,000 d) Rs.3,80,000

53. The directors of K Ltd. made the final call of Rs.20 per share on 15-Sep-2014, indicating the due date of payment as 30-Sep-2014. Mr. F, a holder of 8,000 shares paid the call money on 15-Nov-2014. Calculate the interest on calls in arrears.

a) Rs.800 **b) Rs.1,000**
c) Rs.1,200 d) Rs.1,333

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54. A company took a loan of Rs.10,00,000 from ICICI bank at an interest of 15% p.a. 14% debentures of Rs.15,00,000 were issued as collateral security. The bank is entitled to get interest on _____

a) Rs.10,00,000 only b) Rs. 15,00,000 only
c) Both (a) & (b) d) None of the above

55. X.Ltd issued 15% , 50,000 debentures of Rs.100 each at 10% premium, which are redeemable at 20% premium after 10 years. The loss on issue of debentures to be written off every year will be _____

a) Rs.50,000 **b) Rs.1,00,000**
c) Rs.2,00,000 d) Rs.1,50,000

56. On 01-04-2005, 5% cumulative preference share capital is Rs.2,00,000 Equity share capital is Rs.5,00,000. During the years 2004-05 and 2005-06 the dividend declarations totaled Rs.8,000 and Rs.16,000 respectively. What is the amount of dividend paid to the equity share holders for the year 2005-06?

a) Rs.4,000 b) Rs.5,000
c) Rs.10,000 d) Rs.12,000

57. A and B are partners sharing profit and losses in the ratio of 5 : 3 on admission C brings Rs. 70,000 cash and Rs. 48,000 against goodwill. New profit sharing Ratio between A, B and C are 7 : 5 : 4. Find the sacrificing ratio between A : B:

a) 3 : 1 b) 4 : 7
c) 5 : 4 d) 2 : 1

58. Accounting has certain norms to be observed by the accountants in recording of transactions and preparation of financial statements. These norms reduce the vagueness and chances of misunderstanding by harmonizing the varied accounting practices. These norms are

a) Accounting regulations. b) Accounting guidance notes.
c) Accounting standards. d) Accounting framework

59. Which of the following is wrong for periodic inventory system:

a) It is based on physical verification **b) It is costlier method.**
c) Inventory could not possible d) None of these

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Part B – Mercantile Laws

61. Under the Indian Contract Act 1872, which of the following is not an essential element of a Valid Contract?
a) Intention to create legal relationship
b) Adequacy of Consideration
c) Certainty of Terms
d) Free Consent

62. Which of the following is true?
a) Indian Contract Act is a private law
b) Law takes cognizance of rights and duties of parties
c) All illegal agreements are not void.
d) None of these

63. Unenforceable contract is _____
a) Void from the beginning
b) Becomes impossible due to subsequent impossibility
c) A contract which is unenforceable due to some technical defect
d) All of the above

64. A voidable contract becomes void in case of __
a) Novation
b) Impossibility of performance
c) Restitution
d) Rescission

65. Specific offer is made:
a) To public at large
b) To specific person
c) In general news paper
d) None of these

66. An offer is open for acceptance over a period of time. This is _____
a) Cross offer
b) Counter offer
c) Standing offer
d) Implied offer

67. Communication of acceptance is complete against the acceptor, when:
a) When the letter of acceptance posted
b) When he writes the letter
c) When the letter of acceptance reaches the offeror
d) None of the above

68. Which of the following is not correct?
a) Consideration cannot be moved from third party
b) Consideration may be executed or executory
c) Consideration must be real
d) Consideration may be past also.

69. The famous case law i.e., Mohiri bibee Vs. Dharmodhas Ghosh is related to:
a) Majority of 21 years age
b) Minor's agreement is void
c) Adequate consideration
d) All of the above

70. Which of the following is not correct?
a) The maxim *"quid pro quo"* means lawful consideration
b) A person entering into a contract must be major and sound mind
c) he maxim *"Consensus-ad-idem"* means that the parties to the contract must agree up on same thing in same sense.
d) Consent is not deemed to be free when it is vitiated by misrepresentation.

71. Which of the following is not included in the term 'fraud'?
a) Concealment of facts in good faith
b) When the court declares it as fraudulent
c) When it is made with an intention to deceive the other party
d) Promise made without any intention to perform

72. In a contract both legal & illegal parts are there. Which of the following is correct?
a) Only legal branch is enforced
b) Contract in fully void
c) Voidable at the option of aggrieved party
d) Only illegal branch enforced

73. Shyam and Sunil are joint promisors. Promisee discharged one of the joint promisor. Then ___
a) Both of them discharged from liability
b) Promise comes to an end
c) Sunil is not discharged from liability towards Shyam
d) Sunil is discharged from liability

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74. Suit for specific performance of contract can be instituted by the promisee, where ____

a) The promisor has breached the contract
b) The promisor has suffered abnormal loss
c) Damages are not an adequate remedy to promisee
d) Parties agree to go to the court for remedy

75. A teacher enters in to contract with a student to teach for the exams, but he dies before teaching. Now ___

a) Legal representatives are bound to perform
b) Becomes enforceable
c) Voidable
d) Contract comes to an end

76. In case of anticipatory breach of contract, the__

a) Contract automatically comes to an end
b) Promisor is discharged of his liability
c) Promisee has no remedy
d) Promisee can claim damages.

77. Which of the following is not true regarding Contingent contract?

a) Contingent contract depends on happening or non-happening of the future uncertain event
b) Event must be collateral to the main contract
c) Not to be calculated
d) All of the above

78. Status obligations arise:

a) In case of legal obligations
b) When the contract is made
c) Outside scope of the Indian Contract Act, 1872
d) Within the scope of the Indian Contract Act, 1872

79. Quasi-contractual obligations arise by the principle of _____

a) Equity, Justice & Good conscience
b) Restitution
c) Rescission
d) None of the above

80. Goods does not include:

a) Money and actionable claims
b) Growing Crops
c) Shares
d) None of the above

81. A contracted with B to supply materials worth Rs.10,000 for interior design. The contract between A and B is _____

a) Contract of sale
b) Contract of work
c) Contract of work & labour
d) All of the above

82. Which of the following does not come under implied warranty?

a) Undisturbed possession of buyer
b) Disclosure of dangerous nature of goods
c) Non-existence of encumbrance
d) None of the above

83. Implied condition is not treated as implied warranty when:

a) Voluntary waiver of condition
b) Contract is not separable, and buyer accepted the part of the goods
c) Condition is not excused by law
d) All of the above

84. Which of the following statements is not true?

a) In an agreement to sell, ownership will be transferred to buyer
b) In agreement to sell, loss will be with the seller
c) Both (a) & (b)
d) None of the above

85. Which of the following is not correct regarding appropriation of goods for unascertained goods?

a) The assent must be given either before or after appropriation
b) Buyer or seller can make appropriation.
c) Goods mush conform to the description
d) None of the above

86. A hire purchaser of the goods:

a) Can resale the goods
b) Cannot use the goods
c) Has an option to return the goods (or) buy it
d) None of the above

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87. Sale by Mercantile agent is not valid when:
a) The buyer is acting in ordinary course of business
b) When the buyer knows that the agent has no authority to sell
c) The buyer must act in good faith
d) The possession of the goods must be with the consent of the owner

88. Which of the following rights are not available to unpaid seller against the buyer?
a) Suit for price
b) Suit for damages
c) Suit for interest
d) Stoppage of goods in transit

89. Rights of unpaid seller does not include:
a) Stoppage of goods in transit
b) Claim for price
c) Suit for interest
d) None of the above

90. Auction sale can be subject to:
a) Reserve price
b) Market price
c) Any price
d) None of the above

91. Which one of the following is the true test of partnership?
a) Mutual Agency
b) Profit sharing
c) Carrying on a business
d) Two or more persons

92. Dormant partner means_____
a) Never takes part in business activities
b) Not liable for any act done by other partners
c) Will not share losses of the firm
d) Existence in partnership is invalid

93. Holding out partner is based on the principle of_____
a) Protecting public interest
b) Estoppel
c) Both a) & b)
d) All of the above

94. A Minor in a Partnership is:
a) Personally liable
b) Having unlimited liability
c) Liable only when the firm is insolvent
d) None of the above

95. Which of the following is not a duty of a partner?
a) To indemnify for fraud
b) To dissolve the firm
c) To share losses
d) To account for any profit earned in competition of firm.

96. Which of the following is covered under implied authority of a partner?
a) Submit dispute of the firm to arbitration
b) To acquire immovable property on behalf of firm
c) Borrowing money and pledging goods of the firm as a security for the same.
d) Enter into partnership on behalf of firm.

97. Expulsion of a partner can be exercised by:
a) Majority of partners
b) Good faith
c) Express agreement
d) All of the above

98. Date of compulsory dissolution for Partnership firm is the:
a) Date of order of Court
b) Date of applying for court
c) Date when firm closes its business
d) None of the above

99. In which of the following cases, the firm is not dissolved by the order of the court?
a) Just and equitable ground
b) Persistent breach of agreement
c) Misconduct
d) Mutual agreement

100. _____ arises obligations where no contact is originally entered:
a) Wagering contract
b) contingent contract
c) Quasi contract
d) None of the above

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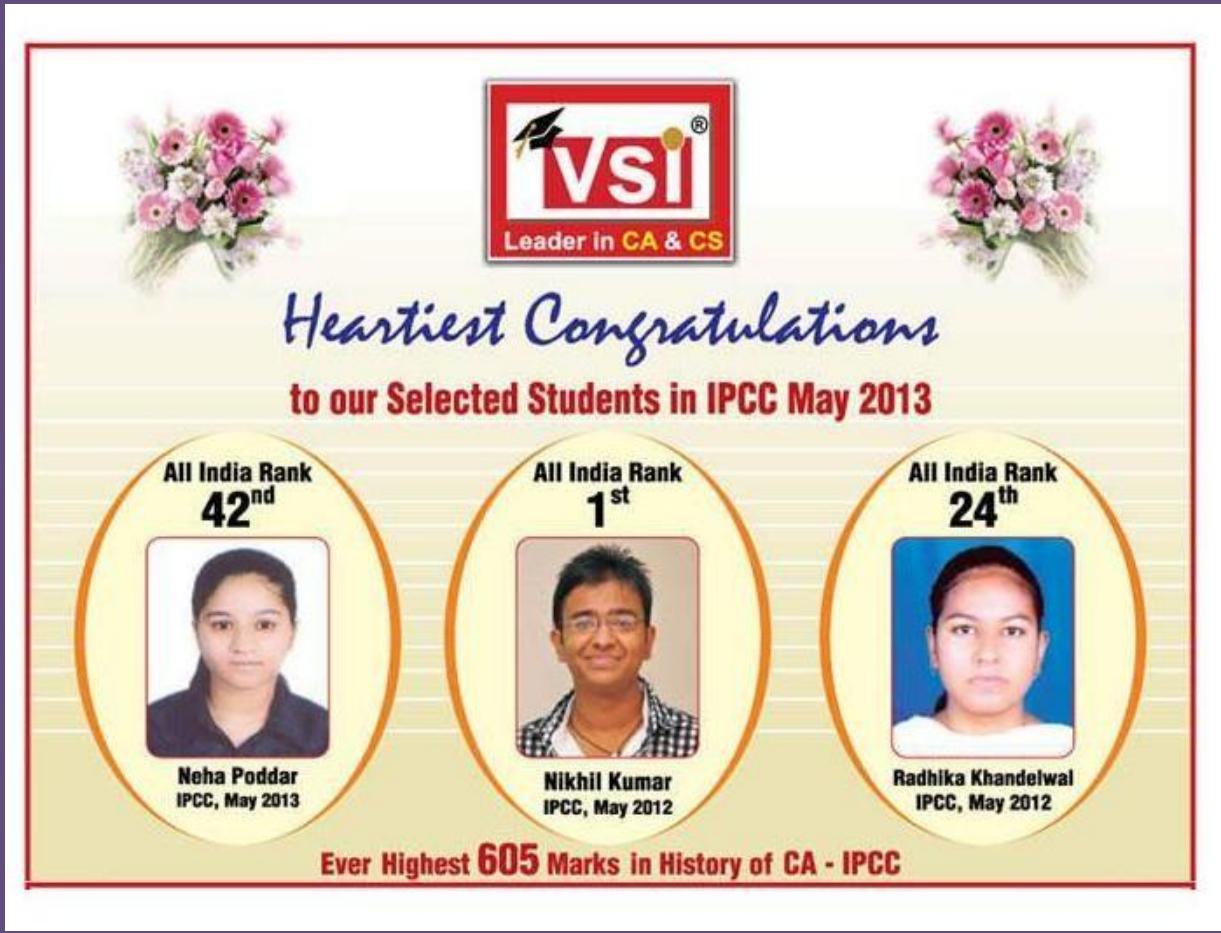
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विद्यासागर इन्सटीट्यूट ने रचा नया कीर्तिमान

CPT JUNE 2014 की All India Top 10 Ranks में
अकेले विद्यासागर इन्सटीट्यूट के 5 विद्यार्थी

Rank comparison between VSI & all other 100's of institutes

JOINING OF VIDYA SAGAR WILL BE TURNING POINT OF YOUR LIFE....

विद्यासागर इन्सटीट्यूट ने रचा नया कीर्तिमान

IPCC May 2014 की All India Ranks में अकेले विद्यासागर इन्सटीट्यूट के 4 विद्यार्थी

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CPT – December 2014 Question Paper (Compiled By :- VSI, Jaipur. Based on Memory)

Marks 100 **Time : 2 Hours**

Session 2nd
Part A – General Economics

1. In inductive method, logic proceeds from __

a) General to Particular
b) Positive to normative
c) Normative to Positive
d) Particular to general.

2. Which among the following in the right formula for price elasticity of demand using Ratio Method

a) $\frac{\Delta P}{\Delta Q} \times \frac{Q}{P}$
b) $\frac{\Delta Q}{\Delta P} \times \frac{P}{Q}$
c) $\frac{\Delta Q}{\Delta P} \times \frac{Q}{P}$
d) $\frac{\Delta P}{\Delta Q} \times \frac{1}{P}$

3. In case of Straight Line demand curve meeting two axes, the Price Elasticity of demand at a point where the curve meets x-axis would be

a) 1
b) $\propto$
c) 0
d) >1

4. Elasticity of Supply is greater than one when

a) Proportionate change in price is greater than proportionate change in supply
b) Proportionate change in supply is greater than proportionate change in price
c) Proportionate change in supply is equal to proportionate change in price.
d) All of the above.

5. "The excess of Price which he would be willing to pay rather than go without the thing over that which he actually does pay in the economic measure of his surplus satisfaction" is given by

a) Alfred Marshall
b) Lionel Robbins
c) J.R.Hicks
d) Edge Worth.

6. If the quantity demanded of the good increases by 5% when the price another good increases by 20%, then the cross price elasticity of demand between two goods is __

a) -0.25
b) 0.25
c) -4
d) 4

7. The most important function of an entrepreneur is to _____.

a) Innovate
b) Bear the sense of responsibility
c) Finance
d) Earn Profit.

8. Average Cost of Producing 50 units of a Commodity is Rs.250 and fixed cost is Rs.1000. What will be the average fixed cost of producing 100 units of the Commodity?

a) 10
b) 30
c) 20
d) 5

9. Linear Homogeneous Production function is based on ___

a) Increasing Returns to Scale
b) Decreasing Returns to Scale
c) Constant Returns to Scale
d) None of these

10. Use the following data to answer following question

Output (0)	0	1	2	3	4	5	6
Total Cost (TC)	240	330	410	480	540	610	690

The marginal cost of the sixth unit of output is

a) 80
b) 75
c) 133
d) 450

11. Positively sloped (i.e. rising) part of long run Average Cost Curve is due to which of the following ____

a) Constant Returns to Scale
b) Increasing Returns to Scale
c) Diseconomies of Scale
d) Economics of Scale.

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12. The Economy achieves 'Productive Efficiency' when:

a) The best quality goods are produced.
b) The highly skillful resources in the country are fully employed.
c) All resources are utilized and goods & services are produced at least cost.
d) None.

13. A company produces 10 units of output and incurs Rs.30 per unit of variable cost and Rs.5 per unit of fixed cost. In this case total cost is:

a) Rs.300
b) Rs.35
c) Rs.305
d) Rs.350

14. AFC curve is always _____

a) U-shaped if there is decreasing returns to scale
b) U-shaped if there is increasing returns to scale.
c) Declining when output increases.
d) Intersected by M.C at its minimum point refer back

15. In case of law of variable proportions, diminishing returns occur.

a) When units of a variable input are added to a fixed input and total product falls
b) When units of a variable input are added to a fixed input and marginal product falls
c) When the size of the plant is increased in the long run.
d) When the quantity of the fixed input is increased and returns to the variable input falls.

16. In Long run which of the following is true for a perfect competition

a) Industry is operating at minimum point of AC curve
b) MC is greater than MR
c) AFC is less than AVC
d) Price is less than AC

17. A market structure in which many firms sell product that are similar, but not identical.

a) Monopolistic Competition
b) Monopoly
c) Perfect Competition
d) Oligopoly

18. Price discrimination will not be profitable if elasticity of demand is___ in different markets.

a) Uniform
b) Different
c) Less
d) Zero

19. The firm in a perfectly competitive market is a "price taker". This designation as a "price taker" is based on the assumption that:

a) The firm has some, but not complete, control over its product price
b) There are so many buyers and sellers in the market that any individual firm cannot affect market.
c) Each firm produces a homogeneous product.
d) There is easy entry into or exit from the market place.

20. Kinked demand curve of the Oligopoly indicates

I) If one firm decreases price other firms also decreases the price
II) If one firm increases price other firms also increases the price
III) If one firm decreases the price other firms does not decrease the price.
IV) If one firm increases the price other firms does not increase the price.

a) Only I
b) II and IV
c) I and IV
d) II and III

21. When the price of commodity is Rs.20/- quantity demand is 9 units; and when price is Rs.19, quantity demanded is 10 units. Based on this information, what is marginal revenue resulting from an increase in output from 9 units to 10 units.

a) Rs.20
b) Rs.19
c) Rs.10
d) Rs.1

22. The share of agriculture in India's National Income has ____ over the years

a) Increased
b) Decreased
c) Remains constant
d) First decreased and then increased.

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23. In which year Income tax was first introduced_

a) 1860 b) 1873
c) 1948 d) 1950

24. Which of the following is incorrect?

a) GNP at market price – Depreciation = NNP market price.
b) GNP at market price – NFIA = GDP market price
c) GNP at market price – Net Indirect Tax = GNP at factor cost.
d) None of these

25. Which of the following statements is correct?

a) In India the tertiary sector contributes maximum to the GDP.
b) India is basically a socialist economy
c) The distribution of income and wealth in India is quite equitable
d) None of the above

26. Which of the following is a type of inflation?

a) Demand pull inflation b) Cost push inflation
c) Stagflation **d) All of the above**

27. Which of the following is not a scheme to reduce poverty in India?

a) Swaran Jayanti Gram Swarozgar Yojana (SGSY)
b) SJSRY (Swarna Jayanti Shahari Rozgar Yojana)
c) MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme)
d) SGRY (Sampoorna Grameena Rojgar Yojana)

28. Which among the following pairs is mismatched?

a) National Telecom policy – 2012 b) Electricity act – 2003
c) National policy on skill & development–2009 **d) Green Revolution – 1991.**

29. "Partnership in excellence" programe has been launched by ministry of power to __

a) Remove the obstacle of thermal power plants.
b) Improve the generation of power
c) Improve conditions of coal mining workers
d) Encourage of public private partnership in power sector.

30. Right to children to free and compulsory education Act RTE Act, 2009 has made free education for all children between the age of_

a) 5-15 b) 6-18
c) 7-20 **d) 6-14**

31. Which of the following item will not be included in balance of current account?

a) Balance of unilateral transfers b) Balance of invisible items
c) Balance of trade **d) External commercial borrowings**

32. If in a population of 1000 people, 400 people are in the labour force, 392 are employed, what is the unemployment rate?

a) 2% b) 8%
c) 6% d) 4%

33. Which of the following is the reason for increase in Birth rate in India?

a) In an agrarian economy, children are considered as assets but not burden because children help in agricultural fields
b) Marriages are almost compulsory and take place at quite young age in India
c) In India, by the age of 50 years, only 5 out of 1,000 in Indian women remain unmarried.
d) All of these

34. Department of posts has launched ___ with the aim of providing fast and reliable postal services to the consumers.

a) Logistic post **b) Project arrow**
c) E-Bill post d) Project areal

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35. In which year SEZ policy was announced?

a) 1991 b) 1999
c) 2000 d) 2008

36. Special drawing rights were created in 1969 by

a) IMF b) World Bank
c) WTO d) RBI

37. In which of the following areas, 100% FDI was not allowed?

a) Drugs and pharmaceuticals b) Hotels & Tourism
c) Courier Services **d) Railways**

38. Which of the following is mismatch?

a) IBRD – giving short-term loans for development
b) IMF – provides finance to correct disequilibrium in balance of payments
c) RBI – controls credit in India
d) WT0 – generally forbid use of quantitative restrictions on trade.

39. Which of the following is not a part of world bank group?

a) ICSID b) MIGA
c) IFC **d) ADB**

40. Liberalisation refers to __

a) Relaxation of previous government restrictions usually in the areas of social and economic policies.
b) Transferring the assets and service functions from public to private sectors
c) Disposal of public sector units equity in the market.
d) None of these

41. If we closely watch 39 PSUs which had been chosen for disinvestment / privatization during 1991 – 98, we can find that out of them only 3 PSUs posted losses in 1997 – 1998. These include ___.

a) Gas authority of India Ltd., Hindustan Machine tools, Bharat electrical Ltd.,
b) Hindustan cables Ltd., Hindustan copper Ltd., and Hindustan photo films manufacturing Co. Ltd.,
c) Bharat Petroleum Corporation Ltd., Steel authority of India Ltd., Bharat Heavy Electrical Ltd.,
d) Videsh Sanchar Nigam Ltd., Shipping corporation of India, Indian electro chemical Ltd.,

42. Abolition of intermediates and tenancy reforms are both parts of _____

a) Industrial reforms in India b) External sector reforms in India
c) Land reforms in India d) Banking reforms in India

43. IDA is a "soft lending arm" of world bank due to____

a) Provides interest free loans to poor countries
b) Provides loans to developing countries at lower rate of interest
c) Provides short-term loans
d) None of these

44. Nationalization of banks aimed at all of the following except:

a) Removal of control by a few
b) Provision of credit to big industries only
c) Provision of adequate credit for agriculture, small industry and export units
d) Encouragement of a new class of entrepreneur

45. Which of the following is not a function of Commercial Banks?

a) Lending of loans **b) Issue of currency**
c) Agency Services d) Receipts of Deposits

46. Which among the following functions, money serves in the dynamic sense?

a) As a store of value b) As a medium of exchange
c) As a unit of account **d) Transforming saving into investment.**

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47. ___ refers to that portion of total deposits which a commercial bank has to keep with itself in the form of liquid assets.

a) CRR
b) SLR
c) Bank Rate
d) Repo Rate

48. Lending and borrowing operations of commercial banks result in ___ in the country.

a) Capital formation
b) Credit creation
c) Credit control
d) None of the above

49. Narrow money excludes _____ of the public with the banks while broad money includes it.

a) Demand deposits
b) Time deposits
c) Post office saving deposits
d) Currency in circulation

50. If demand increases from Rs. 30,000 to Rs. 36,000 as a result price increase from Rs. 25 to 30. Calculate price elasticity of demand by Arc Method.

a) 1
b) .75
c) .67
d) .25

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Part B - Quantitative Aptitude

51. If log x = a+b ; log y = a-b then log $\left(\frac{10x}{y^2}\right)$

a) 1-a+3b b) a-1+3b
c) a+3b+1 d) 1-b+3a

52. x= 1+$\log_p$ qr, y=1+$\log_q$ rp, z=1+log pq then find $\frac{1}{x}+\frac{1}{y}+\frac{1}{z}$

a) 0 **b) 1**
c) 2 d) -1

53. The first, second and third month salaries of a person are in the ratio 2:4:5. The difference between the product of the salaries of first 2 months & last 2 months is 4,80,00,000. Find the salary of the second month

a) Rs.4,000 b) Rs.6,000
c) Rs.12,000 **d) Rs. 8,000**

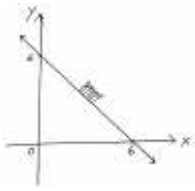
54. Find the equation of the line parallel to the line joining (7,5) (2,9) and passing through (3, -4)

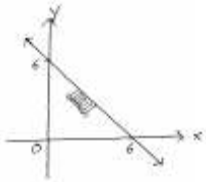
a) 7x - 4y + 8 = 0 **b) 5y + 4x + 8 = 0**
c) 7x – 4y – 8 = 0 d) 5y - 4x + 8 = 0

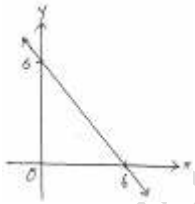
55. If x+5y=33 and $\frac{x+y}{x-y}=\frac{13}{3}$ then (x,y)

a) (4,8) **b) (8,5)**
c) (4,6) d) (16,4)

56. Which of the following graph represents the inequality x + y ≤ 6 is

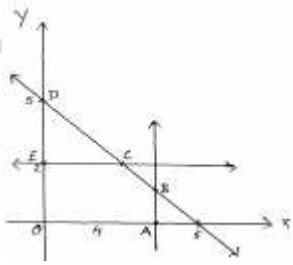
a)


b)


c)


d) None

57. Given conditions x + y ≥ 5 , x + y ≤ 5, 0 ≤ x ≤ 4 and 0 ≤ y ≥ 2 then the common region under these conditions is



a) ECDE b) EOABCE
c) Line segment CD d) Line segment BC

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58. A certain sum of money was invested at S.I for 3 years. If it has invested at rate 7% higher, then the interest have been 882/- more, then the sum is

a) Rs.12,600 b) Rs.6,800
c) Rs.4,200 d) Rs.2,800

59. A certain sum of money double itself in 4 years at C.I. In how many years it will become 32 times to itself

a) 16 years b) 24 years
c) 20 years d) 12 years

60. The future value of an annuity of Rs.1,000 made annually for 5 years at the rate of interest 14% compound annually is

a) Rs.5610 **b) Rs.6610**
c) Rs.6160 d) Rs.5160

61. $^6p_r = 360$ then find r

a) 4 b) 5
c) 6 d) None

62. If 5 books of English, 4 books of Tamil and 3 books of Hindi are to be arranged in a single row so that books of same language come together

a) 1,80,630 b) 1,60,830
c) 1,03,680 d) 1,30,680

63. 5 Boys and 4 girls are to be seated in row. If the girls occupy even places then the no. of such arrangements

a) 288 b) 2808
c) 2008 **d) 2880**

64. Sum of first n terms of an A.P is $6n^2+6n$. Then find 4th term of series.

a) 120 b) 72
c) 48 d) 24

65. In an A.P. If $S_n = n^2p$ and $S_m = m^2p$, $(m \neq n)$ then $S_p =$

a) p^2 **b) p^3**
c) $2p^3$ d) p^4

66. If the numbers x,y,z are in G.P then the numbers x^2+y^2, $xy+yz$, y^2+z^2 are in ___

a) A.P **b) G.P**
c) H.P d) None of these

67. A = {2,3}, B={4,5}, C={5,6} then Ax(B∩C)

a) {(5,2), (5,3)} **b) {(2,5), (3,5)}**
c) {(2,4), (5,3)} d) {(3,5), (2,6)}

68. If a relation R = {(1,1), (2,2), (1,2), (2,1)} is symmetric on A = {1,2,3} then R is

a) Reflexive but not Transitive **b) Transitive but not Reflexive**
c) Reflexive and Transitive d) Neither Reflexive nor Transitive

69. $f(x) = \frac{x}{x-1}$, then $\frac{f(x/y)}{f(y/x)}$

a) $\frac{x}{y}$ b) $\frac{y}{x}$
c) $-\frac{x}{y}$ d) $-\frac{y}{x}$

70. If N is the set of all natural numbers, E is the set of all even natural numbers and f: N→E defined by f(x) = 2x ∀ x ε N then f is

a) One–one, into **b) One-one, onto**
c) Many to one d) One to many

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71. $\underset{x \to k}{\text{Lt}} \frac{(x+2))^{5/3} - (k+2)^{5/3}}{x-k}$

a) $\frac{5}{3}k^{2/3}$ **b)** $\frac{5}{3}(k+2)^{2/3}$

c) $\frac{5}{3}(k+2)^{5/3}$ d) None of these

72. A function f(x) is defined as
f(x) = x – 1 for x < 0
= -1/2 for x = 0
= x + 1 for x > 0 then f is

a) Continuous at x = 0 **b) Discontinuous at x = 0**
c) Un defined at x = 0 d) None of these

73. A function f(x) is defined as
f(x) = x+2 when x ≤1
= 5-px when x>1 then find the value of p
for f(x) is continuous at x=1

a) 1 **b) 2**
c) -1 d) -2

74. if $y = 1 + \frac{x}{1!} + \frac{x^2}{2!} + \frac{x^3}{3!} + \ldots\ldots\ldots\ldots + \frac{x^n}{n!} + \ldots\ldots\ldots\ldots\ldots\ldots\infty$**, then** $\frac{dy}{dx} - y =$

a) 1 **b) 0**
c) -1 d) None

75. $\int_0^2 |1 - x| dx =$

a) 3/2 b) 1/2
c) 0 **d) 1**

76. The most appropriate diagram to represent 5 year plan outlay of India in different economic sectors is

a) Pie diagram b) Histogram
c) Line diagram d) Frequency polygon

77. For construction of Histogram the class intervals of frequency distribution is

a) Equal b) Unequal
c) Either Equal or Unequal d) None of these

78. 100 persons are divided into number of male/female and employed/un-employed it refers to

a) Cardinal Data **b) Ordinal Data**
c) Spatial Data d) Temporal Data

79. If the fluctuations in the observed values are very small as compared to the size of the items, it is presented by

a) Z-Chart b) Ogive chart
c) False-Base Line d) Control Chart

80. For two numbers A.M=10 and G.M=8, then H.M=?

a) 9 b) 8.9
c) 6.4 d) None

81. The 3rd decile for the values 15, 10, 20, 25, 18, 11, 9, 12, is

a) 13 **b) 10.7**
c) 11 d) 11.5

82. The A.M of square of first '2n' natural numbers is

a) $\frac{1}{6}(2n+1)(4n-1)$ b) $\frac{1}{6}(2n-1)(4n-1)$

c) $\frac{1}{6}(2n-1)(4n+1)$ **d)** $\frac{1}{6}(2n+1)(4n+1)$

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83. 1st quartile is 142, Semi-Inter quartile range is 18. Then median is

a) 151 **b) 160**
c) 178 d) None

84. Q.D is

a) 2/3 S.D b) 4/5 S.D
c) 5/6 S.D d) None

85. Correlation coefficient between x and y is 1, then correlation coefficient between x-2 and (-y/2) +1 is

a) 1 **b) -1**
c) -1/2 d) 1/2

86. Two regression equations are x+y=6 and x+2y=10, then correlation coefficient between x and y is

a) -1/2 b) ½
c) $-\frac{1}{\sqrt{2}}$ d) $\frac{1}{\sqrt{2}}$

87. Correlation coefficient between x and y is zero then two regression lines are

a) Perpendicular to each other b) Coincide to each other
c) Parallel to each other d) None of these

88. If 6 coins are tossed simultaneously then the probability of obtaining exactly 2 heads is

a) $\frac{1}{64}$ b) $\frac{63}{64}$
c) $\frac{15}{64}$ d) None of these

89. A die is thrown twice then the probability that the sum of the numbers is divisible by 4 is

a) $\frac{1}{9}$ b) $\frac{1}{3}$
c) $\frac{11}{36}$ **d)** $\frac{1}{4}$

90. A random variable X takes three values -1,2,3 with the respective probabilities P(-1)= 1/3, P(2)=1/3, P(3)=1/3, then E (|X|) is

a) 3/2 b) -5/2
c) 2 d) 9/2

91. Let the distribution function of a random variable X be F(x) = P(X ≤ x) then F(5)-F(2)

a) P(2 ≤ x<5) **b) P(2<x ≤ 5)**
c) P(2 ≤ x ≤ 5) d) P(2<x<5)

92. For a Binomial distribution mean is 4 and variance is 3 then, 3rd central moment is

a) 5/2 b) 7/4
c) 3/2 d) 1/3

93. In a Normal distribution mean =2 and variance=4 then, 4th central moment is

a) 16 b) 32
c) 48 d) 64

94. A Random variables X follows uniform distribution in the interval [-3,7]. Then the mean of distribution is

a) 2 b) 4
c) 5 d) 6

95. X and Y are two independent Normal variables, then the distribution of X+Y is _____

a) Normal distribution b) t-distribution
c) Chi-Square distribution d) F-distribution

96. Area sample is similar to

a) Quota sampling **b) Cluster Sampling**
c) Judgement Sampling d) None

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97. t-test can be used only when the sample has been taken from _____population.

a) Binomial
b) Poisson
c) Normal
d) Exponential

98. If the Expected value of an estimator is equal to the value of the parameter. Then the estimator is

a) Biased
b) Unbiased
c) Both (a) & (b)
d) Neither (a) nor (b)

99. $\Sigma p_n q_o = 1180$, $\Sigma p_o q_o = 1170$, $\Sigma p_n q_n = 1064$, $\Sigma p_o q_n = 1100$ then Fisher ideal index number is

a) 96.73
b) 98.795
c) 98.77
d) 100.86

100. When the prices are decreased by 30% then the index number is now

a) 50
b) 60
c) 70
d) 30

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