

CET(PG)-2015

Sr. No. :

174182

Question Booklet Series : A

Important : Please consult your Admit Card / Roll No. Slip before filling your Roll Number on the Test Booklet and Answer Sheet.

Roll No.

In Figures

In Words

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O.M.R. Answer Sheet Serial No.

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Signature of the Candidate :

Subject : M.Com. (Honours)

Time : 90 minutes

Number of Questions : 85

Maximum Marks : 85

DO NOT OPEN THE SEAL ON THE BOOKLET UNTIL ASKED TO DO SO

INSTRUCTIONS

1. Write your Roll No. on the Question Booklet and also on the OMR Answer Sheet in the space provided and nowhere else.
2. Enter the Subject and Series Code of Question Booklet on the OMR Answer Sheet. Darken the corresponding bubbles with **Black Ball Point / Black Gel pen**.
3. Do not make any identification mark on the Answer Sheet or Question Booklet.
4. To open the Question Booklet remove the paper seal gently when asked to do so.
5. Please check that this Question Booklet contains **85** questions. In case of any discrepancy, inform the Assistant Superintendent within 10 minutes of the start of test.
6. Each question has four alternative answers (A, B, C, D) of which only one is correct. For each question, darken only one bubble (A or B or C or D), whichever you think is the correct answer, on the Answer Sheet with **Black Ball Point / Black Gel pen**.
7. If you do not want to answer a question, leave all the bubbles corresponding to that question blank in the Answer Sheet. No marks will be deducted in such cases.
8. Darken the bubbles in the OMR Answer Sheet according to the Serial No. of the questions given in the Question Booklet.
9. Negative marking will be adopted for evaluation i.e., 1/4th of the mark of the question will be deducted for each wrong answer. A wrong answer means incorrect answer or wrong filling of bubble.
10. For calculations, use of simple log tables is permitted. Borrowing of log tables and any other material is not allowed.
11. For rough work only the sheets marked "Rough Work" at the end of the Question Booklet be used.
12. The Answer Sheet is designed for **computer evaluation**. Therefore, if you do not follow the instructions given on the Answer Sheet, it may make evaluation by the computer difficult. **Any resultant loss to the candidate on the above account, i.e., not following the instructions completely, shall be of the candidate only.**
13. After the test, hand over the Question Booklet and the Answer Sheet to the Assistant Superintendent on duty.
14. In no case the Answer Sheet, the Question Booklet, or its part or any material copied/noted from this Booklet is to be taken out of the examination hall. Any candidate found doing so, would be expelled from the examination.
15. A candidate who creates disturbance of any kind or changes his/her seat or is found in possession of any paper possibly of any assistance or found giving or receiving assistance or found using any other unfair means during the examination will be expelled from the examination by the Centre Superintendent/Observer whose decision shall be final.
16. **Telecommunication equipment such as pager, cellular phone, wireless, scanner, etc., is not permitted inside the examination hall. Use of calculator is not allowed.**

SEAL

1. **According to going concern concept a business is viewed as having :**
(A) A limited life (B) An indefinite life
(C) A very long life (D) None of the above

2. **Secret reserves may result by :**
(A) Creating general reserve (B) Providing excessive depreciation
(C) Overvaluation of stocks (D) Undervaluation of liabilities

3. **Market value of investments is shown as a foot note to the balance sheet according to :**
(A) Consistency concept (B) Disclosure concept
(C) Materiality concept (D) Any of these

4. **Which of the following is a nominal account ?**
(A) Bills payable (B) Bills receivable
(C) Debtors (D) Stationery

5. **Insurance unexpired account is a :**
(A) Personal account (B) Real account
(C) Nominal account (D) None of the above

6. **A sum of Rs. 4,000 was paid as compensation to two employees who were retrenched is a :**
(A) Capital expenditure (B) Revenue expenditure
(C) Deferred revenue expenditure (D) Deferred capital expenditure

7. What is the amount of opening B/R when closing B/R is Rs. 6,000 cash received from B/R Rs. 10,000 and B/R received during the year Rs. 14,000 ?
- (A) Rs. 30,000 (B) Rs. 10,000
(C) Rs. 2,000 (D) Rs. 15,000
8. Net loss Rs. 5,000; operating expenses Rs. 14,500; Sales Rs. 25,000. What is the amount of gross profit ?
- (A) Rs. 20,000 (B) Rs. 8,500
(C) Rs. 10,000 (D) Rs. 9,500
9. In calculating the return on capital employed return means :
- (A) Net profit after tax and interest on fixed liabilities
(B) Profit before tax and interest on fixed liabilities
(C) Profit before tax
(D) Net profit after tax
10. When 'Adjusted Purchases appear in the total balance' it indicates that :
- (A) Opening stock has been adjusted in the purchases
(B) Closing stock has been adjusted in the purchases
(C) Both opening and closing stocks have been adjusted in the purchases
(D) Expenses relating to purchases like carriage inward, octroi duty etc. have been adjusted in the purchases
11. A three year-lease for Rs. 30,000. Rate of interest is 5%. Reference to sinking fund table shows an annual invest of Re. 0.317208 for 3 years. Depreciation per year is :
- (A) Rs. 10,000 (B) Rs. 10,500
(C) Rs. 9,316.24 (D) 9,516.24

12. In the absence of an agreement to the contrary, the partners :

- (A) Are entitled for 6% interest on loans to the firm only when there are profits
- (B) Are entitled for 6% interest on loans to the firm, whether there are profits or not
- (C) Are not entitled for any interest on loans to the firm
- (D) Are entitled for 9% interest on loans only when there are profits

13. At the time of dissolution, an unrecorded asset taken away by Mr. X, a partner should be debited to :

- (A) Mr. X's capital account
- (B) Realization account
- (C) Asset account
- (D) None of the above

14. X Ltd. forfeited 20 shares of Rs. 10 each and on which Rs. 4 per share were paid. What minimum price the company must charge if the forfeited shares are reissued as Rs. 8 per share paid up ?

- (A) Rs. 2 per share
- (B) Rs. 4 per share
- (C) Rs. 8 per share
- (D) Rs. 10 per share

15. Capital Redemption Reserve Account is available for :

- (A) Redemption of redeemable preference shares
- (B) Redemption of redeemable debentures
- (C) Re-organization of share capital
- (D) Issue of bonus shares

16. When debentures are issued at a discount, it is prudent to write off the discount :

- (A) In the year of the issue of debentures
- (B) Within 5 years of the issue of debentures
- (C) During the life of the debentures
- (D) In the year of redemption of debentures

17. The authorized capital of a company is Rs. 5 lakhs divided into shares of Rs. 10 each, issued capital Rs. 3 lakhs and subscribed capital Rs. 2 lakhs, it has received Rs. 5 per share on application and allotment and Rs. 2 per share on first call except on 2,500 shares. Share capital is credited with :
- (A) Rs. 3,00,000 (B) Rs. 2,00,000
(C) Rs. 1,40,000 (D) Rs. 1,35,000
18. 30 shares of a company on which application money of Rs. 3 per share has been duly paid are forfeited for non-payment of allotment money of Rs. 3 each and first and final call of Rs. 4 each. These shares are then re-issued at Rs. 8 per share fully paid. How much money should be transferred to capital reserve ?
- (A) Rs. 30 (B) Rs. 60
(C) Rs. 90 (D) Rs. 120
19. Which of the following items is not an operating expense ?
- (A) Office expenses (B) Interest
(C) Selling overhead (D) Postage
20. Petty cash system is designed :
- (A) To meet the needs of small business
(B) To cover small and miscellaneous income
(C) To cover the small expenditure to be paid in cash
(D) To cover both small incomes and expenditures
21. How many debentures a company will be required to issue for satisfying the purchase considerations of Rs. 28,80,000 if the debenture is of Rs. 80 and is issued at a premium of Rs. 10 per debenture ?
- (A) 28,800 (B) 30,800
(C) 32,200 (D) 32,000

22. The net profit after tax of the firm is Rs. 1,50,000, preference dividend Rs. 25,000, taxes paid to the Government Rs. 10,000, number of equity share 1,00,000. What is the E.P.S. ?

- (A) Rs. 1.50 (B) Rs. 1.25
(C) Rs. 1.15 (D) Rs. 1.00

23. An outright sale of the receivables of a manufacturing firm to a financial institution is called :

- (A) Merchant banking (B) Refinancing
(C) Forfeiting (D) Rediscounting

24. ABC analysis is a technique based on :

- (A) Management By Objectives (MBO)
(B) Management By Exception (MBE)
(C) Management By Wandering Around (MBWA)
(D) Management By Absence (MBA)

25. Distribution of profits to the equity shareholders of a company is left to the discretion of :

- (A) Registrars of companies (B) Board of Directors of the company
(C) SEBI (D) Equity shareholders

26. Cost of retained earnings is closely related to the cost of :

- (A) Preference shares (B) Fixed deposits
(C) Equity shares (D) Long-term debts

27. If the liquidity of a firm is enhanced beyond genuine needs, it :
- (A) Decreases the profitability
 - (B) Increases the profitability
 - (C) Does not have any impact on the profitability
 - (D) The impact on profitability cannot be ascertained
28. Following information is available in respect of a material item; minimum limit 500 units, maximum limit 2500 units, daily requirement of material 100 units, time required for fresh delivery 10 days. The ordering level will be :
- (A) 1000 units
 - (B) 1500 units
 - (C) 2000 units
 - (D) 2500 units
29. The gross profit margin is unchanged, but the net profit margin declined over the same period. This could have happened if :
- (A) Cost of goods sold increased relative to sales
 - (B) Indirect expenses increased relative to sales
 - (C) The government increased the tax rate
 - (D) Dividends were decreased
30. A company can improve (lower) its debt-to-total assets ratio by doing which of the following ?
- (A) Borrow more
 - (B) Shift short-term to long-term debt
 - (C) Shift long-term to short-term debt
 - (D) Sell equity share
31. Auditor of a company is appointed for a period of :
- (A) One year
 - (B) Two years
 - (C) Five years
 - (D) From the conclusion of one annual general meeting to the conclusion of next annual general meeting

32. Auditor of a public company is appointed by :

- (A) Company secretary
(B) Shareholders in general meeting
(C) Board of directors
(D) Controller of Capital issues

33. Which of the following is correct ?

- (A) Internal control is a part of internal check
(B) Internal check and internal audit are the same
(C) Internal audit is a part of internal control
(D) Internal control is a part of internal audit

34. Bad loans in banking terminology are generally known as :

- (A) BPOs
(B) Prime Asset
(C) NPAs
(D) CBS

35. The term divisible profit means :

- (A) Profit after tax
(B) Profit after interest and tax
(C) Profit before tax
(D) Profit which can be legally distributed to the shareholders of a company as dividend

36. Which statement is true ?

- (A) Money is a good servant
(B) Money is a good servant but a bad master
(C) Money is a good master but a bad servant
(D) Money is a good master and a good servant

37. India has adopted _____ as its economic system to bring about a socialistic pattern of society
- (A) Socialism
 - (B) Mixed economy
 - (C) Capitalism
 - (D) Political economy
38. Trade in 'invisible' refers to :
- (A) Unrecorded Trade
 - (B) Smuggling
 - (C) Trade in Services
 - (D) Barter Trade
39. In which one of the following types of Economies, the decision of the central planner are replaced by the decisions of the millions of firms and households ?
- (A) Socialist Economy
 - (B) Market Economy
 - (C) Mixed Economy
 - (D) Closed Economy
40. The change in TR resulting from the sale of the one unit more of output means :
- (A) MR from a given input
 - (B) MR from a given output
 - (C) AR from a given output
 - (D) Additional profit from additional unit sold
41. Which of the following is basically a process of mutual goal setting between a subordinate and his/her supervisor ?
- (A) Scientific Management
 - (B) Management by Objectives
 - (C) Management by Exceptions
 - (D) Decision Theory

42. Sick enterprises in India are referred to :

- (A) SEBI (B) SIDBI
(C) RBI (D) BIFR

43. Capital gearing denotes the relationship between :

- (A) Assets and Share capital
(B) Fixed expenses and Variables expenses
(C) Equity shareholders funds and long term borrowed funds
(D) Gross Working Capital and Net Working Capital

44. Which of the following practice is unethical ?

- (A) Profitability (B) Profitecring
(C) Customer concern (D) Sales promotion

45. Which one of the following is not a Risk-adjusted approach in Capital budgeting ?

- (A) Risk-adjusted Discount Rate Approach (B) Certainty-Equivalent Approach
(C) Pay Back Period Approach (D) Decision-tree Approach

46. Which of the following techniques is used to measure the degree of association between two variables ?

- (A) Correlation Analysis (B) Regression Analysis
(C) Dispersion (D) Skewness

47. Which of the following banks has been entrusted with the responsibility of developing and supporting small business ?

- (A) NABARD (B) State Bank of India
(C) IDBI (D) SIDBI

48. COSA stands for :

- (A) Cost of social accounting (B) Cost of sales adjustment
(C) Cost of sales accounting (D) Cost of social adjustment

49. The accounting standard issued by Institute of Chartered Accountants of India which deals with valuation of inventories is :

- (A) Accounting Standard-2 (B) Accounting Standard-6
(C) Accounting Standard-8 (D) Accounting Standard-11

50. Contract costing is used in :

- (A) Ship building (B) Road transport
(C) Air transport (D) Marine transport

51. FMCG indicates :

- (A) Fast Moving Capital Goods (B) Fast Moving Consumer Goods
(C) Fast Movement of Capital Goods (D) Fast Movement of Consumer Goods

52. OPEC stands for :

- (A) Organization of Petroleum Exporting Countries
(B) Overseas Petroleum Exporting Countries
(C) Organization of Petroleum Exporting Corporations
(D) Overseas Petroleum Exporting Commission

53. Monetary and credit policy in India is announced by :

- (A) Finance Ministry (B) Reserve Bank of India
(C) Commerce Ministry (D) Prime Minister

54. The BSE SENSEX is based on :

- (A) 100 shares (B) 1000 shares
(C) 30 shares (D) 500 shares

55. The Central Bank of our country is :

- (A) State Bank of India (B) Reserve Bank of India
(C) Bank of India (D) Central Bank of India

56. Ad valorem duty is levied according to :

- (A) Value (B) Quantity
(C) Both of the above (D) None of the above

57. 14 major commercial banks were nationalized in India in :

- (A) 1975 (B) 1947
(C) 1967 (D) 1969

58. The burden of indirect taxes is borne by the :

- (A) Producer (B) Retailer
(C) Wholesalers (D) Consumer

59. Which of the following committees dealt with banking sector reforms in India ?

- (A) Wadhawa Committee (B) Khan Committee
(C) Narsimham Committee (D) Wangchoo Committee

60. A letter of credit is produced by :

- (A) An exporter (B) An importer
(C) The Government (D) Stock Exchange

61. Average Clause in a fire policy :

- (A) Average the claim on the different policies taken by the insured
(B) insures the property at average premium paid for the last three years
(C) Insures the property at the average rate of premium received during the last year only
(D) Penalizes under-insurance

62. The importer cannot take delivery of goods unless he produces the :

- (A) Bill of sight (B) Bill of lading
(C) Shipping bill (D) Certificate of origin

63. "Grapevine" is a term used in relation to :

- (A) Formal communication
(B) Informal communication
(C) Both formal and informal communication
(D) This term is not used in relation to communication

64. "Espirit De Corpse" principle of management was enunciated by :

- (A) Earnest Dale (B) R.C. Davis
(C) Henry Fayol (D) Peter Drucker

65. The process of delegation is :

- (A) Top down (B) Bottom up
(C) Horizontal (D) Circular

66. The number of subordinates a superior can effectively handle is called :

- (A) Cooperation
- (C) Span of control

- (B) Coordination
- (D) Supervision

67. The principle of centralization as one of the principles of management was given by :

- (A) Taylor
- (C) Urwick

- (B) Terry
- (D) Fayol

68. The concept of human relations was developed by :

- (A) Robert Owen
- (C) Elton Mayo

- (B) V.V. Giri
- (D) Edwin D. Filipo

69. Mental fatigue arises due to :

- (A) Repetitive work
- (C) Industrial work

- (B) Standing work
- (D) None of the above

70. Which one of the following pairs is correctly matched ?

- (A) F.W. Taylor—Scientific management
- (B) Henry Fayol—human relations approach
- (C) Elton Mayo—Psychological approach
- (D) Marry Parker Follet—Universality of management

71. Rapid integration or inter-connection between countries is known as :

- (A) Privatisation
- (C) Liberalisation

- (B) Globalisation
- (D) Socialisation

72. A public corporation is set up :

- (A) By a Special Act of Parliament (B) By a Special Order of the Government
(C) Under Indian Companies Act, 1956 (D) By the Order of CAG

73. Double Entry System was first introduced in :

- (A) America (B) Japan
(C) India (D) Italy

74. Which of the following companies do not have the obligation to get its Articles of Association registered along with the Memorandum of Association ?

- (A) Public Company limited by shares (B) Unlimited companies
(C) Private companies limited by shares (D) Companies limited by guarantee

75. Which one of the following statements is correct ?

- (A) Audit of an educational institution is compulsory if it is run by a charitable trust
(B) A club is treated as a commercial establishment
(C) The accounts of a charitable trust can be audited by any person who belongs to accountancy profession
(D) Audit of a charitable trust is not compulsory under law

76. 'Salvage Charges' is related to :

- (A) Life Insurance (B) Marine Insurance
(C) Fire Insurance (D) None of the above

77. Which among the following is eligible to issue Shelf Prospectus ?
- (A) Any company contemplating for public issue of securities
 - (B) Any public financial institution
 - (C) Only manufacturing companies
 - (D) Only foreign companies engaged in trading in India
78. According to the Partnership Act, the maximum number of partners in a banking firm may be :
- (A) 10
 - (B) 12
 - (C) 14
 - (D) 20
79. In which State the Mitakshara form H.U.F. business does not apply ?
- (A) Rajasthan
 - (B) Gujarat
 - (C) West Bengal
 - (D) Kerala
80. When three sugar mills combine, it is an example of :
- (A) Vertical combination
 - (B) Horizontal combination
 - (C) Diagonal combination
 - (D) Rational combination
81. Life insurance is a contract of which *one* of the following :
- (A) Indemnity
 - (B) Guarantee
 - (C) Contribution
 - (D) Subrogation
82. The object of 'Agenda' is to inform :
- (A) About the profitability and activity
 - (B) About the progress of company
 - (C) About the matter in sequence to be discussed in the meeting
 - (D) About the routine matters

83. Out of the following forms, which form of organisation is the oldest one ?

- (A) Line and staff organisation
(B) Functional organisation
(C) Committee organisation
(D) Line organisation

84. The most recent form of retail distribution is :

- (A) Mail order business
(B) Chain stores
(C) Departmental stores
(D) Sky shopping

85. Donations received by a charitable club for the special purpose will be taken to the :

- (A) Income and Expenditure Account
(B) Assets side of the Balance Sheet
(C) Liabilities side of the Balance Sheet
(D) Accrued Earnings Account