## Combined Graduate Level Examination (Tier-II), 2018

| Roll No. |
| :--- |
| Registration <br> No. |
| Name |
| Test Venue | iON Digital Zone iDZ 2 Sector 62

Section : Part A Finance and Accounts
Q. 1 If the net sales are Rs.35,000, Net Purchases Rs.25,000 and the Closing Stock is Rs. 5,000 , what will be the amount of Gross Profit?
Ans
X 1. Rs.55,000
< 2. Rs.25,000

- 3. Rs.15,000

入4.Rs.5,000
Q. 2 If the account of Mr.Jay was debited by Rs. 495 instead of being credited by Rs.459, the rectification will be done by $\qquad$ -.
Ans

1. Crediting his account by Rs. 594

- 2. Crediting his account by Rs. 954

3. Debiting his account by Rs. 954
4. Debiting his account by Rs. 594
Q. 3 Wages paid for erection of a new plant or machinery are taken as $\qquad$ .
Ans
5. Deferred Revenue Expenditure2. Deferred Capital Expenditure

- 3. Capital Expenditure
(4. Revenue Expenditure
Q. 4 In case of a Partnership Firm, a $\qquad$ is prepared to show the distribution of profits among different partners.

Ans
X 1. Profit \& Loss A/c
2. Drawings A/c
4. Profit \& Loss Appropriation A/c
Q. 5 According to Section 5 of the Negotiable Instruments Act, 1881, a $\qquad$ is defined as, an instrument in writing containing an unconditional order, signed by the maker, directing a certain person, to pay a certain sum of money only to, or to the order of, certain person or to the bearer of the instrument.

Ans

- 1. Bill of Exchange

X 2. Letter of Credit
⒊ Cheque
4. Demand Draft
Q. 6 The $\qquad$ concept of accounting presumes that an enterprise will continue in operation long enough to charge against income, the cost of fixed assets over their useful lives, to amortize over appropriate period other costs which have been deferred under the actual or matching concept, to pay liabilities when they become due and to meet the contractual commitments.

Ans
-1. Going Concern
X ${ }^{2}$. cost
3. Money Measurement
(4.Separate Entity
Q. 7 If the two sides of the Trial Balance tally, it is an indication that $\qquad$ .
Ans

1. The books of account are completely accurate.

- 2. The books of account are arithmetically accurate.

3. The business has suffered a loss.
4. The business has a sound financial position.
Q. 8 In periods of rising prices, $\qquad$ method of inventory valuation will result in production being relatively undercharged.
Ans
5. Highest in First Out

Х 2. Last in First Out
( 3. Next in First Out
4. First in First Out
Q. 9 "Debit all Expenses and Losses, Credit all Gains and Income" is the principle to record journal entry for $\qquad$ Accounts.
Ans
Х 1 . Artificial

- 2. Nominal

X 3. Personal
(4. Real
Q. 10 A club received Rs. 40,000 as subscriptions during the year 2018-19 of which Rs.6,000 relate to year
2017-18 and Rs.4,000 to 2019-20, and at the end of the year 2018-19 Rs.12,000 are still receivable.
What will be the income from subscriptions for the year 2018-19?
Ans
X 1. Rs.12,000
X 2. Rs.21,000

- 3. Rs. 42,000

X4.Rs.24,000
Q. 11 $\qquad$ is historical in nature and reflects the past position of business organization.
Ans
X 1. Computerised Accounting

- 2. Financial Accounting

3. Management Accounting

Х 4. Inflation Accounting
Q. 12 The funds raised by Non-Profit Organisations are credited to capital fund or $\qquad$ .
Ans

- 1. General Fund

2. Special Revenue Fund
3. Debt Service Fund

X 4. Reserve Fund
$\qquad$ is / are charged to the Profit \& Loss Account.
Ans 1. Royalty
\$2. Stock
3. Import Duty
4. Trade expenses
Q. 14 If the balance as per Cash Book is Rs.5,800; cheques amounting to Rs.2,000 are issued but not yet presented; cheques of Rs.1,500 sent for collection, but not yet collected, and amount of Rs. 200 is wrongly debited by the bank, what will be the balance as per Pass Book?
Ans
<1.Rs.1,700
X 2. Rs.7,800

- 3. Rs. 6,100

X4.Rs.2,800
Q. 15 The original cost of an asset is Rs. $1,00,000$ with an estimated scrap value of Rs. 16,000 at the end of its useful life of 5 years. The depreciation on the asset for its whole life is Rs. 84,000 , what will be the amount to be charged to the Profit \& Loss A/c, if the Sinking Fund table shows that Re.0.180975 if invested yearly @5 \% p.a. produces Re. 1 at the end of 5 years?
Ans

1. Rs.15,202

X 2. Rs.1,765
X 3.Rs.18,098
X4.Rs.2,896
Q. 16 $\qquad$ appears on the credit side of Manufacturing Account.

Ans

1. Purchase of Raw materials

- 2. Sale of By-product

Х 3. Sale of Fixed Asset
4. Factory Rent
Q. 17 In case of a Bill of Exchange, 'Legal Due Date' is a date which is arrived after adding three days of grace in the $\qquad$ .
Ans

1. Date of bill
2. Date of acceptance

- 3. Nominal due date

4. Period of bill
Q. 18 The convention of conservatism has become a target of serious criticism on the ground that it goes against the convention of $\qquad$ -.
Ans2. Consistency3. Dual Aspect
5. Materiality
Q. 19 According to the $\qquad$ concept of accounting, the life of the business is divided into appropriate segments for studying the results shown by the business after each segment.
Ans
Х 1. Dual Aspect

- 2. Accounting Period
> 3. Cost
Х4. Realization
Q. 20 What will be the amount of credit purchases, if the opening balance of creditors is Rs.7,600; cash paid to creditors Rs.20,000; discount allowed by them Rs.500; Returns Outward are Rs.2,400; Bills payable accepted Rs.4,600 and the closing balance of creditors is Rs.9,500?
Ans
X 1.Rs.7,600
X 2. Rs.9,500
- 3. Rs.29,400

X4.Rs.24,900
Q. 21 Kohler defines Single Entry System as, "A System of book-keeping in which as a rule only records of $\qquad$ and of personal accounts are maintained".

Ans
X 1. Stock
X
2. Fixed Assets
3. Cash

X4. Goodwill
Q. 22 Errors committed because of failure to make a proper distinction between revenue and capital items are called $\qquad$ _.
Ans
(2. Compensating Errors
3. Errors of Commission
4. Errors of Omission
Q. 23 Which one of the following is a limitation of Financial Accounting?

Ans 1. It records only monetary items
2. It lacks double entry system

Х 3. It is based on certain accounting principles
(4. It records qualitative information
Q. 24 The maker of a Bill Of Exchange is called the $\qquad$ .
Ans
X 1. Payer

- 2. Drawer
\$ 3. Payee
<4. Drawee
Q. 25 Under $\qquad$ method of Inventory valuation, the issues of materials are made at the price of materials or goods which have been ordered but not yet received.
Ans

1. Highest in First Out

人 2. Last in First Out

- 3. Next in First Out

4. First in First Out
Q. 26 If a machine (having a scrap value of Rs.1,000) is purchased for Rs.10,000 and it has an effective life of 10 years of 1000 hours each, what will be the amount of depreciation per hour?
Ans
<1.Rs.1.50
2 2. Re.1.00
< 3. Rs. 2.00

- 4. Re.0.90
Q. 27 Recording of business transactions are done in a chronological manner in $\qquad$ .
Ans
X 1. Balance Sheet
X 2. Ledger

3. Journal
4. Trial Balance
Q. 28 A trade mark is an example of $\qquad$ .

Ans

- 1. Intangible assets

Х 2. Liquid assets
( 3. Fixed assets
4 4. Current assets
Q. 29 The technique of finding out the net balance of a ledger account, after considering the totals of both debit and credit sides, is known as $\qquad$ —.
Ans

- 1. Balancing of an Account

X 2. Comparison of an Account
3. Reconciliation of an Account
4. Rectification of an Account
Q. 30 A Trial Balance may be prepared according to Totals Method and $\qquad$ Method.
Ans
Х1. Average
X 2. Deficit
3. Surplus

- 4. Balance
Q. 31 Self -balancing entries will only be made for those transactions which affect $\qquad$ _.
Ans
X 1. Three ledgers
Х 2. One ledger
- 3. Two ledgers
Q. 32 When a number of transactions on the same date or relating to one particular account/nature are recorded by means of a single journal entry, such an entry is called as $\qquad$ _.

Ans
X 1. Contra Entry
< 2. Rectification Entry
X 3. Adjustment Entry
4. Compound Journal Entry
Q. 33 Which one of the following entry will be passed for 'credit sales' under self balancing ledger system?

Ans

To General Ledger Adjustment A/c
X 2. Cash A/c ---- Dr.
To Individual Customer A/c
( 3. General Ledger Adjustment A/c ---- Dr
To Debtors Ledger Adjustment A/c
Х 4. Individual Customer A/c ---- Dr.
To Sales A/c
Q. 34 If a firm purchases 100 units of goods on 1st Jan.@ Rs. 4 p.u; 200 units on 8th Jan. @ Rs. 5 p.u., 200 units on 24th Jan.@ Rs. 6 p.u., and sold 200 units on 31st Jan, What will be the value of inventory sold on 31st Jan. according to the Weighted Price method when the firm follows Periodic Inventory System?
Ans
2. Rs. 20003. Rs. 10404. Rs. 1202
Q. 35 A businessman can find out what his business owns and what it owes from $\qquad$ -.
Ans
<1. Trading A/c

- 2. Balance Sheet

3. Profit \& Loss A/c
< 4. Ledger
Q. 36 $\qquad$ system of depreciation is followed in case of those assets which are of small values or where the life of the asset cannot be ascertained with certainty.
Ans
4. Sinking fund

X 2. Annuity
( 3. Insurance policy
4. Inventory
Question ID : 2390877323
Status : Answered
Chosen Option : $\mathbf{4}$
Q. 37 The ___ of a Non-Profit Organisation gives a list of revenue receipts (for past, current and future periods) as well as capital receipts.
Ans
X 2. Income \& Expenditure Account
3. Receipt and Payment Account
4. Profit \& Loss Account
Q. 38 On account of $\qquad$ convention, the inventory is valued 'at cost or market price whichever is less'.

Ans

1. Full Disclosure

X 2. Consistency

- 3. Conservatism

4. Materiality
Q. 39 The objective of preparing a Bank Reconciliation Statement is to $\qquad$ -

Ans

1. Rectify the errors of trial balance
2. Rectify the errors of pass book
3. Rectify the errors of cash book
4. Idenify difference between balance of bank statement and the cash book
Q. 40 Which one of the following is a revenue expenditure?

Ans

1. Cost of advertising Rs. 10,00,000 for the purpose of introducing a new product.

Х 2. Loss suffered on sale of old furniture Rs. 500.

- 3. Rs. 1000 spent on painting the factory.

4. Spent Rs. 5000 on overhauling of a car which was purchased second hand.
Question ID: 2390877322
Status : Answered
Chosen Option : 1

## Section : Part B Economics and Governance

Q. 1 Because of price rigidity, firms under oligopoly face a $\qquad$ demand curve.

Ans

- 1. Kinked

2. Parallel

Х 3. Negative sloping
X 4. Uniformly Elastic
Question ID : 2390877365
Status : Not Answered
Chosen Option : --
Q. 2 The $\qquad$ Oversees the Foreign Exchange Management Act, 1999.

Ans

1. State Bank of India

- 2. Reserve Bank of India

X 3. Exim Bank
4. Securities Exchange Board of India
Q. 3 In $\qquad$ India has signed an open sky agreement with Australia allowing airlines on either side to offer unlimited seats to six Indian metro cities and various Australian cities.

Ans

- 1. June 2018

X 2. April 2019
X 3. June 2008
X 4. July 2018
Q. 4 While measuring the National Income, in order to avoid double counting of value of goods in computing GDP,the Final Goods Approach and the $\qquad$ is used.
Ans
Х 1 . Final Sales
2 2. Final Production

- 3. Value Added Method

4. Final Purchases
Q. 5 Article $\qquad$ of the Constitutional Provisions of Comptroller \& Auditor General of India relates to Audit Reports.

Ans

- 1.151

X2. 149
X 3.148
>4.150
Q. 6 unemployment attributable to the time required to match production activities with qualified resources.
Ans 1. Frictional
2. Voluntary
3. Seasonal
4. Disguised

Note: For this question, discrepancy is found in question/answer. Full Marks is being awarded to all candidates.
Q. 7 $\qquad$ is a kind of unemployment in which there are people who are visibly employed but are actually unemployed or not utilizing their proper skills to its maximum level.
Ans

1. Seasonal Unemployment

- 2. Disguised Unemployment

3. Voluntary Unemployment
4. Structural Unemployment
Q. 8 The Central public sector enterprises (CPSEs) viz. Indian Oil Corporation and Steel Authority of India Ltd. have the status of $\qquad$ .

Ans

1. Navratnas

- 2. Maharatnas

X 3. Miniratnas
(4.Ratnas
Q. 9 The __ define national income as the value created in the sphere of material product alone.
Ans
2. Capitalists

X 3. Communists
X4. Maoists
Q. 10 The Long-Run Analysis of Production is done under which one of the following law of Production?

Ans

1. Law of Averages
2. Law of Segregation
3. Law of Returns to Scale
4. Law of demand
Q. 11 The laws of $\qquad$ describe the technically possible ways of increasing the level of output.
Ans

- 1. Production

2. Return to scale

X3. Demand
X 4. Supply
Q. 12 The $\qquad$ is vested with the responsibility of conducting monetary policy of India.
Ans

1. Industrial Development Bank of India (IDBI)

Х 2. Securities Exchange Board of India(SEBI)

- 3. Reserve Bank of India (RBI)

Х 4. State Bank of India (SBI)
Q. 13 The demand curve normally has a $\qquad$ slope.
Ans $\qquad$
Х 2. Undefined

- 3. Negative

X4.Zero
Q. 14 Which among the following is the main measuring scale to map the economic growth of a country?
Ans

1. Gross Domestic Product

X 2. Gross National Purchases
3. Gross National Happiness

Х 4. Human Development Index
Q. 15 According to the economic survey published in July 2019 by Govt. of India, GDP is expected to grow at $\qquad$ $\%$ in 2019-20 due to growth of investment \& consumption Service exports
Ans
>2.6
>3.8
>4.5
Q. 16 The quantity of demand by virtue of which it changes (increases or decreases) when changes (decreases or increases) is called Elasticity of Demand.
Ans
Х 1. Desire
Х 2. Marginal utility
(3. Output
4. Price
Q. 17 products have a zero cross elasticity.
Ans

1. Rival

1 2. Substitute
3. Complementary

- 4. Unrelated
Q. 18 The Fiscal Responsibility and Budget Management (FRBM) Act, 2003 was enacted by the Parliament in $\qquad$ .

Ans
X 1. April 2003
X 2. July 2003
Х 3. June 2003
Q. 19 In 2005, a expert group was constituted by the Planning Commission to review methodology for poverty estimation. It was chaired by $\qquad$ —.
Ans

Х 2. D.T. Lakdawala
3.V.M. Dandekar
4. Rangarajan
Q. 20 The Interim Budget 2019-20 has pegged the fiscal deficit for the year 2019-20 at $\qquad$ \% of GDP.

Ans
X 1.1 .6

- 2.3 .4

X3.4.1
>4.2.3
Q. 21 The government of India has targated revenue deficit for the financial year 2019-20 to be $\qquad$ \% of GDP.

Ans 1. 2.5
2. 3.3
3. 3.2
4. 2.3

Note: For this question, discrepancy is found in question/answer. Full Marks is being awarded to all candidates.
Q. 22 The law of __ states that, other things remaining the same, the quantity supplied of a commodity is directly or positively related to its price.
Ans

1. Diminishing utility

- 2. Supply

X3. Demand
4. Diminishing returns
Q. 23 According to $\qquad$ method of measuring national income, the national income consists of measuring the output of all producers and to deduct from this total the intermediate purchases.
Ans
X1. Income
Х 2 . Expenditure
3. Product

Х 4. Marginal cost
Q. 24 $\qquad$ has defined Economics as the science of wealth.
Ans

1. Adam smith
2. Alfred Marshall

X 3. Lionel Robbins
Х 4. Paul Samuelson
Q. 25 Find out the best possible option which describes the formula to obtain Gross National Product.

Ans
Х 1. GDP - Trade Balances abroad
2. GDP + Trade Balances Abroad + Interest of External Loans + Private Remittances

X 3. (GDP + Trade Balances Abroad + Interest of External Loans + Private
Remittances)- Abroad individual Consumptions
X 4. GDP + Trade balances Abroad
Q. 26 $\qquad$ have an income elasticity of demand of between 0 and +1 .

Ans

- 1. Normal goods

X 2. Giffen goods
3. Inferior goods

Х 4 . Luxury goods

## Q. 27 Indifference curve theory states that:

Ans

1. Purchasing power is the real determinant of buying
2. Consumer spending pattern changes with the change in his income

- 3. Consumers form preferences for some combination of products over others

4. Purchasing power is not the determinant of buying
Q. 28 For the first time in the history of Indian planning there was an attempt to move beyond empowerment and recognize women as agents of sustained socio-economic growth and change, in the $\qquad$ Five Year Plan.

Ans

1. Seventh

- 2

2. Eleventh

X3. Tenth
(4. Fifth
Q. 29 Which one of the following is a function of Finance Commission of India?

Ans
1 1. Investigating complaints on any finance related issue.
X 2. Monitor and investigate adherence to applicable procedures in the public service
< 3. Overseeing workforce and personnel matters in the State services
4. Division/Distribution of the net tax proceeds between the Centre and the states, and
the allocation of the same between states.
Q. 30 $\qquad$ refers to the willingness and ability of consumers to purchase a given quantity of a good or service at a given point in time or over a period in time.
Ans


Х 2. Estimation
X 3. Desire
X 4. Consumption
Q. 31 The problem of choice arises on account of the pressure of three interrelated facts, viz, human wants are unlimited, means required to satisfy these wants are limited and
$\qquad$ .
Ans

1. Means are capable of being put to alternative uses.2. Means are incapable of being put to alternative uses.

X 3. All means are perishable.
X
4. All means are freely available.

Ans

1. Material abundance

Х 2. Material Quality
X 3. Substitute material
4. Material price
Q. 33 Macro economics is not a study of $\qquad$
Ans
X1. unemployment
2 2 inflation3. consumer surplus
4. national income
Q. 34 filing of various compliances in a seamless and transparent manner. is the portal which assists the corporate sectors in India with regard to the

Ans
X 1. Company Portal

- 2. MCA 21

X 3. ROC India Portal
Х4. MCA 11
Q. 35 The curve of production possibility is concave in nature because of $\qquad$ .
Ans
Х 1. Positive opportunity costs
Х 2. Average rate of transformation
X 3. Negative opportunity cost

- 4. Marginal rate of transformation
Q. 36 Under $\qquad$ the cross elasticity of demand between the product of the firm and that of other commodity in the market is zero.
Ans


X 2. Duopoly
3 3. Oligopoly
4. Perfect Competition
Q. 37 If the proportionate increase in the output is less than proportionate increase in the inputs it is said to be $\qquad$ returns.

Ans

- 1. Diminishing

X 2. Constant
X 3. Variable
(4. Increasing
Question ID : $\mathbf{2 3 9 0 8 7 7 3 6 2}$
Status: Answered
Chosen Option: $\mathbf{3}$
Q. 38 According to $\qquad$ theory, a consumer will continue to buy such products that will deliver him the most utility or maximum satisfaction at relative prices.
Ans

- 1. Marginal Utility

2. Income and savings

Х 3. Indifference
Х4. Rising income
Q. 39 $\qquad$ was the first payments bank to start its commercial operation in November 2016 on a pilot basis.

Ans

1. Airtel Payments Bank

X 2. Paytm Payments Bank
3. Fino Payments Bank
4. India Post Payments Bank
Q. 40 In Monopoly Market equilibrium, the trader gets $\qquad$ in the long run (where all factors happen to be variable).
Ans
1 1. Marginal Profits
X 2. Normal Profits
3. Average Profits

- 4. Super Normal Profit
Q. 41 Which one of the following is an element of capital account in the Balance of Payments?
Ans - 1. Foreign direct investments
(2. Royalties from patents
- 3. Income from foreign tourists

X4. Export income
Q. 42 The ___ is a hypothetical representation of the amount of two different goods that can be obtained by shifting resources from the production of one, to the production of the other.

Ans
Х 1. Gestation period

- 2. Production possibility curve

X 3. Product life cycle
4. Consumption possibility curve
Q. 43 Supply is said to be $\qquad$ when a given percentage change in price leads to a larger change in quantity supplied.
Ans

- 2. Elastic

X 3. Inelastic
4. Perfectly Elastic
Q. 44 The $\qquad$ is/are constituted by the President under article 280 of the Constitution, mainly to give its recommendations on distribution of tax revenues between the Union and the States and amongst the States themselves.
Ans
X 1. Panchayats
2. Finance Commission

Х 3. Municipalities
4. Public Service Commission
Q. 45 Which one of the following is not a type of Economic Infrastructure?

Ans
1 1 . Transport
X 2. Irrigation
X 3. Communication

- 4. Housing
Q. 46 "What to produce?" is a basic problem faced by an economy under which of the following central problem?

Ans

1. Efficient use of resources
2. Allocation of resources
3. Creation of resources

4 4. Growth of resources
Question ID : 2390877344
Status: Answered
Chosen Option: $\mathbf{3}$
Q. 47 Goods whose demand varies inversely with income are called $\qquad$ goods.

Ans
>1. Superior
X 2. Necessary

- 3. Inferior
(4. Normal

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Question ID : 2390877348
Status : Not Answered
Chosen Option : --
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Q. 48 As per the 2018-19 data published by the Ministry of Statistics \& Program Implementation, the share of agriculture \& allied sector is $\qquad$ \% to the Gross Value Added in India.

Ans
Х1.27.03
× 2.29 .73

- 3.15 .87

X4.54.4
Q. 49 When even a negligible fall in the price of the commodity leads to an infinite extension in the demand for it, it is called $\qquad$ .
Ans

1. Unit elastic demand

X 2. Less elastic demand
X 3. Perfectly Inelastic demand
4. Infinite elastic demand.
Q. 50 The classic economic resources i.e. land, labour and capital are called as $\qquad$ .

Ans
1 1 . Factors of consumption
2. Factors of production
3. Factors of demand
\$4. Factors of supply
Q. 51 Functions of Comptroller and Auditor-General in the Case of Grants or Loans given to other Authorities or Bodies are specified in Section $\qquad$ of The Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Amendment ACT, 1971.
Ans
X1.16
< 2.10
< 3.12
4. 15
Q. 52 The Central Government has amalgamated three Regional Rural Banks - Punjab Gramin Bank, Malwa Gramin Bank and Sutlej Gramin Bank into a single RRB with effect from.

Ans
< 1.31st December 2018

- 2. 1st January 2019

X 3.1st January 2018
(4. 1st July 2019
Q. 53 Which one of the following is a primary function of commercial banks?

Ans

1. Discounting of bills

Х 2. Supplying business information
3. Issuing letters of credit

- 4. Accepting deposits and providing loans
Q. 54 In India, the first Metro Rail service was inaugurated on 24th October 1984 in $\qquad$ -.
Ans
< 1. Mumbai
X 2. Hyderabad
- 3. Kolkata
\$4. Bangalore
Q. $55 \ldots$ disequilibrium occur because of long-run and deep seated changes in an economy as it moves from one stage of growth to another.
Ans

Q. 56 The MRTP Act was repealed and replaced by the $\qquad$ with effect from September 1, 2009
Ans $\quad$ 1. Limitation Act
- 2. Competition Act

3. Consumer Protection (Amendment) Act

X 4. Industries (Development and Regulation) Act,
Q. 57 In the short run, the monopolist should make sure that the price should not go below
$\qquad$
Ans
Х 1. Average Total Cost
Х 2. Average Fixed Cost
3. Average Production Cost

- 4. Average Variable Cost
Q. 58 An important financial reform has been the reduction in Statutory Liquidity Ratio
(SLR)which was as high as 39 per cent of deposits with the banks has been reduced to per cent as on August, 2019
Ans $\times 1.15 .5$

2. 18.75

X 3.25
入4. 19.25
Q. 59 $\qquad$ may be defined as a market situation in which market price is largely determined by the forces of total demand and total supply in the market.
Ans

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1. Monopoly
2. Oligopoly
3. Monopolistic Competition
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Q. 60 The decades $\qquad$ are referred to as the period of steady population growth in India.

Ans 1. 1951-1981
2. 1901-1921
3. 1921-1951
4. post 1981

Note: For this question, discrepancy is found in question/answer. Full Marks is being awarded to all candidates.

