



SSC CGL 2018 AAO Question Paper (English) PDF

Part A Finance and Accounts

1. The Trial Balance may be prepared according to Totals Methods and _____ Methods.

- A. Deficit
- B. Average
- C. Surplus
- D. Balance

Ans: D

2. _____ appears on the credit side of Manufacturing Account.

- A. Purchase of Raw materials
- B. Sale of By-product
- C. Factory Rent
- D. Sale of Fixed Asset

Ans: B

3. According to the _____ concept of accounting, the life of the business is divided into appropriate the segments for studying the results shown by the business after each segment.

- A. Cost
- B. Dual Aspect
- C. Accounting Period
- D. Realization

Ans: C

4. On account of _____ convention, the inventory is valued 'at cost or market price whichever is less'.

- A. Consistency
- B. Conservatism
- C. Full Disclosure
- D. Materiality

Ans: B

5. 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?

- A. Rs. 15,000
- B. Rs. 25,000
- C. Rs. 55,000
- D. Rs. 5,000

Ans: A

6. Under _____ method of inventory valuation, the issues of materials are made at the price of materials of goods which have been ordered but not yet received.

- A. Last in First Out
- B. First in First Out
- C. Highest in First Out
- D. Next in First Out

Ans: D

7. A businessman can find out what his business owns and what it owes from _____.

- A. Profit & Loss A/c
- B. Balance Sheet
- C. Ledger
- D. Trading A/c

Ans: B

8. The maker of a Bill Of Exchange is called the _____.

- A. Payer
- B. Payee
- C. Drawee
- D. Drawer

Ans: D

9. _____ 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.

- A. Insurance Policy
- B. Inventory
- C. Annuity
- D. Sinking fund

Ans: B

10. 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?

- A. Rs. 2.00
- B. Rs. 1.50
- C. Re. 1.00
- D. Re. 0.90

Ans: D

11. The _____ 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.

- A. Separate Entity
- B. Cost
- C. Going Concern
- D. Money Measurement

Ans: C

12. The _____ of a Non-Profit Organisation gives a list of revenue receipts (for past, current and future periods) as well as capital receipts.

- A. Profit & Loss Amount
- B. Receipt and Payment Account
- C. Income & Expenditure Account
- D. Profit & Loss Appropriation Account

Ans: B

13. If the two sides of the Trial Balance tally, it is an indication that _____.

- A. The books of account are completely accurate.
- B. The books of account are arithmetically accurate.
- C. The business has a sound financial position.
- D. The business has suffered a loss.

Ans: B

14. In case of a Bill of Exchange, 'Legal Due Date' is a date which is arrived after adding three days of grace in the _____.

- A. Nominal due date
- B. Date of bill
- C. Date of acceptance
- D. Period of bill

Ans: A

15. Self-balancing entries will only be made for those transactions which affect _____.

- A. Three ledgers
- B. One ledger
- C. Four ledgers
- D. Two ledgers

Ans: D

16. Which one of the following is a revenue expenditure?

- A. Spend Rs. 5000 on overhauling of a car which was purchased second hand.
- B. Rs. 1000 spent on painting the factory.

C. Loss suffered on sale of old furniture Rs. 500.

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

Ans: B

17. Kohler defines Single Entry System as, "A System of book-keeping in which as a rule only records of _____ and of personal accounts are maintained".

- A. Fixed Assets
- B. Cash
- C. Goodwill
- D. Stock

Ans: B

18. Recording of business transactions are done in a chronological manner in _____.

- A. Journal
- B. Trial Balance
- C. Ledger
- D. Balance Sheet

Ans: A

19. "Debit all Expenses and Losses, Credit all Gains and Income" is the principle to record journal entry for _____ Accounts.

- A. Real
- B. Personal
- C. Artificial
- D. Nominal

Ans: D

20. A trade mark is an example of _____.

- A. Current assets
- B. Intangible assets
- C. Fixed assets
- D. Liquid assets

Ans: B

21. 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?

- A. Rs. 9,500
- B. Rs. 29,400



- C. Rs. 24,900
D. Rs. 7,600

Ans: B

22. _____ is /are charged to the Profit & Loss Account.

- A. Stock
B. Trade expenses
C. Import Duty
D. Royalty

Ans: B

23. 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?

- A. Rs. 24,000
B. Rs. 42,000
C. Rs. 21,000
D. Rs. 12,000

Ans: B

24. 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 _____.

- A. Contra Entry
B. Compound Journal Entry
C. Rectification Entry
D. Adjustment Entry

Ans: B

25. If the account of Mr. Jay was debited by Rs. 495 instead of being credited by Rs. 459, the rectification will be done by _____.

- A. Crediting his account by Rs. 594
B. Debating his account by Rs. 954
C. Crediting his account by Rs. 954
D. Debiting his account by Rs. 594

Ans: C

26. 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 _____.

- A. Rectification of an Account
B. Comparison of an Account
C. Balancing of an Account

D. Reconciliation of an Account

Ans: C

27. _____ is historical in nature and reflects the past position of business organization.

- A. Computerised Accounting
B. Management Accounting
C. Inflation Accounting
D. Financial Accounting

Ans: D

28. Which one of the following is a limitation of Financial Accounting?

- A. It is based on certain accounting principles
B. It records qualitative information
C. It records only monetary items
D. It lacks double entry system

Ans: C

29. In case of a Partnership Firm, a _____ is prepared to show the distribution of profits among different partners.

- A. Profit & Loss A/c
B. Partner's Capital A/c
C. Drawings A/c
D. Profit & Loss Appropriation A/c

Ans: D

30. The funds raised by Non-Profit Organisations are credited to capital fund or _____.

- A. Special Revenue Fund
B. Reserve Fund
C. General Fund
D. Debt Service Fund

Ans: C

31. In periods of rising prices, _____ method of inventory valuation will result in production being relatively undercharged.

- A. First in First Out
B. Highest in First Out
C. Last in First Out
D. Next in First Out

Ans: A

32. The convention of conservatism has become a target of serious criticism on the ground that it goes against the convention of _____.



- A. Materiality
- B. Dual Aspect
- C. Full Disclosure
- D. Consistency

Ans: C

33. Wages paid for erection of a new plant or machinery are taken as _____.

- A. Revenue Expenditure
- B. Capital Expenditure
- C. Deferred Capital Expenditure
- D. Deferred Revenue Expenditure

Ans: B

34. 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?

- A. Rs. 1,765
- B. Rs. 15,202
- C. Rs. 18,098
- D. Rs. 2,896

Ans: B

35. Errors committed because of failure to make a proper distinction between revenue and capital items are called _____.

- A. Errors of Commission
- B. Errors of Omission
- C. Errors of Principle
- D. Compensation Errors

Ans: C

36. 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?

- A. Rs. 1202
- B. Rs. 1040
- C. Rs. 2000
- D. Rs. 1400

Ans: B

37. The objective of preparing a Bank Reconciliation Statement is to _____.

- A. Rectify the errors of pass book
- B. Identify difference between balance of bank statement and the cash book
- C. Rectify the errors of trial balance
- D. Rectify the errors of cash book

Ans: B

38. 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?

- A. Rs. 1700
- B. Rs. 7,800
- C. Rs. 6,100
- D. Rs. 2,800

Ans: C

39. According to Section 5 of the Negotiable Instruments Act, 1881, a _____ 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.

- A. Letter of Credit
- B. Cheque
- C. Demand Draft
- D. Bill of Exchange

Ans: D

40. Which one of the following entry will be passed for 'credit sales' under self balancing ledger system?

- A. Debtors Ledger Adjustment A/c — Dr.
To General Ledger Adjustment A/c
- B. Cash A/c — Dr.
To Individual Customer A/c
- C. General Ledger Adjustment A/c — Dr.
To Debtors Ledger Adjustment A/c
- D. Individual Customer A/c — Dr.
To Sales A/c

Ans: A

Part B Economics and Governance



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1. 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.

- A. 31st December 2018
- B. 1st January 2019
- C. 1st July 2019
- D. 1st January 2018

Ans: B

2. Find out the best possible option which describes the formula to obtain Gross National Product.

- A. GDP – Trade Balances abroad
- B. GDP + Trade Balance Abroad + Interest of External Loans + Private Remittances
- C. (GDP + Trade Balances Abroad + Interest of External Loans + Private Remittances) – Aboard individual Consumptions
- D. GDP + Trade balance Abroad

Ans: B

3. Which of the following factor has a direct relationship with supply, other things remaining constant?

- A. Material Quality
- B. Substitute material
- C. Material abundance
- D. Material price

Ans: D

4. The quantity of demand by virtue of which it changes (increases or decreases) when _____ changes (decreases or increases) is called Elasticity of Demand.

- A. Marginal utility
- B. Output
- C. Desire
- D. Price

Ans: D

5. Which among the following is the main measuring scale to map the economic growth of a country?

- A. Gross National Purchases
- B. Gross Domestic Product
- C. Human Development Index
- D. Gross National Happiness

Ans: B

6. Indifference curve theory states that:

- A. Consumer spending pattern changes with the change in his income
- B. Consumers form preferences for some combination of products over others
- C. Purchasing power is not the determinant of buying
- D. Purchasing power is the real determinant of buying

Ans: B

7. _____ disequilibrium occur because of long-run and deep seated changes in an economy as it moves from one stage of growth to another.

- A. Cyclical
- B. Secular
- C. Structural
- D. Non Cyclical

Ans: B

8. The demand curve normally has a _____ slope.

- A. Positive
- B. Zero
- C. Undefined
- D. Negative

Ans: D

9. Which one of the following is not a type of Economic Infrastructure?

- A. Housing
- B. Transport
- C. Irrigation
- D. Communication

Ans: A

10. As per the 2018-19 data published by the Ministry of Statistics & Program Implementation, the share of agriculture & allied sector is _____% to the Gross Value Added in India.

- A. 29.73
- B. 54.4
- C. 15.87
- D. 27.03

Ans: C

11. Which one of the following is an element of capital account in the Balance of Payments?

- A. Income from foreign tourists
- B. Foreign direct investments
- C. Royalties from patents
- D. Export income



Ans: B

12. The laws of _____ describe the technically possible ways of increasing the level of output.

- A. Production
- B. Demand
- C. Supply
- D. Return to scale

Ans: A

13. The Fiscal Responsibility and Budget Management (FRBM) Act, 2003 was enacted by the Parliament in _____.

- A. June 2013
- B. July 2003
- C. August 2003
- D. April 2003

Ans: C

14. Supply is said to be _____ when a given percentage change in price leads to a larger change in quantity supplied.

- A. Unit elastic
- B. Inelastic
- C. Elastic
- D. Perfectly Elastic

Ans: C

15. The government of India has targeted revenue deficit for the financial year 2019-20 to be _____% of GDP.

- A. 3.3
- B. 2.5
- C. 3.2
- D. 2.3

Ans: D

16. The MRTP Act was repealed and replaced by the _____, with effect from September 1, 2009

- A. Consumer Protection (Amendment) Act
- B. Industries (Development and Regulation) Act.
- C. Competition Act
- D. Limitation Act

Ans: C

17. Goods whose demand varies inversely with income are called _____ goods.

- A. Inferior
- B. Superior

- C. Normal
- D. Necessary

Ans: A

18. The Central public sector enterprises (CPSEs) viz. Indian Oil Corporation and Steel Authority of India Ltd. have the status of _____.

- A. Navratnas
- B. Ratnas
- C. Maharatnas
- D. Miniratnas

Ans: C

19. According to _____ 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.

- A. Product
- B. Income
- C. Marginal cost
- D. Expenditure

Ans: A

20. 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.

- A. 19.25
- B. 15.5
- C. 18.75
- D. 25

Ans: C

21. In the short run, the monopolist should make sure that the price should not go below _____.

- A. Average Production cost
- B. Average Variable Cost
- C. Average Total Cost
- D. Average Fixed Cost

Ans: B

22. Which one of the following is a primary function of commercial banks?

- A. Issuing letters of credit
- B. Supplying business information
- C. Discounting of bills
- D. Accepting deposits and providing loans

Ans: D



23. Functions of Comptroller and Auditor-General in the Case of Grants or Loans given to other Authorities or Bodies are specified in Section _____ of The Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Amendment ACT, 1971.

- A. 12
- B. 10
- C. 16
- D. 15

Ans: D

24. The Interim Budget 2019-20 has pegged the fiscal deficit for the year 2019-20 at _____% of GDP.

- A. 3.4
- B. 1.6
- C. 2.3
- D. 4.1

Ans: A

25. The _____ 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.

- A. Panchayats
- B. Municipalities
- C. Finance Commission
- D. Public Service Commission

Ans: C

26. If the proportionate increase in the output is less than proportionate increase in the inputs it is said to be _____ returns.

- A. Increasing
- B. Variable
- C. Diminishing
- D. Constant

Ans: C

27. 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 _____.

- A. All means are freely available.
- B. Means are incapable of being put to alternative uses.

C. Means are capable of being put to alternative uses.

D. All means are perishable.

Ans: C

28. Because of price rigidity, firms under oligopoly face a _____ demand curve.

- A. Negative slopping
- B. Parallel
- C. Kinked
- D. Uniformly Elastic

Ans: C

29. "What to produce?" is a basic problem faced by an economy under which of the following central problem?

- A. Creation of resources
- B. Allocation of resources
- C. Growth of resources
- D. Efficient use of resources

Ans: B

30. 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 _____ Five Year Plan.

- A. Eleventh
- B. Fifth
- C. Seventh
- D. Tenth

Ans: A

31. Which one of the following is a function of Finance Commission of India?

- A. Monitor and investigate adherence to applicable procedures in the public service
- B. Investigating complaints on any finance related issue.
- C. Division/Distribution of the net tax proceeds between the Centre and the states, and the allocation of the same between states.
- D. Overseeing workforce and personnel matters in the State services

Ans: C

32. In Monopoly Market equilibrium, the trader gets _____ in the long run (where all factors happen to be variable).

- A. Super Normal Profit



- B. Average Profits
- C. Marginal Profits
- D. Normal Profits

Ans: A

33. The law of _____ states that, other things remaining the same, the quantity supplied of a commodity is directly or positively related to its price.

- A. Demand
- B. Diminishing utility
- C. Supply
- D. Diminishing returns

Ans: C

34. Article _____ of the Constitutional Provisions of Comptroller & Auditor General of India relates to Audit Reports.

- A. 150
- B. 151
- C. 149
- D. 148

Ans: B

35. Macro economics is not a study of _____

- A. unemployment
- B. inflation
- C. national income
- D. consumer surplus

Ans: D

36. The Long-Run Analysis of Production is done under which one of the following law of Production?

- A. Law of Averages
- B. Law of Returns to Scale
- C. Law of demand
- D. Law of Segregation

Ans: B

37. _____ unemployment attributable to the time required to match production activities with qualified resources.

- A. Voluntary
- B. Frictional
- C. Disguised
- D. Seasonal

Ans: B

38. The _____ is vested with the responsibility of conducting monetary policy of India.

- A. Securities Exchange Board of India (SEBI)
- B. Reserve Bank of India (RBI)
- C. Industrial Development Bank of India (IDBI)
- D. State Bank of India (SBI)

Ans: B

39. _____ have an income elasticity of demand of between 0 and +1.

- A. Inferior goods
- B. Normal goods
- C. Giffen goods
- D. Luxury goods

Ans: B

40. In _____, 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.

- A. June 2018
- B. April 2019
- C. July 2018
- D. June 2008

Ans: A

41. _____ 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.

- A. Demand
- B. Estimation
- C. Consumption
- D. Desire

Ans: A

42. _____ is the portal which assists the corporate sectors in India with regard to the filing of various compliances in a seamless and transparent manner.

- A. Company Portal
- B. MCA 21
- C. ROC India Portal
- D. MCA 11

Ans: B

43. The classic economic resources i.e. land, labour and capital are called as _____.

- A. Factors of supply
- B. Factors of production
- C. Factors of demand



D. Factors of consumption

Ans: B

44. In India, the first Metro Rail service was inaugurated on 24th October 1984 in _____.

- A. Bangalore
- B. Kolkata
- C. Hyderabad
- D. Mumbai

Ans: B

45. _____ has defined Economics as the science of wealth.

- A. Lionel Robbins
- B. Alfred Marshall
- C. Paul Samuelson
- D. Adam Smith

Ans: D

46. When even a negligible fall in the price of the commodity leads to an infinite extension in the demand for it, it is called _____.

- A. Less elastic demand
- B. Perfectly inelastic demand
- C. Infinite elastic demand.
- D. Unit elastic demand

Ans: C

47. According to the economic survey published in July 2019 by Govt. of India, GDP is expected to grow at ___% in 2019 -20 due to growth of investment & consumption Service exports

- A. 6
- B. 8
- C. 7
- D. 5

Ans: C

48. According to _____ theory, a consumer will continue to buy such products that will deliver him the most utility or maximum satisfaction at relative prices.

- A. Indifference
- B. Income and savings
- C. Marginal Utility
- D. Rising income

Ans: C

49. In 2005, an expert group was constituted by the Planning Commission to re-

view methodology for poverty estimation. It was chaired by _____.

- A. Rangarajan
- B. Suresh Tendulkar
- C. D.T. Lakdawala
- D. V.M. Dandekar

Ans: B

50. While measuring the National Income, in order to avoid double counting of value of goods in computing GDP, the Final Goods Approach and the _____ is used.

- A. Final Sales
- B. Value Added Method
- C. Final Production
- D. Final Purchases

Ans: B

51. The decades _____ are referred to as the period of steady population growth in India.

- A. 1921 ±1951
- B. 1901 ±1921
- C. post 1981
- D. 1951 ±1981

Ans: A

52. _____ 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.

- A. Disguised Unemployment
- B. Seasonal Unemployment
- C. Structural Unemployment
- D. Voluntary Unemployment

Ans: C

53. _____ products have a zero cross elasticity.

- A. Unrelated
- B. Complementary
- C. Substitute
- D. Rival

Ans: A

54. 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.

- A. Consumption possibility curve
- B. Gestation period



- C. Product life cycle
 - D. Production possibility curve
- Ans: D

55. The _____ define national income as the value created in the sphere of material product alone.

- A. Maoists
- B. Capitalists
- C. Marxists
- D. Communists

Ans: C

56. The _____ Oversees the Foreign Exchange Management Act, 1999.

- A. Exim Bank
- B. Reserve Bank of India
- C. Securities Exchange Board of India
- D. State Bank of India

Ans: B

57. _____ 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.

- A. Monopoly
- B. Perfect Competition
- C. Oligopoly
- D. Monopolistic Competition

Ans: B

58. The curve of production possibility is concave in nature because of _____.

- A. Positive opportunity costs
- B. Marginal rate of transformation
- C. Negative opportunity cost
- D. Average rate of transformation

Ans: B

59. Under _____ the cross elasticity of demand between the product of the firm and that of other commodity in the market is zero.

- A. Oligopoly
- B. Monopoly
- C. Duopoly
- D. Perfect Competition

Ans: B

60. _____ was the first payments bank to start its commercial operation in November 2016 on a pilot basis.

- A. Paytm Payments Bank
- B. India Post Payments Bank
- C. Fino Payments Bank
- D. Airtel Payments Bank

Ans: D



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