

Test Booklet Code **A**

Test Booklet Sr. No.:

TEST PAPER

Marks: 100

Time: 60 minutes

ROLL NO.: _____	NAME: _____
SIGNATURE: _____	DATE / TIME: _____

INSTRUCTIONS FOR THE CANDIDATES

i	Before attempting the paper carefully read out all the Instructions & Examples given on Side 1 of Answer Sheet (OMR Sheet) supplied separately.
ii	At the start of the examination, please ensure that all pages of your Test booklet are properly printed; your Test booklet is not damaged in any manner and contains 100 questions. In case of any discrepancy the candidate should immediately report the matter to the invigilator for replacement of Test Booklet. No claim in this regard will be entertained at the later stage.
iii	An OMR Answer Sheet is being provided separately along with this Test booklet. Please fill up all relevant entries like Roll Number, Test Booklet Code etc. in the spaces provided on the OMR Answer Sheet and put your signature in the box provided for this purpose.
iv	Make sure to fill the correct Test booklet code on Side 2 of the OMR Answer Sheet. If the space for the Booklet Code is left blank or more than one booklet code is indicated therein, it will be deemed to be an incorrect booklet code & Answer Sheet will not be evaluated. The candidate himself/herself will be solely responsible for all the consequences arising out of any error or omission in writing the test booklet code.
v	This Test Booklet consists of 08 pages containing 100 questions. Against each question four alternative choices (1), (2), (3), (4) are given, out of which one is correct. Indicate your choice of answer by darkening the suitable circle with BLACK/BLUE pen in the OMR Answer Sheet supplied to you separately. Use of Pencil is strictly prohibited. More than one answer indicated against a question will be deemed as incorrect response.
vi	The maximum marks are 100. Each question carries one mark. There will be no negative marking. The total time allocated is 60 minutes.
vii	Do not fold or make any stray marks on the OMR Answer Sheet. Any stray mark or smudge on the OMR Answer Sheet may be taken as wrong answer. Any damage to OMR Answer Sheet may result in disqualification of the candidate.
viii	On completion of the test, candidate must hand over the OMR Answer Sheet to the invigilator on duty in the room/hall.
ix	Use of Mobile phones and calculators etc. are not allowed.
x	Keep all your belongings outside the Examination hall. Do not retain any paper except the ADMIT CARD.

Q. No	Question				
1	Which of the following sales commissions is greatest? (1) 1% of \$1,000 (2) 10% of \$200 (3) 12.5% of \$100 (4) 15% of \$100				
2	If $P \div 5 = Q$, then $P \div 10 =$ (1) 10Q (2) 2Q (3) $Q \div 2$ (4) $Q \div 10$				
3	Which of the following fractions is least? (1) 11/10 (2) 99/100 (3) 25/24 (4) 3/2				
4	Which of the following is equal to a quarter of a million? (1) 40,000 (2) 250,000 (3) 2,500,000 (4) 1/4,000,000				
5	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Men 12</td><td>Women 18</td></tr> <tr> <td>Boys 10</td><td>Girls 8</td></tr> </table> <p>The table above shows the distribution of men, women, boys, and girls in a group of 48 individuals. If one individual is to be randomly selected from the group, what is the probability that the individual selected will be a woman? (1) 1/18 (2) 2/15 (3) 1/4 (4) 3/8</p>	Men 12	Women 18	Boys 10	Girls 8
Men 12	Women 18				
Boys 10	Girls 8				
6	The Cash account on the balance sheet should not include which of the following items? (1) Travel advances to employees (2) Currency (3) Money orders (4) Deposits in transit				
7	A credit memorandum accompanying a bank statement would occur for which of the following items? (1) A previously deposited customer check which was returned NSF (2) Bank service charges for the month (3) The proceeds of a note collected by the bank are deposited to the account (4) All of these.				
8	When reconciling the ending cash balance per the bank statement to the correct adjusted cash balance, how would deposits in transit be handled? (1) Added to the balance per the bank statement. (2) Subtracted from the balance per the bank statement. (3) Added to the balance per company records. (4) Ignored.				
9	A bank reconciliation sometimes points to the need for adjusting entries. In general, the source of the adjustments is: (1) the reconciliation of the ending balance per the bank statement to the adjusted cash balance. (2) the reconciliation of the cash balance per the company records to the adjusted cash balance. (3) both 1 and 2 (4) none of the these.				
10	"Shareholder wealth" in a firm is represented by: (1) the number of people employed in the firm. (2) the book value of the firm's assets less the book value of its liabilities. (3) the amount of salary paid to its employees (4) the market price per share of the firm's common stock.				
11	When using a petty cash system, the replenishment of the fund would normally include a debit to: (1) Cash (2) Petty Cash (3) Revenues (4) None of these				
12	The trading securities owned by a company are: (1) reported on the balance sheet as a current asset. (2) reported on the balance sheet as a noncurrent asset. (3) reported on the balance sheet as a contra-equity account. (4) reported on the balance sheet as a reduction of liabilities.				
13	During its first year of operation, Lenton Company acquired three investments in trading securities. Investment A cost \$50,000 and had a year-end market value of \$60,000. Investment B cost \$35,000 and had a year-end market value of \$17,000. Investment C cost \$26,000 and had a year-end market value of \$24,000. The journal entry to record the decline in market value would include: (1) a debit to Unrealized Loss on Trading Securities (2) a credit to Unrealized Gain on Trading Securities. (3) a debit to Trading Securities. (4) At least two of the above.				

14	The long-run objective of financial management is to: (1) maximize earnings per share (2) maximize the value of the firm's common stock. (3) maximize return on investment. (4) maximize market share.
15	A(n) _____ would be an example of a <i>principal</i>, while a(n) _____ would be an example of an <i>agent</i>. (1) shareholder; manager (2) manager; owner (3) accountant; bondholder (4) shareholder; bondholder
16	The market price of a share of common stock is determined by: (1) the board of directors of the firm. (2) the stock exchange on which the stock is listed. (3) the president of the company. (4) individuals buying and selling the stock
17	The decision function of financial management can be broken down into the _____ decisions. (1) financing & investment (2) investment, financing, & asset management (3) financing & dividend (4) capital budgeting, cash management, & credit management
18	The controller's responsibilities are primarily _____ in nature, while the treasurer's responsibilities are primarily related to _____. (1) operational; financial management (2) financial management; accounting (3) accounting; financial management (4) financial management; operations
19	A company's _____ is (are) potentially the most effective instrument of good corporate governance. (1) common stock shareholders (2) board of directors (3) top executive officers (4) None of these
20	_____ refers to meeting the needs of the present without compromising the ability of future generations to meet their own needs. (1) Corporate Social Responsibility (CSR) (2) Sustainability (3) Convergence (4) Green Economics
21	During a semester, a student received scores of 76, 80, 83, 71, 80, and 78 on six tests. What is the student's average score for these six tests? (1) 76 (2) 77 (3) 78 (4) 79
22	The greatest common divisor of 20 and 36 is (1) 180 (2) 108 (3) 56 (4) 4
23	2¼ yards is (1) 27 in. (2) 36 in. (3) 72 in. (4) 81 in.
24	The focal point of financial management in a firm is: (1) the number and types of products or services provided by the firm. (2) the minimization of the amount of taxes paid by the firm. (3) the creation of value for shareholders. (4) the dollars profits earned by the firm.
25	The accounting profession can be divided into three major categories; specifically, the practice of public accounting, private accounting, and governmental accounting. A somewhat unique and important service of public accountants is: (1) Financial accounting (2) Managerial accounting (3) Auditing (4) Cost accounting.
26	Which of the following equations properly represents a derivation of the fundamental accounting equation? (1) Assets + liabilities = owner's equity. (2) Assets = owner's equity. (3) Cash = assets. (4) Assets - liabilities = owner's equity.
27	Wilson Company owns land which cost \$100,000. If a "quick sale" of the land was necessary to generate cash, the company feels it would receive only \$80,000. The company continues to report the asset on the balance sheet at \$100,000. This is justified under which of the following concepts? (1) The historical-cost principle (2) The value is tied to objective & verifiable past transactions (3) Neither 1 & 2 (4) Both 1 and 2.
28	Retained earnings will change over time because of several factors. Which of the following factors would explain an increase in retained earnings? (1) Net loss (2) Net income (3) Dividends (4) Investments by stockholders
29	Which of these items would be accounted for as an expense? (1) Repayment of a bank loan (2) Dividends to stockholders (3) The purchase of land (4) Payment of the current period's rent
30	Which of the following transactions would have no impact on stockholders' equity? (1) Purchase of land from the proceeds of a bank loan (2) Dividends to stockholders. (3) Net loss. (4) Investments of cash by stockholders
31	Which of the following would not be included on a balance sheet? (1) Accounts receivable. (2) Accounts payable. (3) Sales. (4) Cash.

32	<p>Remington provided the following information about its balance sheet:</p> <p>Cash \$ 100</p> <p>Accounts receivable 500</p> <p>Stockholders' equity 700</p> <p>Accounts payable 200</p> <p>Bank loans 1,000</p> <p>Based on the information provided, how much are Remington's liabilities?</p> <p>(1) \$200. (2) \$900. (3) \$1,200. (4) \$1,700.</p>
33	<p>Gerald had beginning total stockholders' equity of \$160,000. During the year, total assets increased by \$240,000 and total liabilities increased by \$120,000. Gerald's net income was \$180,000. No additional investments were made; however, dividends did occur during the year. How much were the dividends?</p> <p>(1) \$20,000. (2) \$60,000. (3) \$140,000. (4) \$220,000.</p>
34	<p>One factor of $3x^2 - 6x + 9$ is</p> <p>(1) $x^2 - 2x + 3$ (2) $x^2 - 6x + 9$ (3) $x^2 - 2x + 9$ (4) $x + 3$</p>
35	<p>$(p^x)^y =$</p> <p>(1) p^{x+y} (2) pxy (3) yp^x (4) p^{xy}</p>
36	<p>The primary private sector agency that oversees external financial reporting standards is the:</p> <p>(1) Financial Accounting Standards Board. (2) Federal Bureau of Investigation.</p> <p>(3) General Accounting Office. (4) Internal Revenue Service.</p>
37	<p>Determine a firm's total asset turnover (TAT) if its net profit margin (NPM) is 5 percent, total assets are \$8 million, and ROI is 8 percent.</p> <p>(1) 1.60 (2) 2.05 (3) 2.50 (4) 4.00</p>
38	<p>Felton Farm Supplies, Inc., has an 8 percent return on total assets of \$300,000 and a net profit margin of 5 percent. What are its sales?</p> <p>(1) \$3,750,000 (2) \$480,000 (3) \$300,000 (4) \$1,500,000</p>
39	<p>Which of the following would NOT improve the current ratio?</p> <p>(1) Borrow short term to finance additional fixed assets.</p> <p>(2) Issue long-term debt to buy inventory.</p> <p>(3) Sell common stock to reduce current liabilities.</p> <p>(4) Sell fixed assets to reduce accounts payable.</p>
40	<p>The gross profit margin is unchanged, but the net profit margin declined over the same period. This could have happened if</p> <p>(1) cost of goods sold increased relative to sales. (2) sales increased relative to expenses.</p> <p>(3) the U.S. Congress increased the tax rate. (4) dividends were decreased.</p>
41	<p>Kanji Company had sales last year of \$265 million, including cash sales of \$25 million. If its average collection period was 36 days, its ending accounts receivable balance is closest to _____. (Assume a 365-day year.)</p> <p>(1) \$26.1 million (2) \$23.7 million (3) \$7.4 million (4) \$18.7 million</p>
42	<p>A company can improve (lower) its debt-to-total assets ratio by doing which of the following?</p> <p>(1) Borrow more. (2) Shift short-term to long-term debt.</p> <p>(3) Shift long-term to short-term debt. (4) Sell common stock.</p>
43	<p>Which of the following statements (in general) is correct?</p> <p>(1) A low receivables turnover is desirable.</p> <p>(2) The lower the total debt-to-equity ratio, the lower the financial risk for a firm.</p> <p>(3) An increase in net profit margin with no change in sales or assets means a poor ROI.</p> <p>(4) The higher the tax rate for a firm, the lower the interest coverage ratio.</p>
44	<p>Retained earnings for the "base year" equals 100.0 percent. You must be looking at</p> <p>(1) a common-size balance sheet. (2) a common-size income statement.</p> <p>(3) an indexed balance sheet. (4) an indexed income statement.</p>
45	<p>Krisle and Kringle's debt-to-total assets (D/TA) ratio is .4. What is its debt-to-equity (D/E) ratio?</p> <p>(1) .2 (2) .6 (3) .667 (4) .333</p>
46	<p>A firm's operating cycle is equal to its inventory turnover in days (ITD)</p> <p>(1) plus its receivable turnover in days (RTD). (2) minus its RTD.</p> <p>(3) plus its RTD minus its payable turnover in days (PTD). (4) minus its RTD minus its PTD.</p>
47	<p>When doing an "index analysis," we should expect that changes in a number of the firm's current asset and liabilities accounts (e.g., cash, accounts receivable, and accounts payable) would move roughly together with _____ for a normal, well-run company.</p> <p>(1) net sales (2) cost of goods sold</p> <p>(3) earnings before interest and taxes (EBIT) (4) earnings before taxes (EBT)</p>

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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57	<p>All of the following are true regarding the investing activity section of the cash flow statement except</p> <p>(1) large purchases of capital assets may signal an emergency (2) investing activities require analysis of long-term asset accounts (3) selling off capital assets may be good news if the company is getting rid of unprofitable divisions (4) investing activities include the purchase and sale of income-producing assets</p>
58	<p>Use the following information to calculate net cash from operating activities: cash sales \$100,000; cash from account receivable payments \$200,000; cash dividends received \$3,000; dividends paid \$4,000; rent paid \$5,000; and amortization expense \$6,000.</p> <p>(1) \$98,000 (2) \$298,000 (3) \$294,000 (4) \$292,000</p>
59	<p>All of the following are true regarding the operating activity section of the cash flow statement except</p> <p>(1) the direct method includes the sale of assets reporting a gain or a loss (2) the direct or indirect format may be used to present the information (3) a negative cash flow warrants investigation (4) it includes cash transactions affecting (non-cash) current asset and current liability accounts</p>
60	<p>Decision makers compare net income to net cash from operating activities. To make these amounts more comparable, the same accounts are included in each. The following accounts are used to compute both net income and net cash from operating activities except</p> <p>(1) interest expense (2) interest revenue (3) dividend revenue (4) dividends declared & paid</p>
61	<p>All of the following are true regarding the purpose of the statement of cash flows except</p> <p>(1) it is for reporting net income (2) it is for determining the company's ability to pay dividends to shareholders and interest and principle to creditors (3) it is for predicting future cash flows (4) it is for evaluating management decisions</p>
62	<p>Current assets divided by current liabilities is known as the</p> <p>(1) working capital. (2) current ratio. (3) profit margin. (4) capital structure</p>
63	<p>Working capital is calculated by taking</p> <p>(1) current assets plus current liabilities. (2) current assets minus current liabilities. (3) current assets divided by current liabilities. (4) current assets times current liabilities.</p>
64	<p>The ability of a business to pay obligations that are expected to become due within the next year or operating cycle is</p> <p>(1) leverage. (2) liquidity. (3) profitability. (4) wealth.</p>
65	<p>The time period assumption states that</p> <p>(1) a transaction can only affect one period of time. (2) estimates should not be made if a transaction affects more than one time period. (3) adjustments to the enterprise's accounts can only be made in the time period when the business terminates its operations. (4) the economic life of a business can be divided into artificial time periods.</p>
66	<p>One of the accounting concepts upon which adjustments for prepayments and accruals are based is</p> <p>(1) matching. (2) cost. (3) monetary unit. (4) economic entity.</p>
67	<p>An accounting time period that is one year in length is called</p> <p>(1) a fiscal year (2) an interim period (3) the time period assumption (4) a reporting period</p>
68	<p>Every officer authorized to sign payment vouchers is required to maintain a/an</p> <p>(1) departmental vote expenditure accounts book. (2) cheque summary register. (3) cash book. (4) payment voucher register.</p>
69	<p>The installation of proper internal control and accounting systems is the function of the</p> <p>(1) Internal Auditor. (2) Officer Controlling Expenditure. (3) Sub-accounting Officer. (4) Accounting Officer.</p>
70	<p>The method which values stock at the end of an accounting period at the latest prices is called</p> <p>(1) current market price method. (2) last-in-first-out (LIFO) method. (3) first-in-first-out (FIFO) method. (4) weighted average method.</p>
71	<p>Imprest Warrants are issued by the</p> <p>(1) Accounting officer (2) Revenue collector (3) Accountant-General (4) Minister of Finance.</p>
72	<p>Every issue of a receipt book is usually accompanied by a serially numbered form, printed in quadruplicate, called</p> <p>(1) receipt issue register. (2) receipt book issue note. (3) receipt and distribution register. (4) receipt and licence register.</p>

73	Which ONE of the following budgeting methods do Extra-Ministerial Departments and Agencies adopt? (1) Incremental Budgeting method (2) Zero-Base Budgeting method (3) Rolling Plan Budgeting method (4) Planning, Programming and Budgeting System
74	The methods and principles applied by an entity to record its financial transactions are known as (1) accounting practice (2) accounting basis (3) accounting method (4) accounting policy.
75	The Authority/Warrant issued prior to the approval of the Appropriation Bill at the beginning of the year is known as (1) provisional general warrant. (2) annual general warrant. (3) supplementary general warrant. (4) virement warrant.
76	A basis which records anticipated expenditure evidenced by a purchase order and/or contract is called the (1) budgeting basis. (2) commitment basis. (3) accrual basis. (4) modified accrual basis.
77	All the following are marketable Federal Government debt instruments, EXCEPT (1) Treasury bills. (2) Promissory notes. (3) Treasury bond. (4) Treasury certificate.
78	Which of the following will lead to a reduction in aggregate disposable income in the economy? (1) Increase in transfer payment (2) Increase in external borrowing (3) Reduction in company income tax (4) Surplus budgeting
79	Which of the following is a tax on the supply of goods and services which is borne by the final consumer but collected at each stage of production and distribution chain? (1) Value added tax (VAT). (2) Petroleum profit tax. (3) Capital transfer tax (4) Excise duties
80	A budgeting technique which requires every item of expenditure to be justified as if the particular activity or programme is taking off for the first time is called (1) flexible budgeting technique. (2) rolling budget technique. (3) perspective budgeting technique. (4) zero-base budgeting technique.
81	The deliberate manipulation of the extent and timing of taxes and revenue by the government to achieve certain economic objectives is called..... (1) discretionary fiscal policy (2) policy drag (3) built-in-stabilizer (4) fiscal responsibility.
82	Which of the following goods and services is NOT supplied by the public sector? (1) National defence (2) National health service (3) Clothes (4) Police protection
83	Which of the following is a direct tax? (1) Import duty (2) Excise duty (3) Value added tax (4) Petroleum profit tax
84	Which of the following is an expansionary fiscal policy? (1) Reduction in government spending (2) Reduction in taxation (3) Reduction in government transfer payment (4) Reduction in external debt
85	The policy initiative which emphasizes positive returns on public sector investment is called (1) indigenization (2) privatization (3) commercialization (4) nationalization
86	Public debts that are due for settlement each month are financed by the Federal Government through (1) a reduction in expenditure (2) increasing the tax rate imposed on the public. (3) asking corporate organizations for donations (4) selling new bonds to the public.
87	Which of the following is NOT deducted from revenue in arriving at profit before tax? (1) Cost of sales (2) Administrative expenses (3) Distribution costs (4) Other operating income
88	The accounting policies adopted by a company are USUALLY detailed in: (1) The directors' report (2) The accountant's report (3) The auditor's report (4) The notes to the accounts
89	Which of the following MUST a company normally produce by law? (1) Profit and loss account, balance sheet and notes to the accounts (2) Profit and loss account and cash flow statement (3) Profit and loss account, balance sheet and cash flow statement (4) Profit and loss account, balance sheet, cash flow statement and notes to the accounts
90	Does a clean audit report mean that: (1) The company is a safe one in which to invest (2) The accounts give a true and fair picture of how the company is doing (3) The company is engaged only in ethical or politically correct activities (4) The accounts are correct to the nearest pound

91	Profit for the year is arrived at after deducting from operating profit: (1) Interest payable, tax and dividends (2) Tax only (3) Interest payable and tax only (4) Cost of sales and tax only
92	What is included in a limited company's balance sheet under the heading 'equity'? (1) Dividends paid to shareholders (2) Cash at bank (3) Reserves (4) Authorised share capital not yet issued
93	Which of the following is FALSE? (1) Shareholders elect auditors (2) Directors elect auditors (3) Shareholders elect directors (4) Directors account to shareholders
94	The published profit and loss account of a company includes figures from the previous period so that: (1) You can see that the company has been trading for at least two years (2) You can compare one period with the next to see how the company is doing over a longer period (3) Accounts have to be published only every other year (4) You can see that the information is being disclosed each year
95	A company manufacturing cars is preparing its profit and loss account for inclusion in its published annual report. Under what heading would it MOST likely include production labour costs? (1) Distribution costs (2) Cost of sales (3) Administrative expenses (4) Interest payable and similar charges
96	Who is the President of India ? (1) Dr. APJ Abdul Kalam (2) Mrs. Pratibha Patil (3) Mrs. Sonia Gandhi (4) Mr. Manmohan Singh
97	Who is the Chief Minister of Haryana ? (1) Mr. Om Parkash Chautala (2) Mr. Phool Chand Mulana (3) Mr. Bhupinder Singh Hooda (4) Mr. Samphat Singh
98	Sentence is given with blank(s) to be filled in with words. Select the alternative with appropriate word that fills in the blanks An exhibition the new trends in the computer education was held in Delhi 1. into 2. for 3. of 4. on
99	Fill up the blanks 1. The man killed road accident was a stranger 1. of 2. by 3. in 4. on
100	Fill up the blanks 1. An appeal has been admitted the supreme Court. 1. by 2. into 3. with 4. in