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TEST BOOKLET

Sl. No. **1064**

Subject Code : 05

Subject : Commerce

LECTURERS FOR NON-GOVT. AIDED COLLEGES OF ODISHA

Time Allowed : 2 Hours

Maximum Marks : 150

: INSTRUCTIONS TO CANDIDATES :

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET CONTAINS 15 PAGES AND DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.
2. You have to enter your **Roll No.** on the Test Booklet in the Box provided alongside. DO NOT write anything else on the Test Booklet.

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3. The Test Booklet contains **100** questions. Each question comprises four answers. You have to select the correct answer which you want to mark (darken) on the **Answer Sheet (OMR Sheet)**. In any case choose **ONLY ONE** answer for each question. If more than one answer is darkened, it will be considered as wrong.
4. You have to mark (darken) all your answers only on the **OMR Answer Sheet using BLACK BALL POINT PEN** provided by the State Selection Board. You have to do rough work only in the space provided at the end of the Test Booklet. See instructions in the Answer Sheet.
5. All questions carry equal marks i.e. of one and half mark for each correct answer and each wrong answer will result in negative marking of **0.50** mark.
6. Before you proceed to mark (darken) the answers in the **OMR Answer Sheet** to the questions in the Test Booklet, you have to fill in some particulars in the Answer Sheet as per the instructions in your Admit Card.
7. On completion of the examination, you should hand over the **original Answer Sheet (OMR Sheet)** issued to you to the Invigilator before leaving the Examination Hall. You are allowed to take with you the candidate's copy (carbon copy) of the **OMR Answer Sheet** along with the Test Booklet for your reference.

SEAL

Candidate's full signature

Invigilator's signature

IW - 13/12

2021

(Turn over)

1. What is the underlying principle that supports the immediate recognition of an estimated loss ?
 - (A) Matching
 - (B) Prudence
 - (C) Substance over form
 - (D) Consistency

2. Which of the following is a deferred revenue expenditure ?
 - (A) Interest on loan taken for the purchase of land
 - (B) Expenses incurred on installation of a new machine
 - (C) Expenses paid for construction of an additional room in the building
 - (D) Expenses on advertisement campaign for launching a new product

3. Which of the following is a non-operating expense ?
 - (A) Advertisement expenditure
 - (B) Depreciation
 - (C) Interest on loan
 - (D) Salary of CEO

4. Where is the Depreciation Account appearing in the Trial Balance shown ?
 - (A) Deducted from the concerned asset
 - (B) Statement of Profit and Loss
 - (C) Liabilities side
 - (D) Trading Account

5. Which of the following receipts is a revenue receipt ?
 - (A) Compensation received from Government
 - (B) Amount realized from the sale of investment
 - (C) Dividend received on investment
 - (D) Loan received from a bank

6. Which of the following equation is wrong ?
 - (A) $\text{Gross Profit} = \text{Sales} + \text{Closing Stock} - \text{Opening Stock} - \text{Purchase}$
 - (B) $\text{Cost of Goods Sold} + \text{Gross Profit} = \text{Sales}$
 - (C) $\text{Assets} - \text{Liabilities} = \text{Equity}$
 - (D) $\text{Operating Profit} = \text{Gross Profit} - \text{All Expenses}$

7. Which Schedule of the Companies Act, 2013 shows the preparation of Balance Sheet ?
 - (A) III
 - (B) IV
 - (C) V
 - (D) VI

8. Which of the following is not included in the set of financial statements as per Section 2 (40) of the Companies Act, 2013 ?
- (A) Cash Flow Statement
 (B) Statement of Changes in Equity
 (C) Funds Flow Statement
 (D) Notes to Accounts
9. In a Cash Flow Statement, financial activities as per Ind AS 7 do not include :
- (A) Buy back of shares
 (B) Purchase of machinery
 (C) Issue of debentures
 (D) Dividend paid
10. Which of the following Ind AS deals with intangible assets ?
- (A) 35
 (B) 36
 (C) 37
 (D) 38
11. Price-earning ratio is useful for whom ?
- (A) Long-term creditors
 (B) Short-term creditors
 (C) Lenders
 (D) Shareholders
12. Fixed assets turnover ratio is a test of:
- (A) Solvency
 (B) Efficiency
 (C) Liquidity
 (D) Profitability
13. Which of the following Ind AS deals with business combinations ?
- (A) 101
 (B) 102
 (C) 103
 (D) 104
14. In CVP analysis, the effect of changes in various variables on _____ is analysed.
- (A) Fixed cost
 (B) Variable cost
 (C) Profit
 (D) Volume
15. In marginal costing, which of the following costs are charged to products ?
- (A) Variable costs
 (B) Fixed costs
 (C) Total costs
 (D) Incremental costs
16. At break-even point, which of the following equation is correct ?
- (A) Sales = Total Cost – Variable Cost
 (B) Contribution = Fixed Cost
 (C) Sales Revenue = Variable Cost
 (D) Profit = Fixed Cost + Variable Cost

17. Which of the following system applies when standardized goods are produced under a series of operations ?
- (A) Job order cost system
 - (B) Process cost system
 - (C) Standard cost system
 - (D) Kaizen cost system
18. Which of the following budgets requires all levels to work from scratch ?
- (A) Master budget
 - (B) Flexible budget
 - (C) Performance budget
 - (D) Zero-based budget
19. The standard, which may be achieved under normal operating conditions, is called :
- (A) Ideal standard
 - (B) Normal standard
 - (C) Basic standard
 - (D) Current standard
20. If margin of safety is Rs. 80,000, profit is Rs. 20,000 and sales is Rs. 3,00,000, what is the amount of fixed cost ?
- (A) Rs. 55,000
 - (B) Rs. 75,000
 - (C) Rs. 95,000
 - (D) Rs. 1,00,000
21. What is novation of contract ?
- (A) Alteration of a contract
 - (B) Change in provisions of a contract
 - (C) Substituting an old contract for a new one
 - (D) Rescinding of a contract
22. A contract containing an undertaking to do an impossible act, is :
- (A) Void ab initio
 - (B) Illegal
 - (C) Valid
 - (D) Voidable
23. A quasi-contract is a/an :
- (A) Contract
 - (B) Legal obligation
 - (C) Contingent contract
 - (D) Agreement
24. Any guarantee which the creditor has obtained by means of keeping silence as to material circumstances is :
- (A) Considered to be his/her denial
 - (B) Considered to be his/her approval
 - (C) Valid
 - (D) Invalid

25. Which of the following is not a right of the bailee ?
- (A) Right to receive extra-ordinary expenses
 - (B) Right of lien
 - (C) Right to damages for defective title of bailor
 - (D) Right to terminate gratuitous bailment
26. Which Section of the Companies Act, 2013 defines a company ?
- (A) Section 3(1)
 - (B) Section 1(3)
 - (C) Section 1(2)
 - (D) Section 2(1)
27. The companies which are formed under special act, are called as :
- (A) Public companies
 - (B) Statutory companies
 - (C) Chartered companies
 - (D) Government companies
28. A company may be wound up by the Tribunal by passing :
- (A) Ordinary resolution
 - (B) Special resolution
 - (C) Extra-ordinary resolution
 - (D) No resolution
29. Which of the following is beyond the powers of the Board of Directors ?
- (A) To issue prospectus
 - (B) To issue debentures
 - (C) To make loans
 - (D) To remit the payment of any debt due by a director
30. Which of the following is the first meeting of a company after incorporation ?
- (A) Extra-ordinary meeting
 - (B) AGM
 - (C) Statutory meeting
 - (D) Incorporation meeting
31. LLP files its LLP agreement to :
- (A) State Government
 - (B) Central Government
 - (C) Ministry of Corporate Affairs
 - (D) Registrar
32. On the admission of a new partner :
- (A) Old partnership has to be dissolved
 - (B) Old firm has to be dissolved
 - (C) Both old firm and partnership have to be dissolved
 - (D) Neither partnership nor firm have to be dissolved
33. Which type of partnership has no agreement in terms of the duration of partnership ?
- (A) Limited partnership
 - (B) General partnership
 - (C) Partnership-at-will
 - (D) Unlimited partnership

34. The maximum number of members that can be a part of an LLP is :
- (A) 50 members
(B) No limit
(C) 20 members
(D) 200 members
35. In which Section of Sale of Goods Act, 1930, the doctrine of the Caveat Emptor is embodied ?
- (A) Section 20
(B) Section 18
(C) Section 16
(D) Section 14
36. The right of an unpaid seller to retain the goods until the price is paid, is called :
- (A) Pledge
(B) Lien
(C) Suit for price
(D) Right of resale
37. Which of the following is not the right of the buyer ?
- (A) To have delivery of the goods as per the contract
(B) To reject the goods when they are not of the description specified
(C) To sue for the damages
(D) To have right to withhold delivery
38. If goods are destroyed in case of sale, the loss will be of :
- (A) Seller
(B) Buyer
(C) Third party
(D) Insurance company
39. Who can make a request for demat of securities ?
- (A) Depository
(B) Company
(C) Registered holder of securities
(D) Depository participant
40. To dematerialize government securities, NSDL has to take prior approval of :
- (A) RBI
(B) SEBI
(C) RBI and SEBI
(D) Issuing Government department
41. Which of the following statistical measures can be calculated from a cumulative frequency curve ?
- (A) Median
(B) Mode
(C) Geometric mean
(D) Harmonic mean
42. Which measure of dispersion is square of standard deviation ?
- (A) Range
(B) Inter-quartile range
(C) Variance
(D) Mean deviation

43. In a unimodal and symmetrical distribution, which of the following relationships between averages is correct ?
- (A) Mean = Median = Mode
 (B) Mean > Median > Mode
 (C) Mean < Median > Mode
 (D) Mean > Median < Mode
44. For a given sample, the mean is 12 and the set of observations are 8, 24, 0 and 4. The variance of the sample is :
- (A) 122.66
 (B) 12
 (C) 120
 (D) 368
45. What type of data is required for doing Spearman rank correlation ?
- (A) Ratio data with normal
 (B) Interval data with normal
 (C) Ordinal data
 (D) Any of the above data
46. If the probability of defective toy is 0.1, what is the standard deviation for the distribution of defective toys in a total of 500 ?
- (A) 6.65
 (B) 6.71
 (C) 6.56
 (D) 5.71
47. In a moderately asymmetrical distribution, if the mode and mean are 42 and 40 respectively, what is the value of median ?
- (A) 40.67
 (B) 41.67
 (C) 41.02
 (D) 40.02
48. If the two regression coefficients are 0.8 and 0.2, then the value of coefficient of correlation is :
- (A) -0.50
 (B) +0.16
 (C) -0.28
 (D) +0.40
49. Poisson distribution is _____ probability distribution.
- (A) Continuous
 (B) Discrete
 (C) Individual
 (D) Unimodal
50. Which of the following is not a property of normal distribution ?
- (A) Its graph is a bell-shaped curve
 (B) Here, Mean = Median = Mode
 (C) It is a discrete distribution
 (D) The quartiles are equidistant from median

51. Let x = number of units of product '1' to produce and let y = number of units of product '2' to produce. Consider the following objective function : Maximize $z = x + 2y$. Subject to the following constraints : $x + y \leq 12$ (resource A), $x \leq 8$ (resource B), $y \leq 6$ (resource C), x and $y \geq 0$. What will the optimal objective function value be ?
- (A) 16
 (B) 18
 (C) 12
 (D) 10
52. CPM is the :
- (A) Time oriented technique
 (B) Event oriented technique
 (C) Target oriented technique
 (D) Activity oriented technique
53. Slack time in PERT analysis :
- (A) Can never be less than 0
 (B) Can never be greater than 0
 (C) Is minimum for critical events
 (D) Is maximum for critical events
54. Choose the wrong option from the following statements :
- (A) PERT analysis is event oriented.
 (B) PERT analysis is activity oriented.
 (C) CPM analysis is activity oriented.
 (D) In CPM the time is related to cost.
55. Reordering level is calculated as :
- (A) Maximum consumption rate \times Minimum reorder period
 (B) Minimum consumption rate \times Minimum reorder period
 (C) Maximum consumption rate \times Maximum reorder period
 (D) Minimum consumption rate \times Maximum reorder period
56. The ordering cost per order of an inventory is Rs. 400 with an annual carrying cost of Rs. 10 per unit. The economic order quantity for an annual demand of 2000 units is :
- (A) 400
 (B) 480
 (C) 500
 (D) 540
57. Which of the following methods of inventory control aims at concentrating efforts on selected items of material ?
- (A) Level setting
 (B) Material turnover ratio
 (C) ABC analysis
 (D) Perpetual inventory system

58. Mathematical model of linear programming is important because :
- (A) It captures the relevant relationship among decision factors
 - (B) It enables use of algebraic techniques
 - (C) Decision makers prefer to work with formal models
 - (D) It helps in converting the verbal description and numerical data into mathematical expression
59. Consider the following linear programming problem :
- Maximize : $12X + 10Y$
- Subject to : $4X + 3Y \leq 480$
- $2X + 3Y \leq 360$
- All variables ≥ 0
- Which of the following points (X, Y) is feasible ?
- (A) (30, 100)
 - (B) (120, 10)
 - (C) (10, 120)
 - (D) (60, 90)
60. The factor reversal test is satisfied by :
- (A) Fisher's ideal index
 - (B) Simple GM of price relatives
 - (C) Marshall-Edgeworth method
 - (D) Weighted GM of price relatives
61. Which of the following is not correct regarding Income Tax ?
- (A) It is levied by the Central Government only.
 - (B) It is computed upon net taxable income of current year.
 - (C) It is computed on the basis of rates of income tax applicable in current assessment year.
 - (D) Certain amount of income is exempted from income tax.
62. Which of the following is not a direct tax ?
- (A) Income tax
 - (B) Capital gains tax
 - (C) Securities transaction tax
 - (D) GST
63. Which of the following is considered as agricultural income ?
- (A) Rent received from agricultural land
 - (B) Income from cattle breeding
 - (C) Income from livestock breeding
 - (D) Income from juice centre
64. Paying for guest's accommodation is chargeable under :
- (A) Profit and gains of business and profession
 - (B) Income from house property
 - (C) Income from other sources
 - (D) Capital gain

65. Which of the following is fully taxable allowance ?
- (A) House rent allowance
 - (B) Overseas allowance
 - (C) Dearness allowance
 - (D) Tribal area allowance
66. How will you treat the income from the sale of machinery ?
- (A) Long-term capital gain
 - (B) Short-term capital gain
 - (C) Income from business and profession
 - (D) Income from other sources
67. In normal conditions, the due date of first instalment of advance tax by assesseees other than companies is :
- (A) 15th July
 - (B) 15th August
 - (C) 30th July
 - (D) 15th June
68. The tax rates, rules and regulations of GST are governed by :
- (A) GST Council
 - (B) Central Government
 - (C) State Government
 - (D) GST Board
69. Which of the following tax is not subsumed in GST ?
- (A) Entry tax
 - (B) Entertainment tax
 - (C) Stamp duty
 - (D) VAT
70. GST is a _____ based tax.
- (A) Origin
 - (B) Destination
 - (C) Territory
 - (D) International
71. IGST deals with :
- (A) Service tax on imported service
 - (B) Time of supply
 - (C) Composition scheme
 - (D) Intra-state supply
72. Which of the following is not included in GST ?
- (A) Tobacco
 - (B) Alcoholic liquor for human consumption
 - (C) Healthcare services
 - (D) Frozen meat products
73. What does 'N' stand for in HSN ?
- (A) Network
 - (B) Nationalization
 - (C) Nomination
 - (D) Nomenclature

74. Process of verifying the documentary evidences of transactions is known as :
- (A) Verification
 - (B) Vouching
 - (C) Auditing
 - (D) Checking
75. Internal Auditor is appointed by :
- (A) Management
 - (B) Government
 - (C) Shareholders
 - (D) Statutory body
76. Effective internal check system reduces :
- (A) The liability of the auditor
 - (B) Responsibilities of the auditor
 - (C) Work of auditor
 - (D) Managerial responsibility
77. Verification of the value of assets, liabilities, reserves, provisions and the amount of profit or loss of a firm is called :
- (A) Partial Audit
 - (B) Continuous Audit
 - (C) Interim Audit
 - (D) Balance Sheet Audit
78. Which of the following statements is correct ?
- (A) Valuation is a part of verification.
 - (B) Verification is a part of valuation.
 - (C) Valuation has nothing to do with verification.
 - (D) Auditor is a valuer.
79. Vouching of the balances of all income and expenses account is known as vouching of :
- (A) Sales
 - (B) Cash
 - (C) Personal Ledger
 - (D) Impersonal Ledger
80. Before the work of audit is commenced, the auditor plans out the whole of audit work is called :
- (A) Audit Plan
 - (B) Audit Programme
 - (C) Audit Risk
 - (D) Audit Note
81. Who developed equity theory of motivation ?
- (A) Porter Lawler
 - (B) McClelland
 - (C) Stacy Adams
 - (D) Vroom

82. Match the following theories of 'Motivation' with the correct code of matching :

- (a) Frederic Herzberg (i) Hierarchy of Needs
 (b) Sigmund Freud (ii) Expectancy Theory
 (c) Abraham Maslow (iii) Two factor theory
 (d) Victor Vroom (iv) Theory of Personality

Code :

- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|------|-------|
| (A) | (iv) | (ii) | (i) | (iii) |
| (B) | (ii) | (iii) | (i) | (iv) |
| (C) | (iii) | (iv) | (i) | (ii) |
| (D) | (iv) | (iii) | (ii) | (i) |

83. The theory of division of labour for efficiency was propounded by :

- (A) Henry Fayol
 (B) F. W. Taylor
 (C) Maslow
 (D) McGregor

84. As per Maslow's Need-Hierarchy theory, the basic/lowest need in the pyramid is :

- (A) Physiological
 (B) Safety need
 (C) Belongingness
 (D) Self-actualization

85. Which of the following is not the key function of board of directors ?

- (A) Assess the company financials and reporting practices

(B) Appraise the company direction and strategy

(C) Institute a compensation plan for senior executives for serving the shareholder's interests

(D) Interfere into the day-to-day functioning of the company

86. The power that is derived from the personal ability to control the distribution of rewards is called :

- (A) Referent power
 (B) Reward power
 (C) Legitimate power
 (D) Expert power

87. Sensitivity training is known as :

- (A) T group training
 (B) Operative training
 (C) Problem solving training
 (D) In basket exercise

88. Interrelated systems working together by processing, storing and retrieving information to facilitate the decision making regarding the human resource management is called :

- (A) Human resource information system
 (B) Executive support system
 (C) Management information system
 (D) None of these

89. A training technique in which the trainees watch the best way of doing an activity, then allowed to perform the act in a simulated situation and appraised by the superior is called :
- (A) Vestibule training
 - (B) Behaviour Modelling
 - (C) Informal training
 - (D) On job training
90. Which of the following is a work-related stress behaviour in which the employees feel emotional exhaustion, cynicism and reduced feeling for personal accomplishment ?
- (A) Job burnout
 - (B) Job exhaustion
 - (C) Stress
 - (D) Work overload
91. Which of the following is not a medium of social media marketing ?
- (A) Online communities and forums
 - (B) Blogs
 - (C) Social networks like twitter
 - (D) SMS
92. The order of steps in personal selling are :
- (A) Prospecting and qualifying-Pre approach-Presentation and demonstration-Overcoming objections-Closing-follow up and maintenance
 - (B) Prospecting and qualifying-Pre approach-Overcoming objections-Closing-Presentation and demonstration-follow up and maintenance
 - (C) Overcoming objections-Prospecting and qualifying-Pre approach-Presentation and demonstration-Closing-follow up and maintenance
 - (D) Prospecting and qualifying-Pre approach-Presentation and demonstration-Closing-Overcoming objections-follow up and maintenance
93. The price setting strategy which bases the consumers' perceived value in determining the price is called :
- (A) Mark-up pricing
 - (B) Perceived value pricing
 - (C) Value pricing
 - (D) EDLP
94. In brand resonance model, the basic building block of brand equity is :
- (A) Brand performance
 - (B) Brand imagery
 - (C) Brand salience
 - (D) Brand judgement

95. As per Ansoff matrix, educating and developing markets for electric vehicles comes under :
- (A) Market penetration
 - (B) Market development
 - (C) Market diversification
 - (D) Product development
96. The primary goal of financial management is :
- (A) Increase the profits of company
 - (B) Ensure balance between profits and environment
 - (C) Shareholder wealth maximization
 - (D) Customer satisfaction
97. Which of the following is true with reference to cost of capital ?
- (A) Cost of capital does not comprise of any risk premium
 - (B) Risk-free interest rate and cost of capital are same things
 - (C) Different sources of funds have a specific cost of capital related to that source only
 - (D) Different sources of funds have same cost of capital
98. Find out the present value of investment which is expected to give a return of Rs. 2,500 p.a. indefinitely and the rate of interest is 12% p.a.
- (A) Rs. 10,000.23
 - (B) Rs. 20,833.33
 - (C) Rs. 30,155.33
 - (D) Rs. 22,000.00
99. Secondary market is :
- (A) Place where new shares are issued
 - (B) Place where only a selected few individuals can bid for shares
 - (C) Place where new shares are traded
 - (D) Place where outstanding shares are traded
100. Which of the following is related to 'Net Present Value' method ?
- (A) Discounted cash flow approach
 - (B) Non-discounted cash flow approach
 - (C) Traditional approach
 - (D) The approach of managing liability

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