IMPORTANT INSTRUCTIONS

- The maximum marks are 360. Time allotted is **120 MINUTES.**
- There are three sections in the question paper having total **90 questions:**
  - Section – A : Accountancy (30 Questions)
  - Section – B : Business Studies (30 Questions)
  - Section – C : Economics (30 Questions)
- Each question carries **4 marks.**
- **Negative Marking : ¼ (One-fourth) mark** will be deducted for every incorrect answer.
- **Use only BLUE / BLACK ball pen to fill the circles in bubble sheet.**
- Use of PENCIL is strictly **not allowed.**
- **Use of marker and correction pen is strictly prohibited.**

SECTION – A
ACCOUNTANCY

Choose the correct option.

1) If an asset is purchased on credit and the supplier is also a debtor, the correct entry would be:
   a) Purchase A/c Dr., To Debtor A/c b) Asset A/c Dr., To Debtor A/c
   c) Asset A/c Dr., To Creditor A/c d) None of these
2) In case of dishonour of a bill discounted with the bank, which account is debited?
   a) Debtor's A/c b) Bills Receivable A/c
   c) Bank A/c d) Discount A/c
3) Bank charges debited in passbook but not recorded in cash book will cause:
   a) Overdraft balance higher in passbook b) Overdraft balance lower in passbook
   c) No difference d) None of these
4) If wages paid for installation of machinery are debited to wages account, it is a:
   a) Error of principle b) Compensating error
   c) Clerical error d) Error of omission
5) Provision for doubtful debts is a:
   a) Liability b) Asset
   c) Expense d) Deduction from debtors
6) An error that affects two or more accounts and offsets each other is:
   a) Compensating error b) Error of principle
   c) Error of omission d) Error of posting

7) If total of purchase return book is posted twice, it will result in:
   a) Overstatement of purchases
   b) Understatement of purchases
   c) Overstatement of creditors
   d) Both b) and c)
8) Rectification of an error before trial balance affects:
   a) Suspense A/c
   b) Capital A/c
   c) Concerned ledger only
   d) None
9) Outstanding salaries at year-end will appear:
   a) In Balance Sheet as asset
   b) In Balance Sheet as liability
   c) In P&L A/c (Dr.)
   d) Both b) and c)
10) A Trial Balance is prepared
   a) After preparation of financial statement
   b) After recording transactions in subsidiary books
   c) After posting to ledger is complete
   d) After posting to ledger is complete and accounts have been balanced
11) Subscription received in advance is:
   a) Asset
   b) Liability
   c) Income
   d) None
12) If bank shows credit balance Rs 25,000 and cheques issued Rs 8,000 not yet presented, deposits of Rs 5,000 not yet credited, the cash book balance is:
   a) Rs. 28,000 Dr
   b) Rs. 22,000 Dr
   c) Rs. 28,000 Cr
   d) Rs. 22,000 Cr
13) Goods costing Rs 30,000 supplied to Mohan at a profit of 25% of sales price less Trade discount @5% will be credited to Sales A/c with:
   a) Rs. 35,625
   b) Rs. 37,500
   c) Rs. 38,000
   d) Rs. 34,200
14) Goods costing 20,000 is sold at a profit of 20% on cost and trade discount is allowed @ 10% and cash discount of 10% is also allowed. Half the payment was received at the time of sale. What is the amount of cash received at the time of sale?
   a) Rs. 9,720
   b) Rs. 11,880
   c) Rs. 10,800
   d) Rs. 10,820
15) The balance of machine on 31st March 2023 is Rs 97,200. The machine was purchased on 1st April 2021. Depreciation is charged @10% p.a. by diminishing balance method. The cost price of the machine as on 1st April 2021 would be:
   a) Rs. 1,00,000
   b) Rs. 1,20,000
   c) Rs. 1,08,000
   d) Rs. 1,32,000
16) Sold goods to Charu Rs.2,700 but was recorded as Rs.7,200 to the credit of Charu. Charu's A/c will be debited with:
   a) Rs. 4,500
   b) Rs. 2,700
   c) Rs. 9,900
   d) Rs. 7,200
17) Cost of Goods Sold Rs 1,50,000; Closing Stock Rs 40,000; Opening Stock Rs 60,000; Amount of purchase will be
   a) Rs. 1,30,000
   b) Rs. 1,70,000
   c) Rs. 50,000
   d) None of these

18) Calculate the gross profit if rate of gross profit is 25% on sales and cost of good sold are Rs. 1,80,000

a) Rs. 60,000 b) Rs. 36,000
c) Rs. 45,000 d) Rs. 30,000

19) A trial balance contains Debtors Rs.15,000, Bad Debts Rs. 400 and Provision for Doubtful Debts Rs.600. Further bad debts given in adjustments are Rs. 400. If a provision at 5% is made on Debtors, P & L A/c will be debited with:

a) Rs. 950 b) Rs. 800
c) Rs. 930 d) Rs. 1,130

20) Trial Balance contains the following information:15% Bank Loan Rs. 40,000 Interest Paid Rs. 4,500. Interest debited to P & L A/c will be:

a) Rs. 6,000 b) Rs. 3,000
c) Rs. 4,500 d) Rs. 1,500

21) The number of accounting standards specified by the Institute of Chartered Accountants of India so far is:

a) 29 b) 30
c) 31 d) 32

22) Rohan has returned goods worth Rs. 20,000 to Radheyshyam as he found it defective. Which document will be prepared by Radheyshyam?

a) Invoice/bill b) Debit note
c) Credit voucher d) Credit note

23) Revenue Reserve is created:

a) Out of profits on sale of fixed assets
b) Out of general profits
c) Out of capital profits
d) Out of profits on the purchase of a running business

24) Secret Reserve is created by:

a) Writing off excessive depreciation
b) Charging capital expenditure to Profit & Loss Account
c) Suppressing the sales
d) All of these

25) Which of the following statements are correct about a "Provision".

i) Provisions are a charge against the profits of an enterprise
ii) Provisions are created out of divisible profits
iii) Creation of provisions are not necessary for a business
iv) Provisions are created to meet a known liability

a) i), ii) and iii) b) ii) and iv) only
c) i), iii) and iv) d) i) and iv) only

26) **Assertion (A):** Rs. 50 Lakh paid as damages by a transport company to its passengers injured in accident will be treated as capital expenditure.

Reason (R): It will be treated as revenue expenditure since it is incurred in the ordinary course of business.

a) Both (A) and (R)are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
c) (A) is true but (R) is false
d) (A) is false but (R) is true.

27) **Assertion (A):** Balance Sheet is a summary of Personal and Real Accounts which are still open and have not been closed by transfer to Trading and Profit & Loss A/c.
Reason (R): Profit and Loss Account shows the financial position of the enterprise.
a) Both (A) and (R)are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
c) (A) is true but (R) is false
d) (A) is false but (R) is true.

28) **Assertion (A):** When depreciation is charged using the diminishing balance method, total depreciation over the asset's life equals its cost minus residual value
Reason(R): Under diminishing balance, the residual value is never actually reached mathematically**.**
a) Both (A) and (R)are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
c) (A) is true but (R) is false
d) (A) is false but (R) is true.

29) **Assertion (A):** Depreciation ensures provision of funds for replacement of assets.
Reason (R): Depreciation is a non-cash expense reducing book value, not creating cash funds.
a) Both (A) and (R)are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
c) (A) is true but (R) is false
d) (A) is false but (R) is true.

30) **Assertion (A):** Contingent liability is recorded in the books of accounts.
Reason (R): It represents a possible obligation depending on future events.
a) Both (A) and (R)are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
c) (A) is true but (R) is false
d) (A) is false but (R) is true.

SECTION – B
BUSINESS STUDIES

31) A firm continues operations despite consistent losses due to its social image and insured assets. Which characteristic of business risk is evident?
a) Predictability of risk. b) Possibility of loss.
c) Reduction through insurance. d) Uncertainty of return.

32) Which feature separates a profession from employment?
a) Code of conduct b) Fixed income
c) Authority d) Skill requirement

33) **Assertion (A) :** Partners have unlimited liability.
Reason (R) : They share profits equally.
a) Both (A) and (R)are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
c) (A) is true but (R) is false
d) (A) is false but (R) is true.

34) Using overdraft without deposit is an example of_____
a) Primary function of bank b) Agency function
c) Utility function d) Investment function

35) Which is not an advantage of B2B e-business?
a) Lower cost b) Larger market
c) Faster processing d) Guaranteed quality

36) Supplier → Website → Customer Represents :
a) B2B b) B2C
c) C2C d) G2C

37) A firm avoids taxes despite good public image. Ignored responsibility—
a) Legal b) Ethical
c) Philanthropic d) Economic

38) Promoters file documents but no certificate issued yet. Identify the stage?
a) Promotion b) Incorporation
c) Pre-incorporation d) Commencement

39) A public company doesn't issue a prospectus. It must file—
a) Statement in lieu of prospectus b) AOA
c) MOA d) Certificate of commencement

40) A firm expands into logistics along with transport. Reflects—
a) Economic objective b) Social objective
c) Human objective d) Ethical objective

41) A furniture exporter hires local firm for packaging. Type of operation—
a) Outsourcing b) Joint venture
c) Franchise d) E-commerce

42) Ravi owns a grocery shop. He does not maintain proper books of accounts and faces problems in getting loans from banks. Which limitation of sole proprietorship is this situation showing?
a) Lack of secrecy b) Limited resources
c) Limited managerial ability d) Unlimited liability

43) Which of the following statements about small-scale industries (SSIs) is correct?
a) They have high economies of scale.
b) They usually depend on large industries for raw materials or marketing.
c) They are not given any government support.
d) They contribute very little to employment

44) A new business uses artificial intelligence for customer queries and online data storage. However, customers hesitate to share financial details online.
Which limitation of e-business is reflected here?
a) Low personal touch b) Security and privacy issues
c) Absence of technological skills d) Time-consuming delivery

45) A multinational company extracts crude oil, refines it, and sells petroleum products globally. It has separate subsidiaries in each country to manage operations. Which characteristic of multinational corporations does this highlight?
a) Centralised control in host country
b) Decentralised operations in various countries
c) Local ownership in all branches
d) Domestic resource dependency

46) Infosys Foundation provides scholarships to economically weaker students and supports rural schools. Which dimension of social responsibility is this?
   a) Legal
   b) Philanthropic
   c) Economic
   d) Environmental

47) **Assertion (A):** Fixed capital investment decisions are crucial for long-term growth of a business.
Reason (R): Such decisions are generally reversible and require less funds.
   a) Both (A) and (R)are true and (R) is the correct explanation of (A)
   b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
   c) (A) is true but (R) is false
   d) (A) is false but (R) is true.

48) Which statement correctly explains the difference between equity shares and preference shares?
   a) Equity shareholders get fixed dividends.
   b) Preference shareholders have voting rights in all matters.
   c) Preference shareholders have a prior claim on dividend.
   d) Equity shareholders have preferential rights at liquidation.

49) **Assertion (A):** Business ethics are followed only to satisfy legal obligations.
Reason (R): Ethical business practices help build long-term reputation.
   a) Both (A) and (R)are true and (R) is the correct explanation of (A)
   b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
   c) (A) is true but (R) is false
   d) (A) is false but (R) is true.

50) A company raises funds by issuing debentures carrying 10% annual interest. However, it must pay interest even if there is no profit. This feature reflects:
   a) Ownership capital
   b) Permanent capital
   c) Fixed cost of capital
   d) Variable cost of capital

51) Tara Limited was established by the government through a special Act of Parliament. It has an independent legal status, perpetual succession, and is answerable to the Parliament. Which type of public enterprise is described?
   a) Departmental undertaking
   b) Statutory corporation
   c) Government company
   d) Joint venture

52) A company transfers its production process to a foreign firm in exchange for a fee, while retaining ownership of the brand and design. This is an example of:
   a) Exporting
   b) Licensing
   c) Franchising
   d) Contract manufacturing

53) ABC Ltd. was unable to raise funds from banks because its fixed assets were already pledged. To meet short-term needs, it invited deposits from the public for one year. Which source of finance did it use?
   a) Trade credit
   b) Public deposits
   c) Commercial paper
   d) Bill discounting

54) A factory worker was injured due to unsafe machinery. Later, the company improved safety standards and insured all workers. Which dimension of social responsibility is shown here?
   a) Ethical
   b) Legal
   c) Environmental
   d) Philanthropic

55) **Assertion (A):** Global enterprises enjoy huge economies of scale and advanced technology.
Reason (R): They operate only within their home country to avoid exchange risks.
a) Both (A) and (R)are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
c) (A) is true but (R) is false
d) (A) is false but (R) is true.

56) A courier company guarantees 1-day delivery. Due to poor coordination, many parcels arrive late, leading to customer loss. Which business function has failed here?
a) Finance management
b) Operations and logistics management
c) Human resource management
d) Public relations

57) Choose the correct statements about formation of a cooperative society:
i) Minimum 7 members are required.
ii) Registration is compulsory.
iii) Liability of members is unlimited.
iv) It operates with profit-maximisation as the sole objective.
a) ii) and iv)
b) i) and ii)
c) i), ii), and iv)
d) ii) and iii)

58) **Assertion (A):** Intermediaries in internal trade are essential even in e-business.
Reason (R): They ensure physical distribution and after-sales services.
a) Both (A) and (R)are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
c) (A) is true but (R) is false
d) (A) is false but (R) is true.

59) A trader took marine insurance for his goods. Before shipment, he sold the goods to another trader but did not inform the insurer. Later, the ship sank. Which principle invalidates the claim?
a) Indemnity
b) Insurable interest
c) Proximate cause
d) Mitigation of loss

60) Which of the following best explains the distinction between a private and a public company?
a) Both can invite the public to subscribe for shares.
b) A private company can transfer shares freely.
c) A private company restricts transfer of shares and limits number of members.
d) A public company is owned by the government.

SECTION – B
ECONOMICS

61) If quantity supplied increases by 60% due to a 50% increase in price, then Elasticity of Supply is
a) $(-)\ 1.2$
b) $+\ 1.2$
c) $(-)\ 0.83$
d) $+\ 0.83$

62) If the demand for a good is made by a rich consumer, it's demand is generally :
a) Less elastic
b) Highly elastic
c) Unitary elastic
d) Perfectly elastic

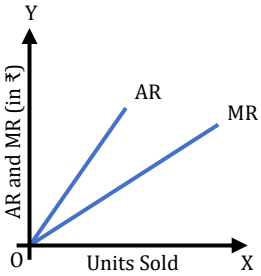
63) The Indian government imposed heavy taxes on commodity to reduce its consumption by the public, such heavy taxes will decrease the demand of the commodity only when:

a) Ed = 0 b) Ed > 1

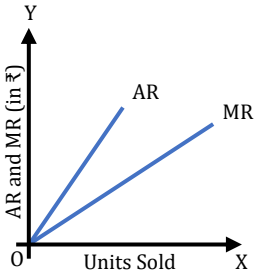
c) Ed < 1 d) Ed = 1

64) Which of the following diagram correctly depicts the relation between AR and MR when price falls with rise in output ?

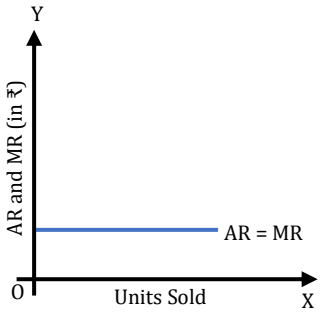
a)



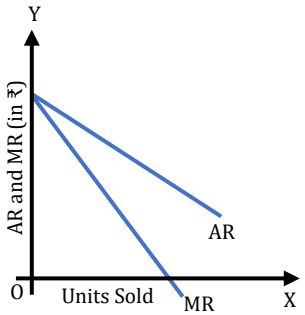
b)



c)



d)



65) **Assertion (A):** The state of producers equilibrium either reflex maximum profits or minimum losses.

Reason (R): When MC > MR after equilibrium, it means producing more will lead to rise in profits.

a) Both (A) and (R)are true and (R) is the correct explanation of (A)

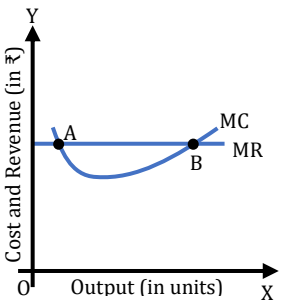
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).

c) (A) is true but (R) is false

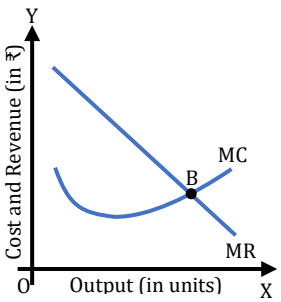
d) (A) is false but (R) is true.

66) Which of the following diagram correctly depicts the producer equilibrium in case of constant prices?

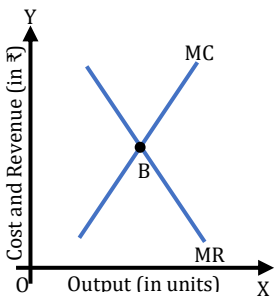
a)



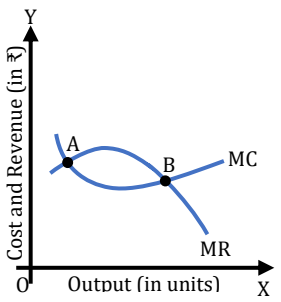
b)



c)



d)



67) Percentage bar diagram is a:

a) One dimensional diagram
b) Two dimensional diagram
c) Three dimensional diagram
d) None of these

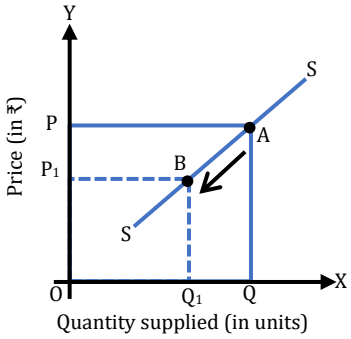
68) **Assertion (A):** In a non-viable industry, demand and supply curves never intersect each other in the positive range of both the axis.

Reason (R): Supply curve lies above the demand curve in case of non-viable industry as price is too high for the consumers

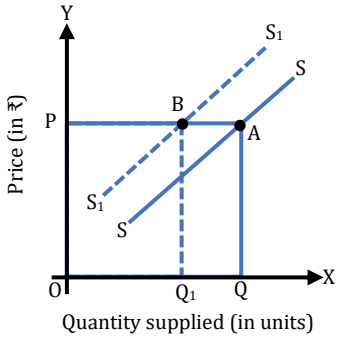
a) Both (A) and (R)are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
c) (A) is true but (R) is false
d) (A) is false but (R) is true.

69) Degradation of technology will have the following effect on the supply curve:

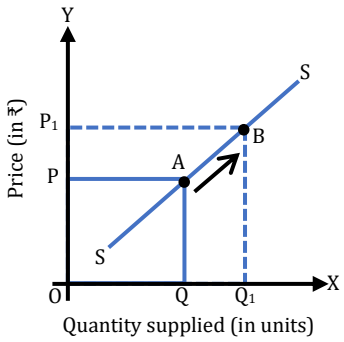
a)



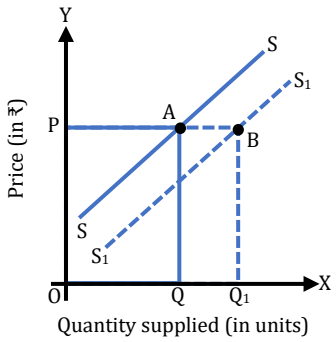
b)



c)



d)



70) **Statement 1:** When price falls with rise in output and then both AR and MR curve slope upwards

Statement 2: When firm can increase their volume of sales only by decreasing the price, then AR curve is steeper than the MR curve

a) Both statements are true
b) Both statements are false
c) Statement 1 is true and Statement 2 is false
d) Statement 1 is false and Statement 2 is true

71) **Statement 1:** Under perfect competition share of each seller is insignificant in the total supply

Statement 2: In perfectly competitive market, MR is less than AR.

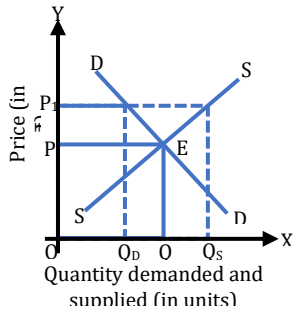
a) Both statements are true
b) Both statements are false
c) Statement 1 is true and Statement 2 is false
d) Statement 1 is false and Statement 2 is true

72) The mean weight of students in class of 40 students is 50 kg. If the weight of the teacher be included, the average rises by $\frac{1}{2}$ kg, the weight of the teacher is

a) 50.5 kg
b) 70.5 kg
c) 41 kg
d) 70 kg

73) The following diagram depicts the situation of:

a) Excess supply
b) Excess demand
c) Equilibrium condition
d) None of these



74) Ishan, Piyush and Bhavya are 3 friends talking about the relationship between marginal cost (MC) and the average cost (AC).
Ishan says," MC curve intersect AC curve from above."
Bhavya says," MC curve does not intersect AC curve at all "
Piyush says," MC curve intersects AC curve from below"
Out of three, who is correct?

a) Piyush
b) Ishan
c) Bhavya
d) All of these

75) Which of the following is an example of Implicit cost?

a) Interests that could have been earned on retained earnings used by the firm to finance expansion
b) Payment of rent by the Firm
c) Interest payment made by the firm for funds borrowed from a bank
d) Payment of wages by the firm

76) Which of the following statements accurately describes the relationship between AP and MP

a) AP rises when MP is above it and falls when MP is below it.
b) AP and MP are always parallel to each other.
c) MP intersects AP at its minimum point.
d) AP is always rising when MP is falling and vice versa.

77) **Statement 1:** Substitute goods have competitive demand.
Statement 2: Change in the price of substitutes directly affects the demand for a given commodity.

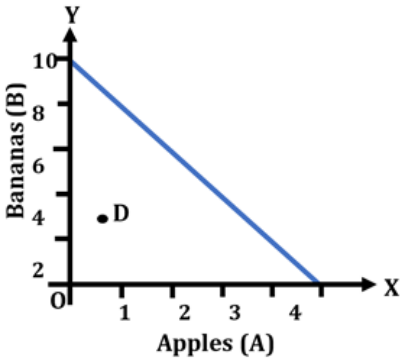
a) Both statements are true
b) Both statements are false
c) Statement 1 is true and Statement 2 is false
d) Statement 1 is false and Statement 2 is true

78) **Assertion (A) :** Budget line is a narrower concept as compared to Budget Set
Reason (R) : The bundles of budget set lie only on the budget line.

a) Both (A) and (R)are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
c) (A) is true but (R) is false
d) (A) is false but (R) is true.

79) For a symmetrical distribution, mean is equal to 40. It's mode and median are respectively
   a) 40, 36 b) 36, 40
   c) 36, 36 d) 40, 40

80) In the following diagram of budget line point "D " represents:
   a) Bundle which cost equal to money income of consumer.
   b) Bundle which cost less than money income of consumer
   c) Bundle which cost greater than money income of consumer.
   d) None of these



81) Stratified sample is preferred where:
   a) Population is perfectly homogeneous.
   b) Population is non homogeneous.
   c) Random sampling is not possible.
   d) Small samples are required

82) **Assertion (A) :** Statistical data should be uniform and homogeneous
   Reason (R) : Homogeneous data is not comparable.
   a) Both (A) and (R)are true and (R) is the correct explanation of (A)
   b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
   c) (A) is true but (R) is false
   d) (A) is false but (R) is true.

83) **Assertion (A) :** Classification is a method of statistical analysis and tabulation is a process of presenting data.
   Reason (R) : Classification and tabulation are one and the same thing.
   a) Both (A) and (R)are true and (R) is the correct explanation of (A)
   b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
   c) (A) is true but (R) is false
   d) (A) is false but (R) is true.

84) **Statement 1:** Histograms can also be used to determine the value of Median
   Statement 2: Histogram is a one dimensional diagram.
   a) Both statements are true.
   b) Both statements are false.
   c) Statement 1 is true and Statement 2 is false.
   d) Statement 2 is true and Statement 1 is false.

85) Which of the following statement is correct
   a) Sum of deviations of the observations from their Arithmetic mean is always zero.
   b) Sum of squares of the deviations of the items from them Arithmetic mean is minimum.
   c) Weighted mean is less than simple Arithmetic mean when larger weights are assigned to the larger items and smaller weights to the smaller items.
   d) Both a) and b)

86) The best average for constructing index number is
   a) Harmonic mean b) Arithmetic mean
   c) Geometric mean d) None of these

87) **Assertion (A) :** Mode of a frequency distribution can be located graphically with the help of histogram.

Reason (R) : Mode is preferable to mean and median where it is desired to know the most typical value.

a) Both (A) and (R)are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
c) (A) is true but (R) is false
d) (A) is false but (R) is true.

88) In an office there are 70% clerks, 20% assistants and 10% executives. On average, the salary of a clerk is Rs. 12000 per month, of the assistant Rs. 14000 per month and that of an executive Rs. 20000 per month. The average salary of an employee in the office is :

a) Rs. 14000 per month
b) Rs. 15500 per month
c) Rs. 13200 per month
d) None of these

89) Karl Pearson ‘s coefficient is defined from:

a) Ungrouped data
b) Grouped data
c) Both a) and b)
d) None of these

90) **Assertion (A) :** Karl Pearson 's method of calculating coefficient of correlation is based on covariance of the concerned variables.

Reason (R) : The coefficient of correlation between two variables X and y will be zero if they are independent.

a) Both (A) and (R)are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true and (R) is the not correct explanation of (A).
c) (A) is true but (R) is false
d) (A) is false but (R) is true.