

PREVIOUS YEAR PAPER

UP TGT 2021 — Commerce (Series A)

UP TGT · 7 or 8 August 2021

125 questions · +4 for a correct answer, -0 for a wrong one · 120 minutes

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Questions from the U.P. Secondary Education Services Selection Board's paper of 7 or 8 August 2021. Each question is followed by its answer, and the answer key is repeated on the last page.

Take it as a timed practice test: exambharo.com/up-tgt/previous-year-papers/up-tgt-2021-commerce-series-a/

Commerce

1. R and S are partners sharing profits in the ratio of 5 : 3. T joins the firm as a new partner. R gives $\frac{1}{4}$ th of his share and S give $\frac{2}{5}$ th of his share to new partner. New profit sharing ratio of R, S and T will be

- (a) 15 : 01 : 26
- (b) 75 : 36 : 49
- (c) 25 : 15 : 26
- (d) 20 : 9 : 11

Answer: (b)

2. Depreciation on fixed assets is an example of

- (a) Capital expenditure
- (b) Revenue expenditure
- (c) Deferred revenue expenditure
- (d) Real expenditure

Answer: (b)

3. On the dissolution of a firm, the amount realised from an unrecorded asset is transferred to

- (a) Revaluation Account
- (b) Realization Account
- (c) Partner's Capital Accounts
- (d) Credit side of Cash Account

Answer: (b)

4. Auditing and Assurance Standard – 2 (AAS – 2) are concerned with

- (a) Vouching
- (b) Valuation of assets and liabilities
- (c) Audit planning
- (d) Objective and scope of the audit of financial statements

Answer: (d)

5. Under Hire Purchase System the relationship between buyer and seller is

- (a) Debtor and creditor
- (b) Pawner and pawnee
- (c) Bailor and bailee
- (d) Lender and the borrower

Answer: (c)

6. Memorandum of Association is/are

- (a) Internal rules of the Company
- (b) Guidelines for Board of Directors
- (c) Agreement between Company and Board of Directors
- (d) Charter of the Company

Answer: (d)

7. Rearrange Maslow's hierarchy of needs logically :

- a. Physiological needs
- b. Security needs
- c. Esteem needs
- d. Social needs
- e. Self actualization needs

- (a) a, b, d, c, e
- (b) a, d, b, c, e
- (c) b, a, d, c, e
- (d) b, d, a, c, e

Answer: (a)

8.

- (a) Extrinsic motivation
- (b) Intrinsic motivation
- (c) Negative motivation
- (d) Positive motivation

Answer: (c)

9. India's rank in world population is

- (a) First
- (b) Second
- (c) Third
- (d) Fifth

Answer: (b)



10. Repo rate means

- (a) The rate at which commercial banks borrow money from RBI
- (b) The rate at which commercial banks lend money to RBI
- (c) The rate at which commercial banks lend money to customers
- (d) The rate at which commercial banks borrow money from customers

Answer: (a)

11. Ledger is a book of

- (a) Original entry
- (b) Final entry
- (c) Adjustment entry
- (d) Rectification entry

Answer: (b)

12. According to Malthus, the population of a country grows

- (a) Arithmetically
- (b) Algebraically
- (c) Geometrically
- (d) At constant rate

Answer: (c)

13. Gross Book Value of a fixed assets is its

- (a) cost less depreciation
- (b) historical cost
- (c) fair market value
- (d) realisable value

Answer: (b)

14. According to the Double Entry System, salary paid to a clerk Ramesh is a

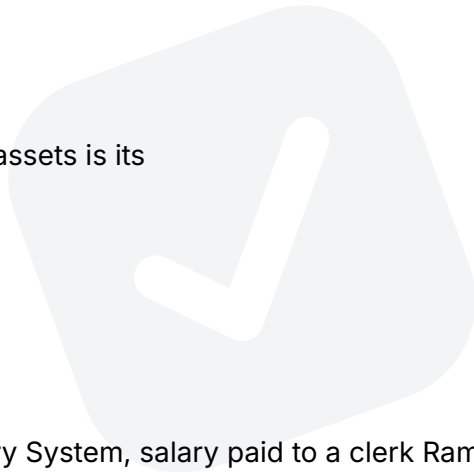
- (a) Real Transaction
- (b) Personal Transaction
- (c) Nominal Transaction
- (d) Both Real and Personal Transaction

Answer: (c)

15. Drawings Account is

- (a) Nominal Account
- (b) Personal Account
- (c) Real Account
- (d) Fictitious Account

Answer: (b)



16. Which of the following is a basic evidence of a transaction ?

- (a) Journal entry
- (b) Cash book
- (c) Voucher
- (d) Pass book

Answer: (c)

17. On 28th March, 2019 stock worth ₹ 10,000 was lost by fire. The insurance company admitted full claim. On 31st March, 2019 while preparing Final Accounts, it will be shown

- (a) Only in Trading Account
- (b) Only in Profit and Loss Account
- (c) Both in Trading and Profit and Loss Account
- (d) Both in Trading Account and Balance Sheet

Answer: (d)

18. In the absence of any contract to the contrary, capital profit on dissolution of a Partnership Firm is shared among partners in

- (a) Equal ratio
- (b) Capital ratio
- (c) Profit-sharing ratio
- (d) None of these

Answer: (a)

19. Repairs of second hand machinery purchased is debited to repairs account. It is an error of

- (a) Compensating
- (b) Omission
- (c) Commission
- (d) Principle

Answer: (d)

20. At the time of retirement of a partner profit on revaluation of assets and liabilities is credited to

- (a) Capital Account of retiring partner
- (b) Capital Accounts of all partners in their old profit sharing ratio
- (c) Capital Accounts of remaining partners in their gaining ratio
- (d) Capital Accounts of remaining partners in their new profit sharing ratio

Answer: (b)

21. Which one of the following is not a formula of Standard Deviation (σ) ?

- (a) $\sigma = \sqrt{[\sum d^2x/N - (\sum dx/N)^2]}$
- (b) $\sigma = (1/N) \sqrt{[\sum d^2x - (\sum dx)^2]}$
- (c) $\sigma = \sqrt{[\sum d^2x/N - (\bar{X} - A)^2]}$
- (d) $\sigma = \sqrt{[(\sum d^2x - N(\bar{X} - A)^2)/N]}$

Answer: (b)

22. Which of the following is not a feature of the Hire Purchase System ?

- (a) Price is paid in instalments
- (b) Possession is given immediately
- (c) On default the seller has a right to repossess the goods
- (d) Ownership is transferred immediately

Answer: (d)

23. Strategic planning is done by

- (a) Top level management
- (b) Middle level management
- (c) Supervisory level management
- (d) Operating level management

Answer: (a)

24. Which one of the following is not an element of co-ordination ?

- (a) Co-operation
- (b) Motivation
- (c) Mutual understanding
- (d) Communication

Answer: (b)

25. The essence of management is

- (a) Planning
- (b) Organising
- (c) Co-ordinating
- (d) Control

Answer: (c)

26. The measure of the variation of the items is

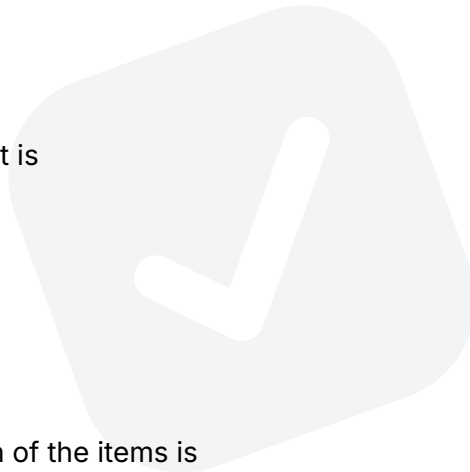
- (a) Skewness
- (b) Dispersion
- (c) Correlation
- (d) Kurtosis

Answer: (b)

27. The main objective of safeguard duty is

- (a) To protect the benefits of consumers
- (b) To increase Government Revenue
- (c) To protect the indigenous industries
- (d) To assist exporters in realization of payment from importers

Answer: (c)



28. In journal transactions are recorded on

- (a) Chronological basis
- (b) Analytical basis
- (c) Convenience basis
- (d) Selective basis

Answer: (a)

29. The most commonly used measure of dispersion is

- (a) Range
- (b) Standard deviation
- (c) Coefficient of variation
- (d) Quartile deviation

Answer: (b)

30. Which of the following formula is correct to calculate provision on debtors to be transferred to Profit and Loss Account ?

- (a) $\text{Bad Debts} + \text{New Provision} - \text{Old Provision}$
- (b) $\text{Provision on Debtors} + \text{New Provision} + \text{Bad Debts} - \text{Further Bad Debts}$
- (c) $\text{Bad Debts} + \text{New Bad Debts} + \text{New Provision} - \text{Old Provision}$
- (d) $\text{New Provision on Debtors} + \text{Old Provision made for Bad Debts}$

Answer: (c)

31. Balance of petty cash book represents

- (a) An expense
- (b) A profit
- (c) An assets
- (d) A liability

Answer: (c)

32. In the books of lessee the unrecouped amount of shortworkings is transferred to

- (a) Royalty Account
- (b) Minimum Rent Account
- (c) Lessor's Account
- (d) Profit and Loss Account

Answer: (d)

33. Interest on calls in arrears according to Table 'A' is charged at

- (a) 5%
- (b) 6%
- (c) 12%
- (d) 18%

Answer: (a)

34. The interest on the Capital Accounts of partners is credited to

- (a) Interest A/c
- (b) Partners Capital A/c
- (c) Profit and Loss A/c
- (d) Profit and Loss Appropriation A/c

Answer: (b)

35. The balance amount in the Joint Life Insurance Policy Reserve Account is transferred to

- (a) Deceased Partner's Personal Account
- (b) Remaining Partner's Personal Accounts
- (c) All Partner's Personal Accounts
- (d) Joint Life Policy Insurance Account

Answer: (c)

36. Every voucher should be signed by

- (a) Accounts Officer
- (b) Accountant
- (c) Manager
- (d) Responsible Official

Answer: (d)

37. If variance is 144, then the standard deviation will be

- (a) 2
- (b) 12
- (c) 72
- (d) 288

Answer: (b)

38. Decision making is a

- (a) Function
- (b) Process
- (c) Objective
- (d) Policy

Answer: (b)

39. If the demand of a commodity is inelastic, an increase in its price will cause the total expenditure of the consumers of the goods to

- (a) Increase
- (b) Decrease
- (c) Remain the same
- (d) Become zero

Answer: (a)



40. 'Bank rate' is the rate at which commercial banks

- (a) borrow money from Reserve Bank of India
- (b) lend money to customers
- (c) borrow money from customers
- (d) lend money to Reserve Bank of India

Answer: (a)

41. The central value of a serially arranged series is known as

- (a) Arithmetical mean
- (b) Mode
- (c) Median
- (d) Quartile

Answer: (c)

42. Ashoka Ltd. purchased a machine from Tata & Sons for Rs. 1,50,000. This is

- (a) A transaction
- (b) An event
- (c) A non financial data
- (d) None of the above

Answer: (a)

43. In journal transactions are recorded on

- (a) Yearly basis
- (b) Monthly basis
- (c) Daily basis
- (d) Periodic-interval basis

Answer: (c)

44. Franco Invoice includes

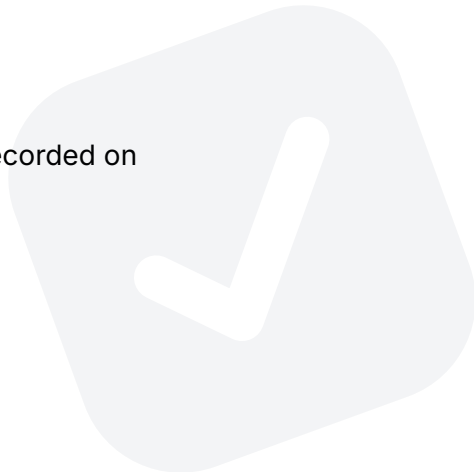
- (a) all costs upto putting the goods at the door of the buyer
- (b) cost, insurance and freight
- (c) all the costs upto Railway Station
- (d) all costs upto loading the goods into the railway wagons

Answer: (a)

45. Which of the following is correct ?

- (a) Income tax is a trade expense
- (b) Closing Stock shown in Trial Balance is recorded in Balance Sheet
- (c) Prepaid Expenses Account is Nominal Account
- (d) Advance received from a customer is credited to Profit and Loss Account as an income

Answer: (b)



46. Ledger is an accounting book in which

- (a) Only Real Accounts are opened
- (b) Only Real and Personal Accounts are opened
- (c) All the Real, Personal and Nominal Accounts are opened
- (d) Only Trading and Profit and Loss Accounts are opened

Answer: (c)

47. In the event of recoupment of shortworkings by the lessee, the lessor debits

- (a) Minimum Rent Account
- (b) Lessee's Account
- (c) Royalty Reserve Account
- (d) Profit and Loss Account

Answer: (c)

48. Which of the following can not be used for redemption of preference shares ?

- (a) Insurance Fund
- (b) Workmen's Compensation Fund
- (c) General Reserve
- (d) Profit Prior to Incorporation

Answer: (d)

49. After admission of a new partner the capital of all partner must be in

- (a) New profit sharing ratio
- (b) Old profit sharing ratio
- (c) Equal ratio
- (d) Mutually agreed ratio

Answer: (d)

50.

- (a) ₹ 3,600 : ₹ 2,400
- (b) ₹ 3,000 : ₹ 3,000
- (c) ₹ 2,400 : ₹ 3,600
- (d) ₹ 2,000 : ₹ 4,000

Answer: (b)

51. Which one of the following is not considered as relevant voucher while vouching cash sales ?

- (a) Sales book
- (b) Copy of cash memo
- (c) Abstract of salesman
- (d) Cashier's summaries

Answer: (a)

52.

- (a) Auditing
- (b) Vouching
- (c) Verification
- (d) Checking

Answer: (a)

53. Hawthorne experiments were carried out by

- (a) George Elton Mayo
- (b) Keith Davis
- (c) McGregor
- (d) F.W. Taylor

Answer: (a)

54. The monopolist maximises profit by producing and selling their output at that point on which its

- (a) Marginal revenue is greater than marginal cost
- (b) Marginal cost and marginal revenue both are equal
- (c) Marginal cost is greater than marginal revenue
- (d) Marginal revenue is greater than average revenue

Answer: (b)

55. Recording of business transactions in a systematic manner and classifying them in ledger is called

- (a) Accounting
- (b) Book-keeping
- (c) Adjustment
- (d) Measurement

Answer: (b)

56. In economics, distribution means

- (a) Distribution of labour
- (b) Distribution of income among factors of production
- (c) Distribution of capital among the three sectors of economy
- (d) Distribution of goods among consumers

Answer: (b)

57. "Losses are anticipated and profits are not accounted until realised", is the part of following principle

- (a) Consistency
- (b) Comparability
- (c) Conservatism
- (d) Disclosure

Answer: (c)

58. The basic accounting equation is based on

- (a) Cost concept
- (b) Accounting period concept
- (c) Accrual concept
- (d) Dual aspect concept

Answer: (d)

59. Technical skills are most important for

- (a) First line managers
- (b) Middle level managers
- (c) Production managers
- (d) Top level managers

Answer: (a)

60. An asset was purchased for Rs. 5,00,000 with the down payment of Rs. 1,00,000 and bills accepted for Rs. 4,00,000. What would be the effect on the total asset and total liabilities in the Balance Sheet ?

- (a) Assets increased by Rs. 4,00,000 and liabilities increased by Rs. 4,00,000
- (b) Assets increased by Rs. 4,00,000 and liabilities decreased by Rs. 4,00,000
- (c) Assets decreased by Rs. 4,00,000 and liabilities increased by Rs. 4,00,000
- (d) Assets increased by Rs. 5,00,000 and liabilities increased by Rs. 4,00,000

Answer: (a)

61. Which of the following have contra entries ?

- (a) Simple cash book
- (b) Petty cash book
- (c) Three column cash book
- (d) All cash books

Answer: (c)

62. Under copyright agreement the amount of royalty is computed on the basis of

- (a) Number of books published
- (b) Number of books sold
- (c) Total cost of books published
- (d) Total sale price of the books sold

Answer: (d)

63. Class : 10 – 25, 25 – 40, 40 – 55, 55 – 70, 70 – 85

f : 6, 20, 44, ?, 3

If the mode of the above distribution is 48.6, then the missing frequency will be

- (a) 29
- (b) 32
- (c) 26
- (d) 13

Answer: (c)

64. Minimum rent is also known as

- (a) Dead rent
- (b) Fixed rent
- (c) Flat rent
- (d) All of the above

Answer: (d)

65.

- (a) An agreement
- (b) Operation of law
- (c) Succession
- (d) Relationship between persons

Answer: (a)

66. The primary function of management is

- (a) Planning
- (b) Communication
- (c) Decision making
- (d) Motivation

Answer: (a)

67. In which type of organisation the rules, duties and responsibilities are given in writing ?

- (a) Formal organisation
- (b) Informal organisation
- (c) Strategic organisation
- (d) Both (B) and (C)

Answer: (a)

68. Under quantitative techniques of credit control following technique is not included

- (a) Open Market Operations
- (b) Variable Cash Reserve Ratio
- (c) Rationing of Credit Limit
- (d) Bank Rate Policy

Answer: (c)

69. Accounting equation, "Assets = Liabilities + Owners Equity", is represented through

- (a) Income statement
- (b) Cash flow statement
- (c) Balance Sheet
- (d) Funds flow statement

Answer: (c)

70.

- (a) The balance of Profit and Loss Account
- (b) Complete accuracy of accounting done by the accountant
- (c) Arithmetical accuracy of ledger balances
- (d) Balance between assets and liabilities

Answer: (c)

71. Purchase Book is used to record

- (a) All purchases of goods
- (b) All purchases
- (c) All credit purchases of goods
- (d) None of the above

Answer: (c)

72. In case of sub-lease royalty earned by the lessor is credited to

- (a) Sub-lease Account
- (b) Profit and Loss Account
- (c) Shortworkings Account
- (d) Royalty Receivable Account

Answer: (d)

73. Which of the following is not a source of finance for a company ?

- (a) Equity share capital
- (b) Preference share capital
- (c) Fixed assets
- (d) Debentures

Answer: (c)

74. In Sinking Fund for redemption of Debentures Account, the amount is transferred every year from

- (a) Reserve Account
- (b) Profit and Loss Account
- (c) Capital Account
- (d) Surplus Account

Answer: (d)

75. Under Quantity Theory of Money, which one of the following equations was given by Fisher ?

- (a) $M = KY + K'A$
- (b) $PT = MV + M'V'$
- (c) $M = PKR$
- (d) $n = p(k + rk')$

Answer: (b)

76. It is given in adjustment that during the accounting year, the trader distributed goods worth ₹ 5,000 as free samples. While preparing Final Accounts, this will be shown in

- (a) Profit and Loss Account
- (b) Both in Trading and Profit and Loss Account
- (c) Trading Account
- (d) Balance Sheet

Answer: (b)

77. Working capital facility to exporters is provided by

- (a) Reserve Bank of India
- (b) Export Credit and Guarantee Corporation
- (c) Commercial Banks
- (d) Ministry of External Affairs, Government of India

Answer: (c)

78. Auditing begins where _____ ends.

- (a) Selling
- (b) Production
- (c) Accounting
- (d) Year

Answer: (c)

79. The most dominating cause of environmental pollution is

- (a) Industrialisation
- (b) Increasing population
- (c) Use of chemicals in agriculture
- (d) Mining

Answer: (a)

80. The process that entails a proper and rational distribution of work between the members of the staff of the organisation is called

- (a) Internal Audit
- (b) Internal Check
- (c) Internal Evaluation
- (d) Internal Management

Answer: (b)

81. Under Hire Purchase System, the interest for each period is computed on

- (a) Cash price remaining unpaid
- (b) Instalment price remaining unpaid
- (c) The amount that has been agreed under hire purchase agreement
- (d) Cash price minus the amount of hire purchase instalment paid

Answer: (a)

82. Amount spent on increasing the seating capacity of a cinema hall is called

- (a) Personal expenditure
- (b) Nominal expenditure
- (c) Capital expenditure
- (d) Revenue expenditure

Answer: (c)

83. Mr. X a partner in a partnership firm withdraws Rs. 2,000 at the end of each month. Rate of interest is 5%. Interest on drawings at the end of the year will be

- (a) Rs. 1,200
- (b) Rs. 600
- (c) Rs. 550
- (d) Rs. 650

Answer: (c)

84. The verification of the authority and authenticity of transaction recorded in the books of accounts is called

- (a) Verification
- (b) Internal Audit
- (c) Vouching
- (d) Investigation

Answer: (c)

85. Dependent branch can make

- (a) Only cash sales
- (b) Only credit sales
- (c) Both cash and credit sales
- (d) None of the above

Answer: (c)

86. Summary and presentation of data in tabular form with several non-overlapping classes is referred as

- (a) Frequency distribution
- (b) Nominal distribution
- (c) Ordinal distribution
- (d) Chronological distribution

Answer: (a)

87. The ability to change human needs into human wants is called

- (a) Advertisement
- (b) Publicity
- (c) Salesmanship
- (d) Sales management

Answer: (c)



88. Name the audit, that is generally conducted between two annual audit.

- (a) External auditing
- (b) Standard auditing
- (c) Interim auditing
- (d) Final auditing

Answer: (c)

89. Which of the following is not the function of a business office ?

- (a) Receipt of letters
- (b) Providing informations
- (c) Filing and endorsing
- (d) Decision making

Answer: (d)

90. Under perfect competition a firm may earn supernormal profit in

- (a) Short run
- (b) Long run
- (c) Never
- (d) Always

Answer: (a)

91. Primary purpose of advertising is to

- (a) Inform
- (b) Persuade
- (c) Remind
- (d) All of the above

Answer: (d)

92. The law of variable proportions assumes

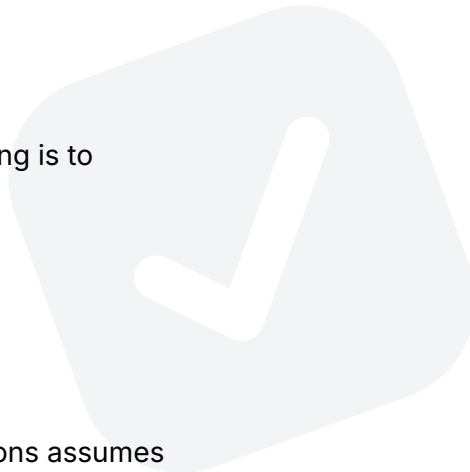
- (a) When marginal cost falls, total production will decrease
- (b) Utility is maximised when marginal production falls
- (c) Some factors of production are fixed
- (d) When marginal production falls, total production is maximum

Answer: (c)

93. Unearned income is considered as

- (a) Assets
- (b) Liability
- (c) Loss
- (d) Capital

Answer: (b)



94. In order to implement the provisions of partnership deed, the firm prepares

- (a) Profit and Loss Adjustment Account
- (b) Profit and Loss Appropriation Account
- (c) Revaluation Account
- (d) Profit and Loss Account

Answer: (b)

95.

- (a) Revenue expenditure
- (b) Capital expenditure
- (c) Personal expenditure
- (d) Deferred revenue expenditure

Answer: (a)

96. Which one of the following statements is not correct ?

- (a) As per AS-26 only purchased goodwill to be recorded in the books of accounts.
- (b) Self generated goodwill will have to be adjusted through Partners' Capital Accounts.
- (c) Goodwill is an intangible asset.
- (d) Goodwill is a fictitious asset.

Answer: (d)

97. In a company, internal auditor is appointed by

- (a) Shareholders
- (b) Creditors
- (c) Board of Directors
- (d) Government

Answer: (c)

98. Under which type of agreement royalty is paid on the basis of sale ?

- (a) Mining
- (b) Patent
- (c) Copy right
- (d) Licensing

Answer: (c)

99. Type of cumulative frequency distribution in which class intervals are added in top to bottom order is classified as

- (a) Marginal distribution
- (b) Variation distribution
- (c) Less than type distribution
- (d) More than type distribution

Answer: (c)

100. Which of the following function is not performed by Reserve Bank of India ?

- (a) Issue of currency notes
- (b) Credit control
- (c) To accept deposits on interest from public
- (d) Foreign Exchange Management and Control

Answer: (c)

101. Voucher refers to

- (a) Cash receipt
- (b) Invoices
- (c) Counterfoils
- (d) All of the above

Answer: (d)

102. By whom the following definition of management was given ?

"Management is the art of knowing what you want to do and then seeing that it is done in the best and the cheapest way".

- (a) F.W. Taylor
- (b) Henry Fayol
- (c) E.F.L. Brech
- (d) Oliver Sheldon

Answer: (a)

103. The law of demand states that if other things remain same

- (a) There is always a direct relationship between the price and demand
- (b) There is always an inverse relationship between price and demand
- (c) There is always a direct relationship between desire and demand
- (d) There is no relationship between price and demand

Answer: (b)

104. Pricing strategies include

- (a) Predatory pricing
- (b) Price fixing
- (c) Deceptive pricing
- (d) All of the above

Answer: (d)

105. When a consumer increases units of X-commodity by giving up some units of Y-commodity and even to attain the same level of satisfaction, the marginal rate of substitution will be calculated by

- (a) Change in X-commodity / Marginal utility of Y-commodity
- (b) Change in Y-commodity / Marginal utility of X-commodity
- (c) Change in X-commodity / Change in Y-commodity
- (d) Change in Y-commodity / Change in X-commodity

Answer: (d)

106. According to the provisions of Companies Act, 2013, the amount of minimum application money to apply for shares should be at least _____ % of face value of the share.

- (a) 5%
- (b) 10%
- (c) 20%
- (d) 25%

Answer: (d)

107. The record of cash transactions by non-trading concerns is shown in

- (a) Receipt and Payment A/c
- (b) Income and Expenditure A/c
- (c) Profit and Loss A/c
- (d) Manufacturing A/c

Answer: (a)

108. Which one is not the method of collecting primary data ?

- (a) Economic survey publication
- (b) Direct personal investigation
- (c) Indirect oral investigation
- (d) Schedules to be filled in by enumerators

Answer: (a)

109. After completion of the audit of a company the auditor should submit its report to the

- (a) Government
- (b) Court
- (c) Public
- (d) Shareholders

Answer: (d)

110. Which of the following is not a form of Large Scale Retail Trading ?

- (a) Departmental Store
- (b) Super Market
- (c) Multiple Chain Stores
- (d) Provision Store

Answer: (d)

111.

- (a) Shipping receipt
- (b) Cargo receipt
- (c) Mate receipt
- (d) Charter receipt

Answer: (c)

112.

- (a) ₹ 6
- (b) ₹ 4
- (c) ₹ 8
- (d) ₹ 10

Answer: (b)

113. The difference between 'subscribed capital' and 'called up capital' is called

- (a) Calls in arrear
- (b) Calls in advance
- (c) Uncalled capital
- (d) Paid up capital

Answer: (c)

114. In case of Instalment Payment System, which one of the following statements is not true ?

- (a) Payment of purchase price is made in agreed instalments.
- (b) On default of payment of instalment, seller has a right to take back the goods.
- (c) Purchaser prepares Assets Account, Seller's Account and Interest Suspense Account in his books.
- (d) Purchaser has right to sell the asset at any time after receiving the delivery.

Answer: (b)

115. Which of the following is not a feature of the advertising ?

- (a) Paid activity
- (b) Identified sponsor
- (c) Visual or oral
- (d) Personal

Answer: (d)

116. The enterprises exclusively owned, managed and controlled by the Central or State Government are known as

- (a) Government Company
- (b) Public Enterprises
- (c) Joint Stock Company
- (d) Private Enterprises

Answer: (b)

117. An item is considered material if it

- (a) relates to real account
- (b) relates to raw material
- (c) is significant for the users
- (d) all of the above

Answer: (c)

118. Transfer of debit and credit items from journal to ledger is called

- (a) Entry
- (b) Transfer
- (c) Accounting
- (d) Posting

Answer: (d)

119. Which of the following is not an accounting convention ?

- (a) Convention of full disclosure
- (b) Convention of conservatism
- (c) Convention of accrual accounting
- (d) Convention of consistency

Answer: (c)

120. Bill of Lading is issued by

- (a) Shipping company
- (b) Agent of the importer
- (c) Captain of the ship
- (d) Custom officer

Answer: (a)

121. Who said, "Money consists of those things which within a society, are of general acceptability" ?

- (a) Marshall
- (b) Keynes
- (c) Crowther
- (d) Ely

Answer: (d)

122. The Gresham's law specifies that

- (a) New money drives old money out of circulation
- (b) Good money drives bad money out of circulation
- (c) Bad money drives good money out of circulation
- (d) Paper money drives metallic money out of circulation

Answer: (c)

123. Auditing is mandatory for

- (a) Trusts
- (b) Joint Stock Companies
- (c) Sole Proprietorship Unit
- (d) Partnership Firm

Answer: (b)

124. Share Allotment Account is a

- (a) Real A/c
- (b) Nominal A/c
- (c) Personal A/c
- (d) Company A/c

Answer: (c)

125. Which one of the following statements is not correct ?

- (a) Forfeited shares can be reissued.
- (b) A notice of 14 days to shareholders is necessary before forfeiture of shares.
- (c) Premium on issue of shares can be used for writing off the preliminary expenses.
- (d) The profit on re-issue of forfeited shares is transferred to General Reserve Account.

Answer: (d)



Answer key

Answer key from the U.P. Secondary Education Services Selection Board's official answer key for this sitting. "—" means the key gave none.

Commerce

1	(b)	2	(b)	3	(b)	4	(d)	5	(c)	6	(d)	7	(a)	8	(c)
9	(b)	10	(a)	11	(b)	12	(c)	13	(b)	14	(c)	15	(b)	16	(c)
17	(d)	18	(a)	19	(d)	20	(b)	21	(b)	22	(d)	23	(a)	24	(b)
25	(c)	26	(b)	27	(c)	28	(a)	29	(b)	30	(c)	31	(c)	32	(d)
33	(a)	34	(b)	35	(c)	36	(d)	37	(b)	38	(b)	39	(a)	40	(a)
41	(c)	42	(a)	43	(c)	44	(a)	45	(b)	46	(c)	47	(c)	48	(d)
49	(d)	50	(b)	51	(a)	52	(a)	53	(a)	54	(b)	55	(b)	56	(b)
57	(c)	58	(d)	59	(a)	60	(a)	61	(c)	62	(d)	63	(c)	64	(d)
65	(a)	66	(a)	67	(a)	68	(c)	69	(c)	70	(c)	71	(c)	72	(d)
73	(c)	74	(d)	75	(b)	76	(b)	77	(c)	78	(c)	79	(a)	80	(b)
81	(a)	82	(c)	83	(c)	84	(c)	85	(c)	86	(a)	87	(c)	88	(c)
89	(d)	90	(a)	91	(d)	92	(c)	93	(b)	94	(b)	95	(a)	96	(d)
97	(c)	98	(c)	99	(c)	100	(c)	101	(d)	102	(a)	103	(b)	104	(d)
105	(d)	106	(d)	107	(a)	108	(a)	109	(d)	110	(d)	111	(c)	112	(b)
113	(c)	114	(b)	115	(d)	116	(b)	117	(c)	118	(d)	119	(c)	120	(a)
121	(d)	122	(c)	123	(b)	124	(c)	125	(d)						