

MOCK TEST PAPER - 1
COMMON PROFICIENCY TEST

Time Allowed – 2 Hours

Maximum Marks – 100

SECTION A: FUNDAMENTALS OF ACCOUNTING (60 Marks)

1. A sent some goods costing Rs. 3,500 at a profit of 25% on sale to B on sale or return basis. B returned goods costing to A Rs. 800. At the end of the accounting period i.e. on 31st December, 2016, the remaining goods were neither returned nor were approved by him. The stock on approval will be shown in the balance sheet at
 - (a) Rs. 2,000
 - (b) Rs. 2,700
 - (c) Rs. 2,700 less 25% of Rs. 2,700
 - (d) Rs. 3,500
2. Find the goodwill of the firm using capitalization method from the following information:
Total capital employed in the firm Rs. 80,00,000
Reasonable rate of return 15%
Profits for the year Rs. 12,00,000
 - (a) Rs. 68,00,000.
 - (b) Rs. 12,00,000.
 - (c) Rs. 11,88,000.
 - (d) Nil.
3. A draws a bill on B for Rs. 30,000. A wants to endorse it to C in settlement of Rs. 35,000 at 2% discount with the help of B's acceptance and balance in cash. How much cash A will pay to C?
 - (a) Rs. 4,300
 - (b) Rs. 4,000
 - (c) Rs. 4,100
 - (d) Rs. 5,000
4. P of Faridabad sent out goods costing Rs. 45,000 to Y of Delhi at cost + $33\frac{1}{3}$ %. 1/10th of goods were lost in transit. 2/3rd of the goods received are sold at 20% above invoice price. The amount of sale value will be:
 - (a) Rs. 54,000
 - (b) Rs. 43,200
 - (c) Rs. 60,000
 - (d) Rs. 36,000

5. Rent paid on 1st October, 2015 for the year to 30th September, 2016 was Rs. 1,200 and rent paid on 1st October, 2016 for the year to 30th September, 2017 was Rs. 1,600. Rent paid, as shown in the profit and loss account for the year ended 31st December 2016, would be:
- (a) Rs. 1,200
 - (b) Rs. 1,600
 - (c) Rs. 1,300
 - (d) Rs. 1,500
6. If repair cost is Rs. 25,000, whitewash expenses are Rs. 5,000, and cost of extension of building is Rs. 2,50,000 and cost of improvement in electrical wiring system is Rs. 19,000; the amount to be expensed in the books will be
- (a) Rs. 2,99,000
 - (b) Rs. 44,000
 - (c) Rs. 30,000
 - (d) Rs. 49,000
7. A company forfeited 1,000 shares of Rs. 20 each (which were issued at par) held by Mr. Mohan for non-payment of allotment money of Rs. 8 per share and further call money. The called-up value per share was Rs. 18. On forfeiture, the amount debited to share capital will be
- (a) Rs. 20,000
 - (b) Rs. 8,000
 - (c) Rs. 2,000
 - (d) Rs. 18,000
8. It is essential to standardize the accounting principles and policies in order to ensure
- (a) Transparency
 - (b) Consistency
 - (c) Comparability
 - (d) All of the above
9. G Ltd. acquired assets worth Rs. 7,50,000 from H Ltd. by issue of shares of Rs. 100 each at a premium of 25%. The number of shares to be issued by G Ltd. to settle the purchase consideration of assets will be _____
- (a) 6,000 shares
 - (b) 7,500 shares
 - (c) 9,375 shares
 - (d) 5,625 shares
10. The following information pertains to X Ltd.:
- Equity share capital called up - Rs. 5,00,000; Calls in arrear - Rs. 40,000; Calls in advance - Rs. 25,000; and Rate of dividend - 15%

The amount of dividend payable will be

- (a) Rs. 75,000
 - (b) Rs. 72,750
 - (c) Rs. 71,250
 - (d) Rs. 69,000
11. The subscribed share capital of S Ltd. is Rs. 80,00,000 shares (of Rs. 100 each). There were no calls in arrear till the final call was made. The final call made was paid on 77,500 shares. The calls in arrear amounted to Rs. 62,500. The final call on each share will be _____
- (a) Rs. 25
 - (b) Rs. 7.80
 - (c) Rs. 20
 - (d) Rs. 62.50
12. Ram's acceptance to Dinesh for Rs 8,000 renewed for 3 months on the condition that Rs. 4,000 be paid in cash immediately and the remaining amount will carry interest @ 12% p.a. The amount of interest will be _____
- (a) Rs. 120
 - (b) Rs. 480
 - (c) Rs. 960
 - (d) Rs. 240
13. A and B entered into a Joint Venture. A purchased goods costing Rs. 2,00,000, B sold 4/5th of the same for Rs. 2,50,000. Balance goods were taken over by B at cost less 20%. If same set of books is maintained, find out profit on venture.
- (a) Rs. 82,000
 - (b) Rs. 90,000
 - (c) Rs. 50,000
 - (d) Nil.
14. Amit Ltd. purchased a machine on 1.1.2018 for Rs 1,20,000. Installation expenses were Rs. 10,000. Residual value after 10 years Rs. 5,000. On 01.07.2018, expenses for repairs were incurred to the extent of Rs. 2,000. Depreciation is provided under straight line method. Annual Depreciation will be _____
- (a) Rs. 12,500
 - (b) Rs. 11,500
 - (c) Rs. 13,000
 - (d) Rs. 12,700
15. Rs. 2,500 spent on the overhaul of a machine purchased second-hand is _____
- (a) Capital expenditure

- (b) Revenue expenditure
 - (c) Deferred expenditure
 - (d) None of the above
16. Manufacturing account is prepared to
- (a) Ascertain the profit or loss on the goods produced
 - (b) Ascertain the cost of the manufactured goods
 - (c) Show the sale proceeds from the goods produced during the year
 - (d) Both (b) and (c).
17. Financial statements only consider
- (a) Assets expressed in monetary terms
 - (b) Liabilities expressed in monetary terms
 - (c) Assets expressed in non-monetary terms
 - (d) Assets and liabilities expressed in monetary terms
18. If sales revenue is Rs. 4,00,000; cost of goods sold is Rs. 3,10,000 and expenses are Rs. 60,000, the gross profit is
- (a) Rs. 30,000
 - (b) Rs. 90,000
 - (c) Rs. 3,40,000
 - (d) Rs. 60,000
19. A & B are partners sharing profits and losses in the ratio of 5:3. After admission of C, new profit sharing ratio between A, B and C is 7:5:4. The sacrificing ratio among A : B will be
- (a) 3:1
 - (b) 4:7
 - (c) 5:4
 - (d) 2:1
20. Opening Stock – Rs. 20,000 Carriage on sales - Rs. 3,000
 Closing Stock - Rs. 18,000 Rent of Office - Rs. 5,000
 Purchases - Rs. 85,800 Sales - Rs. 1,40,700
 Carriage on purchases - Rs. 2,300
 Gross profit will be
- (a) Rs. 50,000
 - (b) Rs. 47,600
 - (c) Rs. 42,600
 - (d) Rs. 50,600

21. When the shares are issued at premium and the premium has already received by the company. Later on, if such shares are forfeited
- Securities premium account should be debited
 - Securities premium account should be credited
 - Securities premium account should not be affected
 - None of the above.
22. X and Y share profits and losses in the ratio of 2 : 1. They take Z as a partner and the new profit sharing ratio becomes 3 : 2 : 1. Z brings Rs. 4,500 as premium for goodwill. The full value of goodwill will be
- Rs. 4,500
 - Rs. 18,000
 - Rs. 27,000
 - Rs. 24,000
23. Annual insurance premium paid on January 1, 2018 was Rs. 2,400. What will be the opening entry on April 01, 2018, if financial year ends on March, 31 every year.
- | | | | |
|-----------------------|------------------------------|-------|-------|
| Insurance Premium A/c | Dr. | 1,800 | |
| | To Prepaid Insurance Premium | | 1,800 |
 - | | | | |
|----------------|-------------------------|-----|-----|
| Ins. Prem. A/c | Dr. | 600 | |
| | To Prepaid Ins. Premium | | 600 |
 - | | | | |
|------------------------|-------------------------|-------|-------|
| Prepaid Ins. Prem. A/c | Dr. | 1,800 | |
| | To Prepaid Ins. Premium | | 600 |
| | To Insurance Premium | | 1,200 |
 - | | | | |
|-------------------------------|----------------------|-----|-----|
| Prepaid Insurance Premium A/c | Dr. | 600 | |
| | To Insurance Premium | | 600 |
24. Whenever errors are noticed in the accounting records, they should be rectified
- At the time of preparation of the trial balance
 - Without waiting the accounting year to end
 - After the preparation of final accounts
 - In the next accounting year
25. In _____ method, depreciation is charged by allocating depreciable cost in proportion of the annual output to the probable life-time output.
- Working hours method
 - Replacement method
 - Revaluation method
 - Production units method

26. Sundry debtors on 31st March 2018 are Rs. 55,200. Further bad debts are Rs.200. Provision for doubtful debts are to be made on debtors @ 5% and also provision of discount is to be made on debtors @ 2%. The amount of provision of doubtful debts will be
- (a) Rs. 1,045
 - (b) Rs. 2,750
 - (c) Rs. 1,100
 - (d) Rs. 2,760
27. The balance of machine on 31st March 2018 is Rs. 72,900 (after charging depreciation of the year). The machine was purchased on 1st April 2015 charging depreciation @ 10% p.a. by diminishing balance method. The cost price of the machine as on 1st April 2015 would be
- (a) Rs. 1,00,000
 - (b) Rs. 90,000
 - (c) Rs. 81,000
 - (d) Rs. 72,900
28. Estimated life of an asset is 10 years and estimated scrap value is Rs. 3,200. Depreciation as per SLM is charged at Rs.2,500 every year on the asset. Find the cost of the asset.
- (a) Rs. 25,000
 - (b) Rs. 28,200
 - (c) Rs. 28,000
 - (d) Rs.30,200.
29. R, J and D are partners sharing profits in the ratio 7:5:4. D died on 30th June 2016 and profits for the accounting year 2015-2016 were Rs. 24,000. How much share in profits for the period 1st April 2016 to 30th June 2016 will be credited to D's Account?
- (a) Rs. 6,000
 - (b) Rs. 1,500
 - (c) Nil
 - (d) Rs. 2,000
30. Mr. A is a partner in a firm along with Mr. B. Both contributed capitals of Rs. 40,000 and Rs. 50,000 respectively on the 1st of July, 2018. Interest on capital is to be charged @ 10% p.a. Books of account are to be closed on 31st December, 2018. Interest on capital is
- (a) Rs. 2,500
 - (b) Rs. 2,000
 - (c) Rs. 4,500
 - (d) None of the above

31. A purchased a computer costing Rs. 10,000. Repairing expenses Rs. 1,000 and miscellaneous expenses Rs. 500 were incurred by him. He sold the computer at 20% margin on selling price. The sales value will be
- Rs. 12,500
 - Rs. 11,000
 - Rs. 14,375
 - Rs. 13,800
32. Following is the example of internal users of financial statements:
- Government
 - Investors
 - Creditors
 - Employees
33. Unintentional omission or commission of amounts and accounts in the process of recording transactions are known as
- Frauds
 - Misinterpretation
 - Errors
 - None of the above
34. At the time of admission of a new partner, if the value of goodwill is shown in the books, it is written back by _____
- Old partners in old profit/loss sharing ratio
 - All the partners including the new partner in new profit/loss sharing ratio
 - Old partners in sacrificing ratio
 - New partner in gaining ratio
35. Mohit, the acceptor of the bill has to honour a bill on 31st March 2016. Due to financial crisis, he is unable to pay the amount of bill of Rs. 20,000. Therefore, he approaches Rohit on 20th March 2016 for extension of bill for further 3 months. Rohit agrees to extend the credit period by drawing a new bill for Rs. 20,500 together with interest of Rs. 1,000 in cash. In this case, old bill of Rs. 20,000 will be considered as
- Discounted
 - Dishonoured
 - Cancelled
 - Retired
36. E Ltd. had allotted 10,000 shares to the applicants of 14,000 shares on pro rata basis. The amount payable on application is Rs.2. F applied for 420 shares. Calculate the number of shares allotted and the amount carried forward for adjustment against allotment money due from F.
- 60 shares; Rs. 120

- (b) 340 shares; Rs. 160
 - (c) 320 shares; Rs. 200
 - (d) 300 shares; Rs. 240
37. The bill of Rs. 10,000 accepted by Ritesh on 1 July 2016, was discounted by Hitesh on 15 July 2016 for Rs. 9,600. On 4th October 2016, the bill was dishonoured and bank notified it for Rs. 200. The amount to be received from Ritesh would be
- (a) Rs. 10,600
 - (b) Rs. 10,000
 - (c) Rs. 10,200
 - (d) Rs. 10,400
38. Brave Ltd. issued 60,000 shares of Rs. 9 each. The application money was Rs. 2, allotment money was Rs. 4, and first call was of Re.1. The amount of final call will be
- (a) Rs. 3
 - (b) Rs. 2
 - (c) Re.1
 - (d) Nil
39. Jadu Ltd. reissued 2,000 shares, which were forfeited by crediting Share forfeiture account by Rs. 3,000. These shares were reissued Rs. 9 per share. The amount to be transferred to Capital Reserve account will be
- (a) Rs. 3,000
 - (b) Rs. 2,000
 - (c) Rs. 1,000
 - (d) Nil
40. In the bank reconciliation statement, when balance as per the cash book is taken as the starting point, then direct deposits from the customer of Rs. 2,500 in the bank will be
- (a) Added
 - (b) Subtracted
 - (c) Ignored
 - (d) None of the above
41. If a sales return of Rs. 1,500 has been wrongly posted to the credit of the purchase returns account, but has been correctly entered in the debtors' account, the total of the
- (a) Trial balance would show the debit side to be Rs. 3,000 more than the credit.
 - (b) Trial balance would show the credit side to be Rs. 3,000 more than the debit.
 - (c) The debit side of the trial balance will be Rs. 1,500 more than the credit side.
 - (d) The credit side of the trial balance will be Rs. 1,500 more than the debit side.

42. The total cost of goods available for sale with a company during the current year is Rs. 12,00,000 and total sales during the period is Rs. 13,00,000. If the gross profit margin of the company is $33\frac{1}{3}\%$ on cost, the closing inventory during the current year is
- Rs. 4,00,000
 - Rs. 3,00,000
 - Rs. 2,25,000
 - Rs. 2,60,000
43. He, She and Me are partners in a firm sharing profits and losses in the ratio of 5:3:2. Firm took Separate Life Policy on name of all partners and the surrender value of the life policies are Rs. 50,000, Rs.1,00,000 and Rs.1,50,000 for He, She and Me respectively. The share of Me in the policy will be:
- Rs. 1,50,000.
 - Rs. 90,000.
 - Rs. 60,000.
 - Rs. 3,00,000.
44. At the end of the year 2017-18, the ledger of a firm shows following balances to prepare balance sheet:
- | | |
|---------------------------------|--------------|
| Capital | Rs. 2,00,000 |
| Net profit for the year 2017-18 | Rs. 1,50,000 |
| Provision for taxes | Rs. 75,000 |
| Liabilities | Rs. 1,00,000 |
| Cash and Bank | Rs. 60,000 |
| Fixed Assets | Rs. 4,65,000 |
- The total of the balance sheet would be
- Rs. 4,65,000
 - Rs. 5,25,000
 - Rs. 5,65,000
 - Rs. 5,10,000.
45. Following figures have been taken from the trial balance of a trader:
- Purchases Rs. 30,000
- Purchase Returns Rs. 5,000
- Sales Rs. 40,000
- Sales Returns Rs. 5,000
- The amount of profit will be
- Rs. 10,000.
 - Rs. 5,000.
 - Rs. 7,500.

- (d) None of the three.
46. Radha, Seeta and Laxmi were partners sharing profits and losses in the ratio of 2:3:5. Seeta retired on 1st June, 2016 and Goodwill of the firm is to be valued at Rs. 1,20,000 on that date. What will be the treatment for Goodwill ?
- (a) Profit and Loss a/c will be credited by Rs. 1,20,000.
- (b) Seeta's Capital a/c will be debited by Rs. 36,000 with corresponding credit to Radha and Laxmi in their gaining ratio.
- (c) Seeta's Capital a/c will be credited by Rs. 36,000 with corresponding debit to Radha and Laxmi in their gaining ratio.
- (d) None of the these.
47. Retirement of bill means
- (a) Discounting of bill
- (b) Dishonour of bill
- (c) Renewal of bill
- (d) Payment of bill before maturity
48. Which of the following statement is true in case of a Foreign Company?
- (a) A Company incorporated in India and has place of business outside India.
- (b) A Company incorporated outside India and has a place of business in India.
- (c) A Company incorporated in India and has a place of business in India.
- (d) A Company incorporated outside India and has a place of business outside India.
49. If a concern proposes to discontinue its business from March 2017 and decides to dispose of all its plants within a period of 4 months, the Balance Sheet as on March 31, 2017 should indicate the plants at their
- (a) Historical cost
- (b) Net realizable value
- (c) Cost less depreciation
- (d) Historical cost or NRV whichever is less
50. Opening stock of the year is Rs. 20,000, Goods purchased during the year is Rs. 1,00,000, Carriage Rs. 2,000 and Selling expenses Rs. 2,000. Sales during the year is Rs. 1,50,000 and closing stock is Rs. 25,000. The gross profit will be:
- (a) Rs. 53,000.
- (b) Rs. 55,000.
- (c) Rs. 80,000.
- (d) Rs. 51,000.
51. Which of the following can't be described as provision?
- (a) Appropriation made for payment of taxes still to be assessed.
- (b) Amount set aside for writing off bad debts

- (c) Amount set aside for any unknown liability.
- (d) Amount retained for any known liability of which the amount cannot be ascertained with substantial accuracy.
52. A and B are equal partners. They admit C as a partner with $\frac{1}{7}$ th share. What is the new profit sharing ratio of A and B?
- (a) $\frac{6}{7} : \frac{1}{7}$
- (b) $\frac{3}{7} : \frac{3}{7}$
- (c) $\frac{4}{7} : \frac{2}{7}$
- (d) $\frac{2}{7} : \frac{4}{7}$
53. Rectification entries are first recorded in _____.
- (a) Ledger
- (b) Subsidiary books
- (c) Journal proper
- (d) Trial balance
54. Fixed assets are held by business organization for _____.
- (a) Conversion into cash
- (b) Generating income
- (c) Resale
- (d) None of the above
55. Mr. X purchased a computer for Rs. 60,000 by making a down payment of Rs. 10,000 and balance of Rs. 50,000 by signing the agreement of bills payable due in 50 days. As a result of these transactions
- (a) Total assets increased by Rs. 50,000 with the corresponding increase in liability by Rs. 50,000
- (b) Total assets increased by Rs. 50,000
- (c) Total assets increased by Rs. 60,000 with corresponding increase in liability by Rs. 50,000
- (d) Total assets increased by Rs. 60,000 with the corresponding increase in liability by Rs. 60,000.
56. C and D enter in to a joint venture to share profit in the ratio of 5:3. Apart from the profits, D is entitled to a commission of 5% of net profit after charging such commission. If net profit of joint venture is Rs. 33,600 before charging such commission. What will be share of profit of C and D.
- (a) C will get profit Rs. 19,950 and D Rs. 11,970
- (b) C will get profit Rs. 20,000 and D Rs. 12,000
- (c) C will get profit Rs. 21,000 and D Rs. 12,600
- (d) C will get profit Rs. 21,600 and D Rs. 12,000.
57. The cost of a machine is Rs. 20,00,000. Two years later the book value is Rs.10,00,000. The Straight-line percentage depreciation is
- (a) 50%
- (b) $33\frac{1}{3}\%$

- (c) 25%
 - (d) 20%
58. The opening stock is overstated by Rs. 10,000 and closing stock is understated by Rs. 15,000. The impact of these on net profit for the current year is
- (a) Rs. 5,000 overstated
 - (b) Rs. 25,000 overstated
 - (c) Rs. 25,000 understated
 - (d) Rs. 5,000 understated
59. On 31.03.18, the balance of the Bank column of the cash book is Rs. 7,074 (Credit) and Balance as per Bank Statement is Rs. 3,159 (Debit). On scrutiny, it was found that the difference was due to cheques issued but yet not presented for payment. The Bank balance as on 31.03.2018 will be shown in Balance sheet as:
- (a) As Bank Overdraft Rs. 3,159
 - (b) As Cash at Bank Rs. 7,074
 - (c) As Bank Overdraft Rs. 7,074
 - (d) As Cash at Bank Rs. 3,159
60. Rs.50,000 claim for workman's compensation under dispute is a
- (a) Current liability
 - (b) Contingent liability
 - (c) Fixed liability
 - (d) None of the three

SECTION B: MERCANTILE LAWS (40 Marks)

61. A telephonic acceptance is complete when the offer is
- (a) spoken into the telephone
 - (b) heard but not understood by the offeror
 - (c) heard and understood by the offeror
 - (d) is received, heard and understood by some person in the offeror's house
62. A notice in the newspaper inviting tenders is
- (a) a proposal
 - (b) An invitation to proposal
 - (c) A promise
 - (d) An invitation for negotiation
63. A wagering agreement in India is declared by the Contract Act as
- (a) Illegal and void
 - (b) Void but not illegal
 - (c) Voidable at the option of the aggrieved party
 - (d) Immoral
64. Which of the following is not an exception to the rule- No consideration, No contract
- (a) Compensation for involuntary services
 - (b) Love & Affection
 - (c) Contract of Agency
 - (d) Gift
65. Condition may be treated as a warranty when there is-
- (a) Waiver of condition by the buyer
 - (b) Buyer elects to treat breach of condition as a breach of warranty
 - (c) Acceptance of goods by the buyer in case of non-severable of contract of sale
 - (d) All of the above
66. Out of the following statements which is true:
- (a) A sleeping partner is also liable to the third parties
 - (b) Law of partnership is an extension of the law of guarantee
 - (c) the registration of firm is compulsory
 - (d) partnership has a separate legal entity
67. A person is deemed to be in a position to dominate the will of another if he:
- (a) holds real or apparent authority
 - (b) Stands in a fiduciary relationship
 - (c) Both (a) and (b)
 - (d) Either (a) or (b)

68. An agreement, the object of which is to procure a public post, is
- (a) Void
 - (b) Voidable
 - (c) Valid
 - (d) Defective
69. An agreement in restraint of marriage, i.e. which prevents a person from marrying is
- (a) void
 - (b) valid
 - (c) voidable
 - (d) contingent
70. As per section 18, a partner in a partnership firm functions:
- (a) in a dual capacity of principal and agent
 - (b) As a principal only
 - (c) As an agent only
 - (d) Neither as a principal nor as an agent
71. A borrow from B Rs. 5000 to bet with C. Can B recover the amount of his loan?
- (a) yes, the agreement between them is collateral to a wagering agreement and hence enforceable.
 - (b) yes, the agreement is not opposed to public policy.
 - (c) no, the agreement is a voidable agreement and can be avoided by A.
 - (d) no, the agreement is wagering agreement and falls under section 23 and hence void.
72. When offer is made to a definite person, it is known as
- (a) General Offer
 - (b) Cross Offer
 - (c) Counter offer
 - (d) Special offer
73. Contingent contract to do or not to do anything, if an impossible event happens are:
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Illegal
74. A contract is discharged by rescission which means the
- (a) change in one or more terms of the contract
 - (b) acceptance of lesser performance
 - (c) abandonment of rights by a party
 - (d) cancellation of the existing contract.
75. 'A' trades man leaves good at 'B's house, by mistake. 'B' treats the goods as its own. Which one of the following is correct:
- (a) B is bound to pay for the goods

- (b) B is not bound to pay
 - (c) B offers to give part payment
 - (d) Both (a) & (c)
76. A valid tender or offer of performance must be:
- (a) made at proper time
 - (b) made at proper place
 - (c) made to the proper person
 - (d) all of the above
77. In case of anticipatory breach, the aggrieved party may treat the contract
- (a) as discharged and bring an immediate action for damages
 - (b) as operative and wait till the time for performance arrives
 - (c) exercise option either (a) or (b)
 - (d) only option (a) is available
78. A person contracted to deliver a part of a specific crop of potatoes. The potatoes were destroyed by blight though no fault of the party. The contract is
- (a) Valid
 - (b) Voidable
 - (c) void due to frustration of contract
 - (d) illegal
79. Specific goods are such goods which are
- (a) existing and identified at the time of making the contract
 - (b) identified after the making of contract but before the performance of contract
 - (c) both 'a' and 'b'
 - (d) neither 'a' nor 'b'
80. An 'agreement to sell' becomes 'sale' when
- (a) the conditions are satisfied
 - (b) the parties agree to change the terms of agreement
 - (c) when the court orders
 - (d) when the agreement is in writing
81. M, a minor, misrepresenting that he is a major induces Z to enter into a contract
- (a) M is liable on the contract
 - (b) M is not liable on the contract
 - (c) M is liable to pay compensation
 - (d) M is liable to the contract on attending majority
82. For passing of property in respect of specific or ascertained goods, the intention of the parties can be ascertained from:
- (a) Terms of the contract
 - (b) conduct of the parties

- (c) circumstances of the case
 - (d) All of the above
83. The term “goods” under Sale of Goods Act, 1930 does not include
- (a) goodwill
 - (b) actionable claims
 - (c) stocks and shares
 - (d) harvested crops
84. Delivery by attornment (acknowledgement) is _____:
- (a) Actual delivery
 - (b) Symbolic delivery
 - (c) Constructive delivery
 - (d) All of these
85. A partnership firm is:
- (a) A legal person
 - (b) Not a distinct legal entity from its partners
 - (c) A distinct legal entity from its partners
 - (d) None of the above
86. While obtaining the consent of the promise, keeping silence by the promisor when he has a duty to speak about the material facts, amounts to consent obtained by:
- (a) Coercion
 - (b) Misrepresentation
 - (c) Mistake
 - (d) Fraud
87. Registration of the firm under the Partnership Act is:
- (a) Optional
 - (b) Obligatory
 - (c) Compulsory
 - (d) Necessary
88. A enters into an agreement with B who has robbed A of Rs. 10,000 to drop prosecution against him (B) in consideration of B's returning Rs. 8,000. Afterwards B refused to pay. A can get from B
- (a) Rs. 8,000
 - (b) Rs. 100
 - (c) Nothing
 - (d) Rs. 10,000 plus damages
89. The authority of a partner to bind the firm for his acts as contained in section 19 of the Partnership Act is known as:
- (a) Express authority
 - (b) Legal authority

- (c) Implied authority
 - (d) Managerial authority
90. Retiring partner continues to remain liable to third parties for acts of the firm:
- (a) Until public notice is given of the retirement
 - (b) from the date of retirement
 - (c) upto the close of the financial year in which he retires
 - (d) so long as the firm uses his name.
91. Which of the following do not constitute a ground for dissolution by Court?
- (a) Misconduct by partner
 - (b) Transfer of interest by partner
 - (c) Just and equitable grounds
 - (d) Insolvency of a partner.
92. Every partner has the right to:
- (a) Take part in the business of the firm
 - (b) To share exclusive profits
 - (c) To use the property of the firm for personal purposes
 - (d) Pay taxes
93. X, Y and Z are partners in a firm. X, without the authority of Y and Z buys certain shares in his name out of partnership money. Will 'shares' constitute partnership property?
- (a) yes
 - (b) no
 - (c) Can't say
 - (d) depends on the facts of the case
94. Mr. S has supplied goods to an unregistered firm. Can he file a suit against the unregistered firm to recover the dues?
- (a) No, because the firm is unregistered
 - (b) Yes, because registration is irrelevant
 - (c) A third party can file a suit against the firm whether the firm is registered or not.
 - (d) both (b) and (c)
95. A partner can retire on:
- (a) Reaching the age of superannuation
 - (b) On the balance in the capital account reaching a certain amount
 - (c) in accordance with the partnership deed
 - (d) on the condition of his nominee becoming a partner
96. The Unpaid Seller's right of lien is to:
- (a) re-organize possession of goods
 - (b) re-sell the goods
 - (c) regain possession of goods

- (d) retain possession of goods
97. Where goods are known to be dangerous to the seller, and he also knows that the buyer is ignorant about it, there is an implied warranty
- (a) that buyer must be informed about the dangerous nature of goods
 - (b) that the buyer must examine the goods before taking delivery
 - (c) the seller must warn the buyer
 - (d) both 'a' and 'c'
98. Which of the following acts are not included in the implied authority of a partner?
- (a) to buy or sell goods on accounts of partners
 - (b) to borrow money for the purposes of firm
 - (c) to enter into partnership on behalf of firm
 - (d) to engage a lawyer to defend actions against firm.
99. A new partner can be admitted in the firm with the consent of
- (a) All the partners
 - (b) Simple majority of partners
 - (c) Special majority of partners
 - (d) New partner only
100. A contract of personal nature can be performed by:
- (a) The promisor,
 - (b) The agent,
 - (c) The legal representative,
 - (d) None of the above.