

## SESSION - 1

Test Series: June, 2019

### MOCK TEST PAPER - 2 COMMON PROFICIENCY TEST

Time Allowed – 2 Hours

Maximum Marks – 100

#### SECTION A: FUNDAMENTALS OF ACCOUNTING (60 Marks)

1. Find out the missing item using the following information:
- |                                    |              |
|------------------------------------|--------------|
| Opening Stock                      | Rs. 60,000   |
| Purchases                          | Rs. 3,40,000 |
| Sales                              | Rs. 4,80,000 |
| Gross margin on sales              | 25%          |
| Stock as per physical verification | Rs. 32,500   |
- (a) Freight Inward Rs. 32,500  
(b) Freight Outward Rs. 7,500  
(c) Goods withdrawn by the proprietor Rs. 7,500  
(d) None of the above.
2. On admission of a partner, unrecorded investments worth ₹ 5000 and unrecorded liability towards suppliers for ₹1500 will be recorded in
- (a) Revaluation A/c  
(b) Capital Accounts  
(c) Realisation A/c  
(d) None of the three
3. C and D entered into a Joint Venture to construct a bridge. They did not open separate set of books. They shared profits and losses as 3:2. C contributed Rs. 1,50,000 for purchase of materials. D paid wages amounting to Rs. 80,000. Other expenses paid were by C – Rs. 5,000 and D – Rs. 15,000. C purchased one machine for Rs. 20,000. The machine was taken over by C for Rs. 10,000. Total contract value of Rs. 3,00,000 was received by D. What will be the profit on venture?
- (a) Rs. 30,000  
(b) Rs. 40,000  
(c) Rs. 20,000  
(d) Rs. 15,000.
4. 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.

5. Mr. X paid commission to his consignee Mr. Y Rs. 25,000 @ 5% on sales made by him. Goods were sold by Mr. Y at a profit of 25% on cost. Stock in hand as on 31.3.2016 is Rs. 50,000 at cost. What is the cost of goods sent by Mr. X on consignment to Mr. Y?
  - (a) Rs. 4,50,000
  - (b) Rs. 75,000
  - (c) Rs. 5,50,000
  - (d) Rs. 6,00,000.
  
6. A Ltd. forfeited 1,000 shares of Rs. 10 each on which Rs. 6,000 have been received. Forfeited shares were re-issued for Rs. 7,000. The amount transferred to capital reserve account would be:
  - (a) Rs. 1,000
  - (b) Rs. 3,000
  - (c) Rs. 4,000
  - (d) Rs. 6,000.
  
7. Subject to an agreement among the partners, interest on capital is to be provided out of profits only. In case of insufficient profit (i.e. net profit is less than the amount of interest on capital), the profit will be distributed:
  - (a) In equal ratio
  - (b) In profit sharing ratio
  - (c) In capital ratio
  - (d) Restricted to 6% of partners' capital.
  
8. Goods worth Rs. 750 were purchased from S & Co. but while passing the entry the credit was given to R & Co. The total of credit side of the Trial Balance is Rs. 43,750. Assuming that this is the only error, the total of the debit side of the trial balance before rectification was:
  - (a) Rs. 43,750
  - (b) Rs. 44,500
  - (c) Rs. 43,000
  - (d) Rs. 45,250.
  
9. A, B, C & D are partners in the firm.  $\frac{2}{3}$ rd of the profit is shared equally by A & B and the balance profit is shared by C & D in the ratio of 3:2. Profit sharing ratio of A, B, C & D will be:
  - (a) 4:4:3:2
  - (b) 7:7:6:4
  - (c) 2.5:2.5:3:2
  - (d) 5:5:3:2.
  
10. At the end of the financial year, Accounts receivable has a balance of Rs. 1,00,000 and provision for bad and doubtful debts is amounting to Rs. 7,000. The expected net realizable value of the accounts receivable is
  - (a) Rs. 7,000
  - (b) Rs. 1,07,000

- (c) Rs. 93,000
  - (d) Rs. 1,00,000.
11. Bank column of cash book of a trader shows debit balance of Rs. 7,900, whereas the bank statement shows a debit balance of Rs. 10,300 on that particulate date. In the balance sheet, bank balance will be shown on
- (a) Assets side Rs. 7,900
  - (b) Liabilities side Rs. 10,000
  - (c) Liabilities side Rs. 2,400
  - (d) Assets side Rs. 10,300
12. In case of a joint venture, a minor
- (a) Can be a co-venturer in the profits of the joint venture only
  - (b) Can be a co-venturer if all the other co-venturers agree
  - (c) Can be a co-venturer if permitted by the competent authority
  - (d) Cannot be a co-venturer at all.
13. At the time of stock taking, accountant noted that, goods worth Rs. 1,000 are lying in godown, waiting for dispatch. These goods were billed on March 15, 2018 for Rs. 1,200. While calculating the value of physical inventory, the following adjustment will be made in the value of inventory shown by the books of account for the year ended on 31.3.2018
- (a) Exclude the goods from calculating inventory
  - (b) Include the sale price Rs. 1,200 in the value of inventory
  - (c) Include the cost price Rs. 1,000 in the value of inventory
  - (d) None of the above.
14. Effect of strike not shown in the accounts. Which accounting concept is applied here?
- (a) Matching concept
  - (b) Revenue recognition concept
  - (c) Money measurement concept
  - (d) Cost concept.
15. 100 items at sale price of Rs. 250 each sent to a customer on approval basis were recorded as actual sale at that price. The sale price was made at cost plus 25%. The amount of stock on hand will be
- (a) Rs. 25,000
  - (b) Rs. 20,000
  - (c) Rs. 22,500
  - (d) Rs. 18,750.
16. In journal, the entries which pertain to outstanding expenses, prepaid expenses or depreciation are called:-
- (a) Adjusting Entries
  - (b) Rectification Entries

- (c) Transfer Entries
  - (d) Closing Entries
17. The payment side of the cash book is undercast by Rs. 250. When overdraft as per pass book is the starting point, to get to the overdraft as per cash book
- (a) Rs. 250 will be deducted
  - (b) Rs. 250 will be added
  - (c) Rs. 500 will be deducted
  - (d) Rs. 500 will be added.
18. No Journal entry is required to be passed when there is
- (a) Normal loss
  - (b) Abnormal loss
  - (c) Loss of bad debts
  - (d) Loss by riots.
19. P shows a profit of Rs. 7,00,000 for the year ended 31.3.2018. The figure has been arrived at after charging following against revenue:
- (i) Purchase of Car on 28.3.2018 for use in business Rs. 3,00,000 and treated as vehicle expenses.
  - (ii) Omitted to record unpaid electricity bills for February and March, 2018 of Rs. 15,000 per month. The correct profit for the year ended 31<sup>st</sup> March, 2018 will be
- (a) Rs. 8,30,000
  - (b) Rs. 9,00,000
  - (c) Rs. 9,70,000
  - (d) Rs. 10,30,000.
20. Provision is made for the amount outstanding for the salaries at the end of the accounting period as per \_\_\_\_\_ concept.
- (a) Matching
  - (b) Accrual
  - (c) Materiality
  - (d) Historical cost.
21. Rent paid is debited to landlord's personal account. It is
- (a) Not an error
  - (b) Error of omission
  - (c) Error of commission
  - (d) Error of principal.
22. Cost of machinery Rs. 75,000, salvage value Nil, estimated life 4 years. Depreciation for the first year by sum of digit method is
- (a) Rs. 30,000
  - (b) Rs. 15,000

- (c) Rs. 12,000  
 (d) Rs. 7,500.
23. Dividends are usually paid as a percentage of \_\_\_\_\_  
 (a) Authorised share capital  
 (b) Net profit  
 (c) Paid up capital  
 (d) Called up capital
24. Which of the following is not the feature of a company?  
 (a) Separate legal entity  
 (b) Perpetual existence  
 (c) Incorporated association  
 (d) No separation between management and ownership
25. The gross profit of a concern is Rs. 1,00,000 and gross profit ratio is 25%. The sales return amounted to Rs. 17,500.  
 The gross sale of the concern is  
 (a) Rs. 4,00,000  
 (b) Rs. 3,82,500  
 (c) Rs. 4,17,500  
 (d) Rs. 5,00,000.
26. "Bills Payable has been discounted by the creditor". This transaction will be  
 (a) Recorded in the Journal  
 (b) Recorded in the Ledger  
 (c) Recorded in the Bank Book  
 (d) Not recorded in the drawee's book.
27. At the end of the year 2015-16, the ledger of a firm shows following balances to prepare balance sheet:
- |                                 |              |
|---------------------------------|--------------|
| Capital                         | Rs. 2,00,000 |
| Net profit for the year 2015-16 | 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  
 (a) Rs. 4,65,000  
 (b) Rs. 5,25,000  
 (c) Rs. 5,65,000  
 (d) Rs. 5,10,000.

28. Which of the following is not a contingent liability?
- Claims against the firm not acknowledged as debts
  - Guarantees given in respect of third parties
  - Amount due to trade creditor which is not disputed
  - Bills discounted from bank.
29. If the rate of depreciation is same then the amount of depreciation under straight line method vis-à-vis written down value will be:
- Equal in all years
  - Equal in the first year but higher in subsequent years
  - Equal in the first year but lower in subsequent years
  - Lower in the first year but equal in subsequent year.
30. The profits of last three years are Rs. 84,000, Rs. 78,000 and Rs. 90,000. Find out the goodwill at two years purchase.
- Rs. 84,000
  - Rs. 1,68,000
  - Rs. 2,52,000
  - Rs. 72,000
31. According to which concept the owner of an enterprise pays the "Interest on Drawings"?
- Accrual concept
  - Conservative concept
  - Entity concept
  - Dual Aspect concept.
32. A, B and C are partners in a partnership firm. During the financial year 2015-16, firm earned profit amounting to Rs. 18,000. They distributed the profit in the ratio of 2:2:1. But there is no partnership deed of the firm. Necessary adjustment entry will be:
- |                                |     |            |           |
|--------------------------------|-----|------------|-----------|
| Profit and Loss Adjustment A/c | Dr. | Rs. 18,000 |           |
| To A                           |     |            | Rs. 7,200 |
| To B                           |     |            | Rs. 7,200 |
| To C                           |     |            | Rs. 3,600 |
  - |                                |     |            |           |
|--------------------------------|-----|------------|-----------|
| Profit and Loss Adjustment A/c | Dr. | Rs. 18,000 |           |
| To A                           |     |            | Rs. 6,000 |
| To B                           |     |            | Rs. 6,000 |
| To C                           |     |            | Rs. 6,000 |
  - |      |     |           |           |
|------|-----|-----------|-----------|
| A    | Dr. | Rs. 1,200 |           |
| B    | Dr. | Rs. 1,200 |           |
| To C |     |           | Rs. 2,400 |
  - None of the above.

33. A draws a bill on B for Rs. 30,000. A wants to settle C's account of Rs. 35,000 at 2% discount with the help of B's acceptance and balance payment in cash. How much cash A will pay to C?
- Rs. 4,300
  - Rs. 4,000
  - Rs. 4,100
  - Rs. 5,000.
34. Human assets have no place in accounting records is based on \_\_\_\_\_
- Money measurement concept
  - Accrual concept
  - Consistency
  - Conservatism
35. A owed Rs. 25,000 to B. A became insolvent. B got A's computer valuing Rs. 11,500 in full settlement. Journal entry will be passed in the books of 'B' will be
- |              |     |            |            |
|--------------|-----|------------|------------|
| Purchase A/c | Dr. | Rs. 11,500 |            |
|              |     |            | To A       |
|              |     |            | Rs. 11,500 |
  - |               |     |            |            |
|---------------|-----|------------|------------|
| Computer A/c  | Dr. | Rs. 11,500 |            |
| Bad debts A/c | Dr. | Rs. 13,500 |            |
|               |     |            | To A       |
|               |     |            | Rs. 25,000 |
  - |              |     |            |            |
|--------------|-----|------------|------------|
| Computer A/c | Dr. | Rs. 25,000 |            |
|              |     |            | To A       |
|              |     |            | Rs. 25,000 |
  - |               |     |            |             |
|---------------|-----|------------|-------------|
| Computer A/c  | Dr. | Rs. 11,500 |             |
| Purchases A/c | Dr. | Rs. 13,500 |             |
|               |     |            | To A        |
|               |     |            | Rs. 25,000. |
36. Goods purchased from A for Rs. 2000 passed through the sales book. The rectification of this error will result in \_\_\_\_\_
- Decrease in Gross profit
  - No effect on Gross profit
  - Increase in Gross profit
  - Increase in Sundry debtors
37. In applying dual aspect concept, which of the following is not possible?
- Increase in asset and increase in liability
  - Increase in liability and decrease in asset
  - Decrease in asset and decrease in liability
  - Increase in asset and increase in capital.
38. The sales day book shows a credit balance of Rs. 25,000 on 1.1.2018. Collection from debtors is Rs. 5,000 on 14.1.2018. The closing balance of sales day book as on 31.1.2018 will be
- Rs. 30,000
  - Rs. 5,000





- (b) Bills Payable Book  
(c) Journal Proper  
(d) Sales Book.
45. The amount of the dishonoured bill has been wrongly debited to general expenses account, which type of error has been committed?  
(a) Error of principle  
(b) Error of commission  
(c) Compensating error  
(d) Error of omission
46. Find the goodwill of the firm using capitalization method from the following information:
- |                                    |              |
|------------------------------------|--------------|
| Total Capital Employed in the firm | Rs. 1,00,000 |
| Reasonable Rate of Return          | 15%          |
| Profits for the year               | Rs. 20,000   |
- (a) Rs. 15,000  
(b) Rs. 20,000  
(c) Rs. 33,333  
(d) Rs. 32,000
47. Capital introduced in the beginning by Ram Rs. 15,200, further capital introduced during the year Rs. 2,000. Drawings Rs. 400 per month and closing capital is Rs. 16,900. The amount of profit or loss for the year is \_\_\_\_  
(a) Loss Rs. 3,000  
(b) Loss Rs. 2,500  
(c) Profit Rs. 5,000  
(d) Profit Rs. 4,500
48. Raja started business on 01.01.2018 with a capital of Rs. 20,000 and he borrowed Rs. 3,000 from a friend. He earned a profit of Rs. 10,000 during the year and withdrew cash Rs. 5,000 for private use. What is his capital at the end of the year?  
(a) Rs. 25,000  
(b) Rs. 28,000  
(c) Rs. 30,000  
(d) Rs. 27,000
49. A, B & C are partners sharing profits in the ratio of 3:2:1. B retires and goodwill of the firm is fixed at Rs. 1,80,000. No goodwill A/c appears in the books of the firm. A & C decide to share profits in the ratio of 3:2. B's share of goodwill will be adjusted in the Capital accounts of A and C in  
(a) Old Profit sharing ratio  
(b) Gaining ratio  
(c) Sacrificing ratio  
(d) New profit sharing ratio

50. A second hand car is purchased for Rs. 15,000, the amount of Rs. 1,000 is spent on its repairs, Rs. 500 is incurred to get the car registered in owner's name and Rs. 1,200 is paid as dealer's commission. The amount debited to car account will be
- Rs. 17,700
  - Rs. 16,000
  - Rs. 16,500
  - Rs. 17,000
51. 100 articles at the sale price of Rs. 200 each sent to a customer on approval basis were recorded as actual sales on that price. The sale price was made at cost plus 25%. The amount of inventory on approval will be
- Rs. 16,000
  - Rs. 20,000
  - Rs. 15,000
  - None of the above
52. Accounting has certain norms to be observed by the accountants in recording of transactions and preparation of final statements. These norms reduce the vagueness and chances of misunderstanding by harmonizing the varied accounting practices. These norms are
- Accounting regulations
  - Accounting guidance notes
  - Accounting standards
  - Accounting frame work
53. X sent out certain goods to Y of Delhi. 1/10 of the goods were lost in transit. Invoice value of goods lost Rs. 12,500. Invoice value of goods sent out on consignment will be:
- Rs. 1,20,000
  - Rs. 1,40,000
  - Rs. 1,25,000
  - Rs. 1,00,000
54. Following information pertains to X Ltd.
- |                                | Rs.      |
|--------------------------------|----------|
| Equity share capital called up | 4,60,000 |
| Calls in arrears               | 7,500    |
| Calls in advance               | 5,000    |
| Declared dividend              | 5%       |
- The amount of dividend payable will be \_\_\_\_\_
- Rs. 22,625
  - Rs. 23,000
  - Rs. 20,000
  - None of the three
55. X Ltd. purchased the business of Y Ltd. for Rs. 9,00,000 payable in fully paid shares of 100 each at a premium of 25%. The number of shares to be issued by X Ltd. to settle the purchase consideration will be

- (a) 7,000
  - (b) 5,000
  - (c) 7,200
  - (d) None of the three
56. A new firm commenced business on 1st January, 2018 and purchased goods costing Rs. 90,000 during the year. A sum of Rs. 6,000 was spent on freight inwards. At the end of the year the cost of goods still unsold was Rs.12,000. Sales during the year Rs.1,20,000. What is the gross profit earned by the firm?
- (a) Rs. 36,000
  - (b) Rs. 30,000
  - (c) Rs. 42,000
  - (d) Rs. 38,000
57. A manager gets 5% commission on net profit after charging such commission. If gross profit is Rs. 48,000 and expenses of indirect nature other than manager's commission are Rs. 6,000. Commission amount will be \_\_\_\_\_
- (a) Rs. 2,100
  - (b) Rs. 2,000
  - (c) Rs. 2,200
  - (d) Rs. 2,400
58. A machinery of Rs. 3,000 was sold for Rs. 4,200. Depreciation provision till date of sale was Rs. 400 and commission paid to the selling agent was Rs. 420 and wages paid to the workers for removing the machine was Rs. 30. Profit on sale of machinery will be
- (a) Rs. 1,200
  - (b) Rs. 1,000
  - (c) Rs. 1,150
  - (d) None of the three
59. Which asset is compulsory revalued at the time of admission of a partner?
- (a) Goodwill
  - (b) land and building
  - (c) Plant and machinery
  - (d) Furniture and fittings
60. Anwar Ltd. Purchased building worth Rs. 99,00,000 and issued 12% debentures of 100 each at a premium of 10%. Premium amount will be
- (a) Rs. 9,00,000
  - (b) Rs. 8,00,000
  - (c) Rs. 7,00,000
  - (d) Rs. 10,00,000

## SECTION B: MERCANTILE LAWS (40 Marks)

61. Selection of goods with the intention of using them in performance of the contract and with the mutual consent of the seller and the buyer is known as -
- (a) Distribution
  - (b) Appropriation
  - (c) Amortization
  - (d) Attornment
62. A, B and C jointly promised to pay Rs. 60,000 to D. Before performance of the contract, C dies. Here, the contract-
- (a) Becomes void on C's death
  - (b) Should be performed by A and B along with C's legal representatives
  - (c) Should be performed by A and B alone
  - (d) Should be renewed between A, B and D
63. In the absence of agreement to the contrary all partners are:
- (a) Not entitled to share profits
  - (b) Entitled to share in capital ratio
  - (c) Entitled to share in proportion to their ages
  - (d) Entitled to share profits equally
64. According to the doctrine of privity of contract-
- (a) Only interested party can file suit
  - (b) Any one can file a suit
  - (c) A stranger can file a suit
  - (d) One can file a suit only when he is a party to the contract.
65. The Sale of Goods Act, 1930 deals with
- (a) movable goods only
  - (b) immovable goods only
  - (c) both movable and immovable goods
  - (d) all goods except ornaments
66. When prior to the due date of performance, the promisor absolutely refuses to perform the contract, it is known as-
- (a) Abandonment of contract
  - (b) Remission of contract
  - (c) Actual breach of contract
  - (d) Anticipatory breach of contract

67. A sold a tin of disinfectant powder to K without warning knowing fully that if the tin was not opened with care, it will likely to cause injury. K was injured while opening the tin. Which of the following statement(s) is/are correct?
- (a) A is not liable to K under the Doctrine of caveat emptor
  - (b) A is liable for the damages
  - (c) A has no duty to disclose the facts to K
  - (d) The buyer has the responsibility to enquire about all the things before purchasing the goods
68. The reconstitution of the firm takes place in case of \_\_\_\_\_
- (a) Admission of a partner
  - (b) Retirement of a partner
  - (c) Expulsion or death of a partner
  - (d) All of the above
69. The following conditions must exist so that a promise to pay for the past voluntary services is binding:
- (a) The services should have been rendered voluntarily
  - (b) The services must have been rendered for the promisor
  - (c) They must be in existence at the time when the services were rendered and must have intended to compensate the promisee
  - (d) All of the above
70. Quasi – contracts arise \_\_\_\_\_
- (a) Where obligations are created without a contract
  - (b) Where obligations are created under a contract
  - (c) Out of natural causes
  - (d) Out of man-made causes
71. A agrees to pay B Rs.5000/- if a particular ship does not return to the port. The ship was sunk. The contract.....
- (a) Can be enforced by B
  - (b) Cannot be enforced by B
  - (c) Is a wagering contract
  - (d) Is unlawful, illegal and against public policy
72. The distinction between fraud and misrepresentation is/are the following:
- (a) Misrepresentation is innocent whereas fraud is deliberate or willful.
  - (b) In misrepresentation the person making the suggestion believes it to be true while in case of a fraud he does not believe it to be true.
  - (c) In misrepresentation there can be no suit for damages whereas in fraud there can be a suit for damages.

- (d) All of the above
73. Consideration in simple term means
- (a) Anything in return
  - (b) Something in return
  - (c) Everything in return
  - (d) Nothing in return
74. Silence is fraudulent in the following cases:
- (a) If the circumstances of the case are such that, regard being had to them, it is the duty of the person keeping silence to speak.
  - (b) Where the circumstances are such that silence is in itself equivalent to speech.
  - (c) Both (a) and (b).
  - (d) None of the above.
75. Arun had deposited a bag in the cloak Room of a railway station by paying Rs. 50/. On the face of the ticket, issued to him were inscribed "see reverse for terms & conditions". Clause 10 of the printed Terms & Conditions limited the liability of the company for loss of a baggage to Rs. 100/-. The bag was lost and Arun claimed Rs. 650/- as its value.
- (a) Arun was not bound by the conditions on the back of the ticket as he had not read them at all.
  - (b) Arun was bound by the conditions on the back of the ticket even if he had not read them.
  - (c) Arun was not bound by the conditions on the back of the ticket as his claim was 13 times more than the compensation offered to him by the railway company.
  - (d) None of the above
76. Expulsion of a partner, which is not in accordance with provisions of the Indian Partnership Act, 1932 is \_\_\_\_\_.
- (a) Null and void
  - (b) Is valid
  - (c) Is unconstitutional
  - (d) In good faith and in the interest of the partnership
77. A Hindu widow borrowed money from a lender for the purpose of filing a suit for maintenance. The lender advanced money at 100 percent rate of interest. The act of the money lender is induced by \_\_\_\_\_.
- (a) Coercion
  - (b) Undue –influence
  - (c) Misrepresentation
  - (d) Mistake

78. A registered firm cannot claim a set off exceeding the \_\_\_\_\_ in a proceeding instituted against the firm or any partner thereof.
- (a) Rupees 1000/-.
  - (b) Rupees 100/-.
  - (c) Rupees 500/-.
  - (d) Rupees 10,000/-.
79. Total substitution of new contract in place of old contract takes place in case of \_\_\_\_\_
- (a) Remission
  - (b) Rescission
  - (c) Novation
  - (d) Alteration
80. Death of partner has the effect of:
- (a) Dissolving the firm
  - (b) Result in continuance of the business of the firm
  - (c) His heirs joining the firm
  - (d) Computation of profits upto the date of death.
81. A contract between A, B and C was executed whereby A pays money to B for delivering some goods to C. C has not paid any consideration. Can C enforce the agreement?
- (a) Yes, as he is the beneficiary of Trust.
  - (b) Yes, but the same can only be done jointly with A.
  - (c) No as C did not pay the consideration.
  - (d) A and only A can enforce the agreement.
82. A share in a partnership be transferred like any other \_\_\_\_\_
- (a) Property
  - (b) Goods
  - (c) Currency
  - (d) Investment
83. Goodwill of the partnership business can be regarded as \_\_\_\_\_.
- (a) The property of the firm
  - (b) The property of the firm, subject to a contract between the partners to this effect
  - (c) The property of the firm, irrespective of a contract between the partners to this effect
  - (d) The property of the firm, subject to order of the High Court to this effect
84. The bidder at an auction sale can withdraw his bid \_\_\_\_\_
- (a) Any time during auction

- (b) Before fall of hammer
  - (c) Before payment of price
  - (d) Cannot withdraw at all
85. In which form of the contract, the property in the goods passes to the buyer immediately:
- (a) agreement to sell
  - (b) hire purchase
  - (c) sale
  - (d) installment to sell
86. A condition may be treated as warranty in the following cases:
- (a) Where the buyer altogether waives the performance of the condition.
  - (b) Where the buyer elects to treat the breach of condition as one of a warranty.
  - (c) In both of the above situations.
  - (d) In some other situations, but not in the above situations.
87. In case of an agreement to sell, subsequent loss or destruction of the goods is the liability of \_\_\_\_\_
- (a) The buyer
  - (b) The seller
  - (c) Both the buyer and the seller
  - (d) The insurance company
88. Breach of warranty gives right to-
- (a) Reject Goods
  - (b) Treat the contract as repudiated
  - (c) Claim new goods
  - (d) Claim damages but not a right to reject the goods and treat the contract as repudiated
89. The right of lien can be exercised-
- (a) Only for the price
  - (b) Only for the expenses
  - (c) Either for the price and expenses
  - (d) All of these
90. A partner may retire from a firm
- (a) With consent of all other partners
  - (b) With the consent of main partner
  - (c) With the consent of sleeping partner
  - (d) No consent of any partner



91. A invited B to a Birthday party. B promised to attend and give A Rs. 5000 as a present on his birthday. B failed to attend. What are remedies for A -
- (a) A cannot recover any damages from B
  - (b) A can file suit for recovery of Rs. 5000
  - (c) A can file a suit for breaking the promise
  - (d) A cannot file a suit for breaking the promise.
92. Under which circumstances the unpaid seller can exercise right of re-sale-
- (a) When the goods are of perishable nature
  - (b) When he gives notice to the buyer
  - (c) When he gives notice to the buyer calling upon him to pay the price within reasonable time upon the failure of the buyer to do so.
  - (d) Both (a) and (c)
93. Implied conditions include-
- (a) Condition as to title
  - (b) Condition in case of sale by description
  - (c) Condition in case of sale by sample
  - (d) All of these
94. M, a minor aged 17, broke right arm in a cricket match. He engaged a physician to set it. Does the physician have a valid claim for his services. Choose the best alternative.
- (a) The physician cannot claim for his services due to contract with minor which is void
  - (b) The physician has a valid claim for his services which are included in the "Necessaries"
  - (c) The physician has no claim for minor's "necessaries" and minor will be personally liable
  - (d) The physician can claim for his services from minor's parents.
95. Giving document of title to goods is which type of delivery-
- (a) Symbolic
  - (b) Constructive
  - (c) Actual
  - (d) None of these
96. A stipulation in a contract of sale of goods whose violation by seller gives a right of rescission to buyer, is called:
- (a) guarantee
  - (b) warranty
  - (c) condition
  - (d) term

97. A partnership firm is compulsorily dissolved where
- (a) All partners have become insolvent
  - (b) Firm's business has become unlawful
  - (c) The fixed term has expired
  - (d) in cases (a) and (b) only
98. When an unpaid seller who had exercised the right of lien resells the goods, the buyer acquires \_\_\_\_\_
- (a) A good title to the goods as against the original buyer
  - (b) Better title as against the true buyer
  - (c) No title as against the true owner
  - (d) None of these
99. When the time of sending the goods has not been fixed by the parties the seller must send them within \_\_\_\_\_
- (a) Reasonable time
  - (b) One month of the contract
  - (c) Two months of the contract
  - (d) Before making the contract
100. Caveat emptor means-
- (a) Let the seller beware
  - (b) Let the buyer beware
  - (c) both
  - (d) Let the agent beware