

# CMMC-2020

## STD XII – ACCOUNTANCY, COMMERCE, ECONOMICS

Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

### ACCOUNTANCY (40 x 1 = 40 marks)

- 1 Balance of receipts and payments account indicates the:
  - A. Loss incurred during the period
  - B. Excess of income over expenditure of the period
  - C. Total cash payments during the period
  - D. Cash and bank balance as on that date
  
- 2 The average rate of return of similar concerns is considered as :
  - A. Average Profit
  - B. Normal rate of return
  - C. Expected rate of return
  - D. None of these
  
- 3 On revaluation, the increase in the value of assets leads to :
  - A. Gain
  - B. Loss
  - C. Expense
  - D. None of these
  
- 4 When shares are issued for purchase of assets, the amount should be credited to
  - A. Vendor's A/c
  - B. Sundry assets A/c
  - C. Share capital A/c
  - D. Bank A/c
  
- 5 Balance sheet provides information about the financial position of a business concern
  - A. Over a period of time
  - B. As on a particular date
  - C. For a period of time
  - D. For the accounting period
  
- 6 Contra voucher is used for :
  - A. Master entry
  - B. Withdrawal of cash from bank for office use
  - C. Reports
  - D. Credit purchase of assets
  
7. When the average profit is Rs.25, 000/- and the normal profit is Rs.15, 000/-, super profit is



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- A. Rs.25,000/-
- B. Rs.5,000/-
- C. Rs.10,000/-
- D. Rs.15,000/-

8. The financial statements do not exhibit:

- A. Non-monetary data
- B. Past data
- C. Short term data
- D. Long term data

9. The amount of credit sales can be computed from:

- A. Total debtors account
- B. Total creditors account
- C. Bills receivables account
- D. Bills Payable account

10. If a share of Rs.10/- on which Rs.8/- has been paid up is forfeited, Minimum reissue price is

- A. Rs.10/- per share
- B. Rs.8/- per share
- C. Rs.5/- per share
- D. Rs.2/- per share

11. Current Liabilities Rs.40,000/-, Current Assets Rs.1,00,000/- Inventory Rs.20,000/-.  
Quick ratio is

- A. 1:1
- B. 2.5:1
- C. 2:1
- D. 1:2

12. When a partner withdraws regularly a fixed sum of money at the middle of every month, period for which interest is to be calculated on the drawings on an average is

- A. 5.5 months
- B. 6 months
- C. 12 months
- D. 6.5 months

13. At the time of retirement of a partner, determination of gaining ratio is required:

- A. To transfer revaluation profit or losses
- B. To distribute accumulated profit or losses
- C. To adjust goodwill
- D. None of these

14. At the time of forfeiture, share capital account is debited with

- A. Face value
- B. Nominal Value
- C. Paid up amount
- D. Called up amount

15. Debt equity ratio is a measure of

- A. Short term solvency
- B. Long term solvency
- C. Profitability
- D. Efficiency

16. Which of the following is shown in Profit and loss appropriation account?

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- A. Office expenses    B. Salary of Staff  
C. Partner's Salary    D. Interest on bank loan
17. On revaluation, the increase in liabilities leads to  
A. Gain                  B. Loss  
C. Profit                D. None of these
18. The term 'fund' refers to  
A. Current Liabilities                  B. Working Capital  
C. Fixed Assets                         D. Non-Current assets
19. Current assets excluding inventory and prepaid expenses is called  
A. Reserves                              B. Tangible assets  
C. Funds                                  D. Quick assets
20. Receipts and payments account records receipts and payments of  
A. Revenue nature only                  B. Capital nature only  
C. Both revenue and capital nature    D. None of the above
21. A Limited company's sale has increased from Rs.1, 25,000/- to Rs.1, 50,000/-. How does this appear in comparative income statement?  
A. +20%    B. +120%    C. -120%    D. -20%
22. That part of share capital which can be called up only on the winding up of a company is called:  
A. Authorised Capital                  B. Called up capital  
C. Capital reserve                        D. Reserve Capital
23. Current ratio indicates:  
A. Ability to meet short term obligations  
B. Efficiency of the Management  
C. Profitability  
D. Long term solvency
24. Opening balance of debtors: Rs.30, 000/-, Cash received: Rs.1, 00,000/-, Credit Sales: Rs.90, 000/-. Closing balance of debtors is:  
A. Rs.30,000/-                              B. Rs.1,30,000/-  
C. Rs. 40,000/-                              D. Rs.20, 000/-
25. Subscription due but not received for the current year is  
A. An asset                                  B. A Liability  
C. An expense                                D. An item to be ignored
26. The amount received over and above the par value is credited to  
A. Securities premium account

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- B. Calls in advance account
- C. Share Capital account
- D. Forfeited shares account

27. Proportion of Shareholder's funds to total assets is called

- A. Proprietary ratio
- B. Capital gearing ratio
- C. Debt equity ratio
- D. Current ratio

28. The excess of assets over liabilities is

- A. Loss
- B. Cash
- C. Capital
- D. Profit

29. When capital in the beginning is Rs.10, 000/-, Drawings during the year is Rs.6, 000/-, Profit made during the year is Rs.2,000/- and the additional capital introduced is Rs.3,000/-, find out the amount of capital at the end.

- A. Rs.9,000/-
- B. Rs. 11,000/-
- C. Rs. 21,000/-
- D. Rs. 3,000/-

30. Book profit of 2017 is Rs.35, 000/-, Non-recurring income included in the profit is Rs.1,000/- and abnormal loss charged in the year 2017 was Rs.2,000/-, then the adjusted profit is

- A. Rs.36,000/-
- B. Rs.35,000/-
- C. Rs.38,000/-
- D. Rs.34,000/-

31. Expenses for a business for the first year were Rs.80,000/-. In the second year, it was increased to Rs.88,000/-. What is the trend percentage in the second year?

- A. 10%
- B. 110%
- C. 90%
- D. 11%

32. Opening statement of affairs is usually prepared to find out the

- A. Capital in the beginning of the year
- B. Capital at the end of the year
- C. Profit made during the year
- D. Loss occurred during the year

33. In the absence of an agreement among the partners, interest on capital is

- A. Not allowed
- B. Allowed at bank rate
- C. Allowed @ 5% per annum
- D. Allowed @ 6% per annum

34. Current assets excluding inventory and prepaid expenses is called

- A. Reserves
- B. Tangible assets

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- C. Funds
- D. Quick assets

35. Donations received for a specific purpose is

- A. Revenue receipt
- B. Capital receipt
- C. Revenue expenditure
- D. Capital expenditure

36. In the absence of a partnership deed, profits of the firm will be shared by the partners in

- A. Equal ratio
- B. Capital ratio
- C. Both (A) and (B)
- D. None of these

37. In a common size balance sheet, if the percentage of non-current assets is 75, what would be the percentage of current assets?

- A. 175
- B. 125
- C. 25
- D. 100

38. Which of the following is not a tool of financial statement analysis?

- A. Trend analysis
- B. Common size statement
- C. Comparative statement
- D. Standard Costing

39. The mathematical expression that provides a measure of the relationship between two figures is called

- A. Conclusion
- B. Ratio
- C. Model
- D. Decision

40. Incomplete records are generally maintained by:

- A. A Company
- B. Government
- C. Small sized sole trader business
- D. Multinational enterprises

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### COMMERCE (40 x 1 = 40 marks)

- 1) Primary market is also called as
  - A. Secondary Market
  - B. Money Market
  - C. New Issue Market
  - D. Indirect Market
  
- 2) Scientific Management is developed by
  - A. Fayol
  - B. Taylor
  - C. Mayo
  - D. Jacob
  
- 3) Which of the following is verification function?
  - A. Planning
  - B. Organising
  - C. Staffing
  - D. Controlling
  
- 4) ..... is the result of New Industrial Policy which abolished the License System?
  - A. Globalization
  - B. Privatisation
  - C. Liberalization
  - D. None of these
  
- 5) The shares which are offered to the existing shareholder at free of cost is known as
  - A. Bonus share
  - B. Equity Share
  - C. Right Share
  - D. Preference Share
  
- 6) Which one is the example of intangible product?
  - A. Education
  - B. Mobiles
  - C. Garments
  - D. Vehicles
  
- 7) The two major types of business environment are ..... and.....
  - A. Internal, External
  - B. Micro, Macro
  - C. Supplier, Competitors
  - D. Financial, Public
  
- 8) Any person who buys any goods or avails services for personal use, for a consideration is called as

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- A. Customer
- B. Consumer
- C. Buyer
- D. User

9) It is the responsibility of a consumer that he must obtain ..... as a proof for the purchase of goods

- A. Cash Receipt
- B. Warranty Card
- C. Invoice
- D. All of these

10) Which of the below is a factor of production?

- A. Land
- B. Labour
- C. Entrepreneurship
- D. All of the above

11) In case of the sale, the ..... has the right to sell

- A. Buyer
- B. Seller
- C. Hirer
- D. Consignee

12) Which one represents a cluster of manufacturers, content providers and online retailers organised around an activity?

- A. Virtual mall
- B. Association
- C. Metamediary
- D. Portal

13) For which type of capital a company pays the prescribed fees at the time of registration?

- A. Subscribed Capital
- B. Authorised Capital
- C. Paid-up Capital
- D. Issued Capital

15) Sale of Goods Act was passed in the year

- A. 1986
- B. 1930
- C. 1982
- D. 1955

16) ..... System gives full Scope to the Individual Strength and Responsibility

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- A. MBO
- B. MBE
- C. MBM
- D. MBA

17) A person shall hold office as a director to.....companies as per the Companies Act, 2013

- A. 5 Companies
- B. 10 Companies
- C. 20 Companies
- D. 15 Companies

18) Which of the following entrepreneurs simply imitates existing skill, knowledge or technology already in place in advanced countries?

- A. Fabian entrepreneur
- B. Innovative entrepreneur
- C. Imitative entrepreneur
- D. Drone entrepreneur

19) Scrutiny of application process is the

- A. Last step in Selection Process
- B. First step in selection process
- C. Third step in Selection Process
- D. None of the above

20) .....Ownership makes bold management decisions due to their strong foundation in the international level

- A. Private
- B. Public
- C. Corporate
- D. MNC's

21) A person who is learning and practicing the skills of particular job is called

- A. Trainee
- B. Trainers
- C. Training
- D. None of these

22) A consumer has to be protected against

- A. Defects product

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- B. Deficiencies of product
- C. Unfair and restrictive trade practices
- D. All of the above

23) .....is also known as Securities Market

- A. Stock Market
- B. National Market
- C. International Market
- D. Commodity Market

24) A special resolution is required to

- A. Redeem the debentures
- B. Declare Dividend
- C. Appoint Directors
- D. Appoint Auditor

25) Which of the below is not a good?

- A. Stocks
- B. Dividend Due
- C. Crops
- D. Water

26) Participants in the capital market includes

- A. Individuals
- B. Corporate
- C. Financial Institutions
- D. All of the above



27) Registering and controlling the functioning of collective investment scheme as.....

- A. Mutual Funds
- B. Listing
- C. Rematerialisation
- D. Dematerialization

28) Which a wider span, there will be.....hierarchical levels

- A. More
- B. Less
- C. Multiple
- D. Additional

29) Stock Exchange Market is also called.....

- A. Spot Market
- B. Local Market

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- C. Security Market
- D. National Market

30) Which Director need not hold qualifying shares?

- A. Directors appointed to Central Government
- B. Directors appointed to Shareholders
- C. Directors appointed to Managing Director
- D. Directors appointed to Board Directors

31) Which of the below is a factor of production?

- A. Land
- B. Labour
- C. Entrepreneurship
- D. All of the above

32) Which of the below constitutes the essential element of contract of sale?

- A. Two parties
- B. Transfer of property
- C. Price
- D. All of the above

33) Case study method is.....type of trainee

- A. Only theoretical training
- B. Both theory and practical training
- C. Hands on training
- D. Observation Training

34) Spot market is a market where the delivery of the financial instrument and payment of each occurs

- A. Immediately
- B. In the future
- C. Uncertain
- D. After one month

35) Risk in the Money Market is.....

- A. High
- B. Market Risk
- C. Low Credit and Market Risk
- D. Medium Risk

36) Training methods can be classified into training.....training

- A. Job rotation & Job enrichment
- B. On the Job and Off the Job
- C. Job analysis & Job Design

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D. Physical and Mental

37) Debt instruments issued by Corporate Houses are rising short-term financial resources from the money market are called.....

- A. Treasury Bills
- B. Commercial Paper
- C. Certificate of Deposit
- D. Government Securities

38) Participants in the capital market includes

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- B. Corporate
- C. Financial Institutions
- D. All of the above

39) Registering and controlling the functioning of collective investment schemes as.....

- A. Mutual Funds
- B. Listing
- C. Rematerialisation
- D. Dematerialization

40) .....of every year is declared as a Consumer Protection Day to educate the public about their rights and responsibilities

- A. August 15
- B. April 15
- C. March 15
- D. September 15



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### ECONOMICS (40 X 1 = 40 MARKS)

- The financial year in India is
  - April 1st to March 31st
  - March 1st to April 30th
  - March 1st to March 16th
  - January 1st to December 31st
- In disguised employment, the marginal productivity of Labour is
  - 0
  - 1
  - 2
  - Positive
- The sum of MPS and MPC is
  - 1
  - 2
  - 0.1
  - 1.1
- If the MPC is = 0.5, the multiplier is
  - 2
  - $\frac{1}{2}$
  - 0.2
  - 20
- The new currency symbol (₹) was designed in India by
  - D. Sivaraman
  - T. Udayachandran
  - D. Udayakumar
  - Amartya Kumar Sen
- Repo Rate - RR -means
  - Rate at which the commercial banks are willing to lend to RBI
  - Rate at which the RBI is willing to lend to commercial banks
  - Exchange Rates of Foreign Banks
  - Growth rate of the Economy
- Exchange Rates are determined in
  - Monetary Economy
  - Stock Market
  - Foreign Exchange market
  - Capital Market
- IBRD is otherwise called as
  - International Monetary Fund
  - World Bank
  - ASEAN
  - International Finance Corporations
- Which of the following is not a tax under Union List
  - Personal Income Tax
  - Corporation Tax

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- C) Agriculture Income Tax
- D) Excise Duty

10. Choose the correct Answer for the given assertion and reason

Assertion (A): The deficiency of capital , in turn leads to low levels of productivity and back to low income.

Reason (R): The low level of saving leads to low investment and to deficiency of capital

- A) Both A & R are true and R is the correct explanation of A
- B) Both A & R are true but R is not the correct explanation of A
- C) A is false and R is true
- D) A is true and R is false

11. If both variables X & Y increase or decrease simultaneously, then the co efficient of correlation will be

- A) Positive
- B) 0
- C) 1
- D) Negative

12. Identify the necessity of Economic Policies:-

- A) To solve the basic Problems
- B) To overcome the Obstacles
- C) To Achieve Growth
- D) All the Above

13) Identify the Economic system where only private ownership of production exists :

- A) Capitalistic Economy
- B) Globalistic Economy
- C) Socialistic Economy
- D) Mixed Economy

14) State whether the statements are true or false.

- 1) APS - Ratio of savings to income
- 2) APC - Ratio of consumption expenditure to income.

- A) Both 1 & 2 are true
- B) Both 1 & 2 are false
- C) 1 is correct & 2 is false
- D) 1 is false & 2 is correct

15) In Keynes theory, the demand for and the supply of money are determined by :-

- A) Rate of interest
- B) Effective Demand
- C) Aggregate Demand

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D) Aggregate Supply

16. As income increase, consumption will \_\_\_\_\_

- A) Fall      B) Fluctuate    C) Increase    D) Not Change

17. In an open economy, import \_\_\_\_\_ the value of multiplier,

- A) Reduces    B) Increases    C) Changes    D) Does not change.

18. During inflation, Who are the Gainers ?

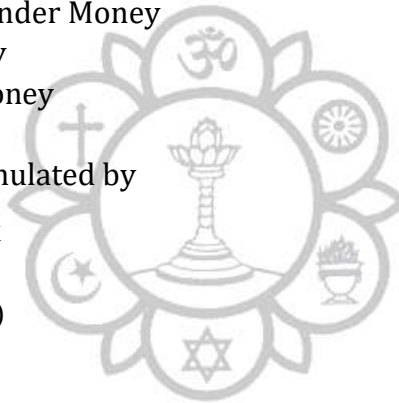
- A) Debtors  
B) Creditors  
C) Wage and salary Earners  
D) Government

19. MV stands for

- A) Supply of Bank Money  
B) Supply of Legal Tender Money  
C) Demand for Money  
D) Total Supply of Money

20. Monetary policy has formulated by

- A) Co-operative Bank  
B) Commercial Bank  
C) Central Bank (RBI)  
D) Foreign Bank



21. Credit creation Means

- A) Multiplication of loans & Advances  
B) Debt  
C) Revenue  
D) Expenditure

22. Per capita income is obtained by dividing The National income by

- A) Production  
B) Population of the country  
C) Expenditure  
D) GNP

23. Choose the correct answer from the given assertion and reason

Assertion (A): Price of a commodity is measured by the amount of labour required to produce it.

Reason (R): There is no transport cost.

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- A) Both A & R are correct and R is the correct explanation to A.
- B) Both A & R are correct and R is not the correct explanation to A.
- C) A is correct & R is False
- D) A is False & B R is true.

24. The multiplier tells us how much \_\_\_\_\_ changes after a shift in \_\_\_\_\_.

- A) Investment , Out put
- B) Savings ,Investments
- C) Consumption , Income
- D) Output, Aggregate Demand.

25. Explanation of ATM :

- A) Automated Teller Machine
- B) Any Time Money
- C) Automatic Teller Mechanism
- D) Adjustment Teller Machine.

26. International Trade differs from Domestic Trade because of :

- A) Trade Restrictions
- B) Immobility of Factors
- C) Different Government Policies
- D) All the Above.

27. The Direct Tax has the following merits expect

- A) Equity
- B) Convenient
- C) Civic Consciousness
- D) Certainty

28. The Value of Coefficient of Correlation ( r ) lies between

- A) -1 and 1
- B) -1 and 0
- C) -0 and 1
- D) -5 and 0.5

29. \_\_\_\_\_ is regarded as The Father of Modern Macro Economics

- A) Adam Smith
- B) J M Keynes
- C) Ragnar Frisch
- D) Karl Marx

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30. The Largest proportion of national income comes from
- A) Private Sector
  - B) Local Sector
  - C) Public Sector
  - D) None of the above
31. Every able bodied person who is willing to work at the prevailing wage rate is employed called as
- A) Full Employment
  - B) Employment Opportunity
  - C) Under Employment
  - D) Unemployment
32. An increase in the marginal propensity to consume will
- A) Lead to Consumption function becoming steeper
  - B) Shift the Consumption function downwards
  - C) Shift the Consumption function upwards
  - D) Shift Savings function upwards
33. Paper currency system is managed by the
- A) Central Monetary Authority
  - B) Banks
  - C) Central Government
  - D) State Government
34. Moral Suasion refers to
- A) Maximization
  - B) Minimization
  - C) Persuasion
  - D) Optimization
35. BOP includes
- A) Visible Items only
  - B) Invisible Items only
  - C) Both Visible and Invisible items
  - D) Merchandise trade only.
36. Net Export Equals to
- A)  $\text{Export} + \text{Import}$
  - B)  $\text{Export} \times \text{Import}$
  - C)  $\text{Export} - \text{Import}$
  - D) Export of service only



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37. The word Budget has been derived from the French word ' Bougette ' - means :
- A) A small box
  - B) A Box with papers
  - C) An empty box
  - D) None of the above.
38. In a pure public Good, consumption is
- A) Rival
  - B) Non Rival
  - C) Both
  - D) None of the above
39. Identify the other name for Macro Economics
- A) Price Theory
  - B) Income Theory
  - C) Market Theory
  - D) Micro Theory
40. National Income is a measure of the \_\_\_\_\_ performance of n economy.
- A) Agricultural
  - B) Industrial
  - C) Economic
  - D) Consumption

