

**COMMON P.G. ENTRANCE TEST - 2021 (CPET-2021)**

Test Booklet No.:

123788

**HIGHER EDUCATION DEPARTMENT, GOVT. OF ODISHA**

**TEST BOOKLET**

Subject Code : **16**

Entrance Subject : **COMMERCE**

Time Allowed: **90 Minutes**

Full Marks : **70**

**INSTRUCTIONS TO CANDIDATES**

1. Please do not open this Question Booklet until asked to do so.
2. Check the completeness of the Question Booklet immediately after opening.
3. Enter your **Hall Ticket No.** on the Test Booklet in the box provided alongside. Do not write anything else on the Test Booklet.
4. Fill up & darken Hall Ticket No. & Test Booklet No. in the Answer Sheet as well as fill up Test Booklet Serial No. & Answer Sheet Serial No. in the Attendance Sheet carefully. Wrongly filled up Answer Sheets are liable for rejection.
5. Each question has four answer options marked (A), (B), (C) & (D).
6. Answers are to be marked on the Answer Sheet, which is provided separately.
7. Choose the most appropriate answer option and darken the oval completely, corresponding to (A), (B), (C) or (D) against the relevant question number.
8. Use only **Blue/Black Ball Point Pen** to darken the oval for answering.
9. Please do not darken more than one oval against any question, as scanner will read such markings as wrong answer.
10. Each question carries equal marks. There will be no negative marking for wrong answer.
11. Electronic items such as calculator, mobile, etc., are not permitted inside the examination hall.
12. Don't leave the examination hall until the test is over and permitted by the invigilator.
13. The candidate is required to handover the original OMR sheet to the invigilator and take the question booklet along with the candidate's copy of OMR sheet after completion of the test.
14. Sheet for rough work is appended in the Test Booklet at the end.

1. Which Goodwill is shown in the balance sheet?
  - (A) Acquired Goodwill
  - (B) Self Generated Goodwill
  - (C) Acquired Goodwill and Self Generated Goodwill
  - (D) None of the above
2. In accounting, profit prior to incorporation is treated as
  - (A) Revenue Reserve
  - (B) Secret Reserve
  - (C) Capital Reserve
  - (D) General Reserve
3. PPE in accounting stands for:
  - (A) Personal protection Equipment
  - (B) Property, plant and Equipment
  - (C) Plant, Planning and Examination
  - (D) Private property Expansion
4. Income and Expenditure Account of not for profit organisation is a
  - (A) Real Account
  - (B) Nominal Account
  - (C) Personal Account
  - (D) Representative Personal Account
5. By charging depreciation, which principle of accounting is being followed?
  - (A) Matching
  - (B) Realisation
  - (C) Going concern
  - (D) Money measurement concept

6. Which reserve appears in the balance sheet?
- (A) Reserve fund
  - (B) Specific reserve
  - (C) General reserve
  - (D) All of the above
7. In case of dissolution of firm, if a partner has private property, which liability should be repaid first with it?
- (A) Private liability
  - (B) Firm's liability
  - (C) Towards other partner's liability
  - (D) None of the above
8. Which method does not consider the time value of money?
- (A) Net present value
  - (B) Internal rate of return
  - (C) Average rate of return
  - (D) Profitability index
9. Which one of the following is not a money market instrument?
- (A) Commercial paper
  - (B) Participatory certificates
  - (C) Warrants
  - (D) Treasury Bills
10. The presence of fixed costs in the total cost structure of a firm results into
- (A) Financial leverage
  - (B) Operating leverage
  - (C) Super leverage
  - (D) None of the above

11. "The cost of capital declines when the degree of financial leverage increases." Belongs to which of the following:
- (A) Net operating income approach
  - (B) Net income approach
  - (C) Modigliani-Miller approach
  - (D) Traditional approach
12. Which one is not Finance Company?
- (A) SBI
  - (B) NALCO
  - (C) LIC
  - (D) Mutual Fund
13. When the Debt Turnover Ratio is 4, what is the average collection period?
- (A) 5 months
  - (B) 4 months
  - (C) 3 months
  - (D) 2 months
14. The funds available with a company after paying all claims including tax and dividend is called
- (A) Net Profit
  - (B) Net Operating Profit
  - (C) Capital Profit
  - (D) Retained Earnings
15. Owners' equity stands for
- (A) Fixed Assets minus Fixed Liabilities.
  - (B) Fixed Assets minus Current Liabilities.
  - (C) Current Assets minus Fixed Liabilities.
  - (D) Total Assets minus Total outside Liabilities.
16. Permanent working capital is generally financed through
- (A) Long term capital funds
  - (B) Government assistance
  - (C) Internal financing
  - (D) Short term loans from banks

17. Master budget is a
- (A) Functional budget
  - (B) Operating budget
  - (C) Summary budget
  - (D) Financial budget
18. Profit available for equity shares is Rs. 30,000 and Number of Equity Shares is 15,000 and Number of preference shares is 10,000. Earnings per share (EPS) is:
- (A) 2
  - (B) 1.20
  - (C) 3
  - (D) 5
19. Cost of goods sold is Rs. 50,000, opening inventory is Rs. 12000 and closing Inventory Rs. 8000. What is Inventory Turnover ratio in days? Consider one year 365 days
- (A) 5
  - (B) 73
  - (C) 72
  - (D) 55
20. Which variance is always adverse?
- (A) Wage rate variance
  - (B) Overhead variance
  - (C) Idle time variance
  - (D) Material usage variance
21. Which of the following is not a principle of management according to Henri Fayol?
- (A) Subordination of individual interest over the organisational interest.
  - (B) Esprit de corps.
  - (C) Unity of Managers.
  - (D) Unity of Direction.

22. Who is considered Father of Scientific Management?
- (A) Peter Drucker
  - (B) F.W. Taylor
  - (C) Victor Vroom
  - (D) Henry Fayol
23. Delegation of authority is linked to
- (A) Managerial planning
  - (B) Management coordination
  - (C) Management control
  - (D) Scientific management
24. When management pays attention to more important areas and when the day-to-day routine problems are looked after by lower-level management, it is known as
- (A) Management by objectives
  - (B) Management by Exception
  - (C) Participative Management
  - (D) Critical Path method
25. "Management is the art of getting things done through others" who said this?
- (A) Marry Parker Follett
  - (B) F. W. Taylor
  - (C) Henri Fayol
  - (D) George R. Terry
26. Who is responsible to pay the GST?
- (A) Person supplying
  - (B) Person receiving
  - (C) Both the above
  - (D) None
27. The maximum rate prescribed under GST is:
- (A) 14%
  - (B) 28%
  - (C) 26%
  - (D) 30%

28. Which of the following taxes leviable on an intra-State transaction?
- (A) CGST
  - (B) SGST
  - (C) Both the above
  - (D) IGST
29. For a person suffering from severe physical disability, deduction available under section 80U is Rs.....
- (A) 85,000
  - (B) 70,000
  - (C) 75,000
  - (D) 65,000
30. The Monthly expenditure of 5 households are: Rs. 1550, Rs.1715, Rs.1690, Rs.820 and Rs.1150. Average monthly expenditure of Households is:
- (A) 1350
  - (B) 1385
  - (C) 1380
  - (D) None of the above
31. Which of the following sampling methods is not based on probability?
- (A) Simple Random Sampling
  - (B) Stratified Sampling
  - (C) Quota Sampling
  - (D) Cluster Sampling
32. Median of the series of values 12, 23, 34, 24, 12, 23, 56, 23, 23 and 12 is
- (A) 23
  - (B) 12
  - (C) 24
  - (D) 34

33. The sum of deviation of a set of  $n$  values from their Arithmetic mean is:
- (A)  $N$
  - (B)  $0$
  - (C)  $1$
  - (D) Infinite
34. If mean is 10 and standard deviation is 2.5 what is Coefficient of standard deviation?
- (A) 25
  - (B) 0.25
  - (C) 2.5
  - (D) 5
35. Which of the following is not a measure of dispersion?
- (A) Quartile
  - (B) Range
  - (C) Mean Deviation
  - (D) Standard Deviation
36. Correlation between price and demand is generally
- (A) Negative
  - (B) Positive
  - (C) Zero
  - (D) None of the above
37. A statistical tool used to estimate the unknown values of one variable from the known values of another variable, is known as
- (A) Correlation
  - (B) Test of significance
  - (C) Probability
  - (D) Regression
38. Generally entrepreneurs fall under:
- (A) Those who make things happen
  - (B) Those who watch things happen
  - (C) Those who are left to ask what did happen
  - (D) All of the above



39. Which of following is a function of the entrepreneur?
- (A) Innovation
  - (B) Risk bearing
  - (C) Organizing and managing functions
  - (D) All of the above
40. Term green entrepreneur is used for:
- (A) Intrapreneurship
  - (B) Technopreneurship
  - (C) Netpreneurship
  - (D) Ecopreneurship
41. Grameen Bank of Bangladesh was founded by
- (A) Mohammed Yunus
  - (B) Mohammed saqib
  - (C) Mohammed Tamir
  - (D) Mohammed Zakir
42. Who is also known as the father of Indian IT Industry?
- (A) Rattan Naval Tata
  - (B) Dhirubhai Ambani
  - (C) Kumar Mangalam Birla
  - (D) Narayana Murthy
43. Which section of companies Act 2013 deals with CSR activities:
- (A) 129
  - (B) 130
  - (C) 135
  - (D) 143
44. What is the maximum number of directors of a company?
- (A) 12
  - (B) 15
  - (C) 16
  - (D) 11

45. Which section of companies Act, 2013 requires every company to prepare its financial statements at the end of the financial year?
- (A) 125  
(B) 127  
(C) 129  
(D) 130
46. 'X' out of natural love and affection promises to give his newly wedded daughter-in-law a golden necklace worth Rs. 20,000, 'X' made the promise in writing and signed it and delivered the same to the daughter-in-law. This contract is:
- (A) Valid  
(B) Without consideration  
(C) Unenforceable  
(D) Voidable
47. Assignment by operation of law takes place -
- (A) by the mutual consent of the parties  
(B) by the will of either party  
(C) when the subject matter of a contract ceases to exist  
(D) by the death of a party to a contract
48. A contract with resident of an enemy country is :
- (A) Illegal  
(B) Void  
(C) Valid  
(D) Voidable
49. The auditor of a Government company is appointed by the C & AG. His remuneration is fixed by\_\_
- (A) the C & AG  
(B) the shareholders  
(C) the shareholders at an annual general meeting  
(D) the board of directors

50. The working papers which auditor prepares for financial statements audit are :
- (A) evidence for audit conclusions
  - (B) owned by the client
  - (C) owned by the auditor
  - (D) retained in auditor's office until a change in auditors
51. Who can conduct tax audits?
- (A) A commerce graduate
  - (B) A M.com graduate
  - (C) A cost Accountant
  - (D) A chartered Accountant
52. Which one is not an internal source of vouchers?
- (A) Requisition slip
  - (B) Counter foil
  - (C) Pay Slip
  - (D) Cash memo
53. Audit report should be submitted to the
- (A) Appointing authority
  - (B) Chairman
  - (C) Company secretary
  - (D) Creditors
54. Public distribution system relates to
- (A) Marketing system
  - (B) Retailing system
  - (C) Industrial system
  - (D) Selling system
55. Which subject is relevant to the study of consumer behaviour?
- (A) Economics
  - (B) Psychology
  - (C) Sociology
  - (D) All the above

56. What is customer value?
- (A) Ratio between the customers's perceived benefits and the resources used to obtain these benefits.
  - (B) Excess of satisfaction over expectation.
  - (C) Post purchase dissonance
  - (D) None of the above
57. A commodity is used for multiple purposes, then the demand for it is known as
- (A) Joint demand
  - (B) Composite demand
  - (C) Direct demand
  - (D) Autonomous demand
58. When average cost is declining
- (A) Marginal cost must be declining.
  - (B) Marginal cost must be above average cost.
  - (C) Marginal cost must be below average cost.
  - (D) Marginal cost must be rising.
59. 'Kinked' demand curve is related with
- (A) Monopoly
  - (B) Discriminating monopoly
  - (C) Oligopoly
  - (D) Perfect competition
60. In perfect competition, the demand curve of a firm is
- (A) Vertical
  - (B) Horizontal
  - (C) Positively sloped
  - (D) Negatively sloped
61. If price of any commodity decreases by 20% and the demand for that commodity increases by 40%, then elasticity of demand would be
- (A) perfectly elastic
  - (B) perfectly inelastic
  - (C) unit elastic
  - (D) highly elasticve.

62. Which of the following is not a method of pricing raw material issues from stock?
- Standard costing.
  - Unit cost.
  - Marginal cost.
  - Continuous weighted average.
63. Which of the following is a direct labour cost?
- Supervisors' salaries in the factory.
  - Costs of the payroll accounting section.
  - A bonus paid to the store man.
  - The wages of labour
64. XYZ Ltd has a labour-intensive assembly department. Which of the following methods of absorbing overheads is likely to use for that department?
- Direct labour hours method
  - Direct labour cost method
  - Direct material cost method
  - A percentage of prime cost
65. What type of activity Interest received is:
- Operating Activity
  - Financing Activity
  - Investment activity
  - None of the above
66. Fixed cost Rs. 2,50,000  
 Variable cost Rs. Rs 10 per unit  
 Selling price per unit Rs.15  
 Output Level is 75000 units
- What is the amount of profit earned during the year?
- 1,25,000
  - 1,20,000
  - 1,35,000
  - 1,22, 500

67. Who manages the entire book building process?
- (A) Merchant bank
  - (B) Any commercial bank
  - (C) RBI
  - (D) Company itself
68. Which scheme gives the employees of the company to receive benefit of offer of shares as part of public issue?
- (A) Employees stock option scheme
  - (B) Employees stock purchase scheme
  - (C) Sweat equity scheme
  - (D) None of the above
69. In which account the application money on share issued should be transferred, if balance sheet is prepared before the date of allotment?
- (A) Share capital suspense account
  - (B) Share capital account
  - (C) Suspense account
  - (D) Share capital adjustment account
70. Which among the following can't be used from security premium account?
- (A) Payment of dividend
  - (B) Writing of preliminary expenses
  - (C) Redemption of preference shares on premium
  - (D) Buy back of shares

\*\*\*\*\*