

COMMON P. G. ENTRANCE TEST – 2023 (CPET-2023)

Test Booklet No. :

0175

Subject Code : **06**

Hall Ticket No. :

Subject : **COMMERCE**

TEST BOOKLET

Time Allowed : 60 Minutes

Full Marks : 80

: INSTRUCTIONS TO CANDIDATES :

1. The Test Booklet contains **16** pages including the cover page and **80** (Question No. 1 to 80) multiple choice questions.
2. DO NOT break the seal of the Test Booklet until the invigilator instructs to do so.
3. The candidates must check discrepancy, if any (like up-printed or torn or missing pages or missing questions) in the Test Booklet immediately after breaking the seal of the Test Booklet. If detected, the invigilator may be requested to replace the same.
4. Candidates are required to fill up and darken the **Hall Ticket No, Test Booklet Serial No.** and OMR Answer Sheet Serial No. in attendance sheet carefully. Wrongly filled in OMR Answer Sheet is liable for rejection.
5. Each question has four choices / answers marked (A), (B), (C), (D). Candidate has to select the most appropriate choice / answer to each question and darken the oval completely against the question number provided in the OMR Answer Sheet.
6. Indicate only one choice / answer from the options provided by darkening the appropriate oval in the OMR Answer Sheet. More than one response to a question shall be treated as a wrong answer.
7. Use only **Black Ball Point Pen** for darkening the oval for answering.
8. All the questions are compulsory and they carry equal marks. The total marks scored by a candidate depends on the number of correct choices / answers darkened in the OMR Answer Sheet. There will be no negative marking for wrong answers.
9. No candidate shall be allowed to leave the Examination Hall / Room till all OMR Answer Sheets have been collected by the invigilator.
10. On completion of the entrance test, the original OMR Answer Sheet be handed over to the invigilator. Candidates are allowed to take the second copy of the OMR Answer Sheet along with the used Test Booklet for reference.
11. Candidates are not allowed to carry any personal belongings including electronic devices such as scientific calculator, cell phones, headphones, ear buds, or any other type of devices that allow communication of any kind inside the Examination Room / Hall.
12. The candidates are advised not to scribble or make any mark on the OMR Answer Sheet except marking the answers at the appropriate places and filling up the details required. Rough work, if any, may be done in the blank sheet(s) provided at the end of the Test Booklet.
13. Any malpractice / use of unfair means will lead to your disqualification from the entrance test / admission process and may also lead to appropriate legal action as deemed fit.

DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE ASKED TO DO SO

0172

TEST BOOKLET

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1. In cash flow statement, sale of fixed asset is :
 (A) Cash from investing activity (B) Cash from financing activity
 (C) Cash from operating activity (D) None of the above
2. Fixed cost/P.V. ratio = ?
 (A) Contribution (B) Margin of safety
 (C) Variable cost (D) Break-even point
3. Working capital turnover ratio can be determined by :
 (A) Gross profit / Working capital (B) Cost of goods sold / Net sales
 (C) Net sales / Average working capital (D) None of the above
4. Return on investment is _____.
 (A) Turnover ratio (B) Short-term solvency ratio
 (C) Profitability ratio (D) Long-term solvency ratio
5. In funds flow statement, increase in working capital is :
 (A) Application of funds (B) Sources of funds
 (C) Application of cash (D) Sources of cash
6. The term 'Management Accounting' was coined by :
 (A) F. W. Taylor (B) James H. bliss
 (C) R. N. Carter (D) Philip Kotler
7. The liability of shareholders of a public company is limited to the :
 (A) Paid up value of shares (B) Nominal value of shares
 (C) Extent of their Private Assets (D) Called up value of shares
8. Security premium cannot be utilized towards :
 (A) Buy back of shares (B) Reduction in share capital
 (C) Issue fully paid up bonus share (D) Write off preliminary expenses
9. Section 43 Companies Act 2013 provides for :
 (A) Issue of shares at premium (B) Kinds of shares
 (C) Buy back of shares (D) Reduction in share capital

10. When did Company Act 2013 come into force ?
(A) 21st July (B) 1st April
(C) 15th August (D) 30th August
11. An act is said to be Ultra Vires, when it is :
(A) Within the power of Director (B) Beyond the power of Director
(C) Within the power of Company (D) Beyond the power of Company
12. When the company is bringing issue at a price lesser than market price for its existing holders, it is called :
(A) Right issue (B) Right issue of first refusal
(C) Pre-emptive right (D) All of the above
13. Assuming that all the activities given below are undertaken for a consideration, state which of the following is not a supply of service ?
(A) Repairing of Agricultural machine
(B) Provision of services by an employee to the employer in the course of employment
(C) An employee agreeing to not work for the competitor organization after leaving the current employee
(D) Lottery sponsored by the state government
14. ABC Pvt Ltd provided following information for the month of March 2023 :
Inter state exempt supply – Rs. 5,00,000
Intra state taxable supply – Rs. 10,00,000
Intra state exempt supply – Rs. 8,00,000
Turnover of exported goods – Rs. 5,50,000
Payment made for availing GTA services (under reverse charge)- Rs. 50,000
Calculate the aggregate turnover for GST purpose :
(A) Rs. 28,50,000 (B) Rs. 29,00,000
(C) Rs. 16,00,000 (D) Rs. 10,00,000

15. GST implementation in India on _____. Chairman of the GST Council is _____.
- (A) 1st June 2017, President (B) 1st July 2017, Prime Minister
(C) 1st July 2017, Union Finance Minister (D) 1st June 2017, Prime Minister
16. The primary purpose of the cash budget is :
- (A) To break the income statement down into monthly periods
(B) To determine monthly cash receipts
(C) To determine the collection pattern
(D) To allow the firm to anticipate the need for outside funding
17. Utkal Enterprises registered in Odisha furnished the following information for the month of April :
- Inter-state sale of goods for Rs. 1,45,000 to AD Enterprise registered in Andhra Pradesh
Intra-state purchase of goods from BC Enterprise registered in Odisha for Rs. 75,000
Inter-state purchase from ABC enterprise registered in Kolkata for Rs. 50,000
GST rate is 18%. All the above amount are exclusive of tax. No opening ITC is there.
GST liability payable in cash is :
- (A) CGST-Rs. 1800, SGST-1800 (B) SGST-Rs. 3600
(C) CGST-Rs 3600 (D) IGST-Rs. 3600
18. Can a person opted composition scheme collect GST on his outward supplies from recipients?
- (A) Yes, only on such goods notified by Central Government
(B) Yes, only on such services notified by Central Government
(C) Yes, in all cases
(D) No
19. As per SA-200 "Overall objective of Independent Auditor", in conducting an audit of financial statement, the overall objective of the auditor are :
- (A) To report on financial statements (B) To obtain reasonable assurance
(C) Both (A) and (B) (D) To obtain absolute assurance

20. _____ referred to the audit procedure performed to obtain an understanding of the entity and its environment, including the entity's internal control to identify and assess the risk of material misstatement.
- (A) Risk assessment procedure (B) Test of control
(C) Substantive analytical procedure (D) Observation
21. The auditor shall express _____ when the auditor, having obtained sufficient appropriate audit evidence, concludes that misstatement, individually or in the aggregate, are both material and pervasive to the financial statements.
- (A) Qualified opinion
(B) Adverse opinion
(C) Disclaimer opinion
(D) Unmodified with key audit-matter paragraph
22. Audit Committee may make omnibus approval for :
- (A) Related party transaction proposed to be entered
(B) Making investment in other company and acquisition
(C) Transferring of non-functional undertaking
(D) All of the above
23. Every company shall hold minimum of 4 meetings every year but the gap between two consecutive board meetings shall not be more than _____ days. In case of One Person Company (OPC), small company and dormant company the gap between the two board meetings must not be less than _____ days.
- (A) 120,60 (B) 120,120
(C) 120,90 (D) 90,90
24. Which of the following statement is not correct ?
- (A) The audit committee shall consist of a minimum 3 director with independent director forming a majority
(B) Responsibility of audit committee to approval or any subsequent modification of transaction of the company with related parties
(C) Vigil mechanism is formed for the directors and employees who may report genuine concerns
(D) At least 14 days notice in writing for a board meeting to all the directors at their registered address

25. Which of the following statements is correct ?
- (A) Whole time Director includes a Director in the whole time employment of the company
 - (B) Age limit for appointment of Managing Director, Whole Time Director, Manager is 18 years to 70 years
 - (C) There is prohibition of individual to be appointed as Chairperson as well as Managing or Chief Executive Officer at the same time unless provided by article of the company
 - (D) If in any financial year, a company has no profit or its profits are inadequate, the company shall not pay by way of remuneration any sum (exclusive of sitting fees) to its Directors including WTD and Manager except in accordance with the provision of Schedule-V
26. The term marketing refers to :
- (A) Advertising, Sales Promotion, Publicity and Public Relational activities
 - (B) A new product needs ideas, developments, concepts and improvements
 - (C) Sales Planning, Strategy and Implementation
 - (D) A philosophy that stresses customer value and satisfaction
27. _____ is the act of obtaining a desired object from someone by offering something in return.
- (A) Marketing Myopia
 - (B) Selling
 - (C) Exchange
 - (D) Delivery
28. Want for a specific product backed by an ability to pay is called :
- (A) Demand
 - (B) Need
 - (C) Want
 - (D) Customer
29. A place where goods are bought and sold against the price consideration between the buyers and the sellers is called :
- (A) Exchange
 - (B) Market
 - (C) E-commerce
 - (D) Transaction

30. Marketing management is :
- (A) Developing marketing strategies to move the company forward
 - (B) Managing the marketing process
 - (C) Monitoring the profitability of the company's products and services
 - (D) The art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior
31. What is the basic accounting equation ?
- (A) Assets = Liabilities + Equity
 - (B) Liabilities = Assets + Equity
 - (C) Equity = Assets + Liabilities
 - (D) Equity = Liabilities – Assets
32. Which of the following do management functions include ?
- (A) Directing
 - (B) Controlling
 - (C) Planning and Organising
 - (D) All of the above
33. What does MOST stand for ?
- (A) Maximum Output Strategy Tools
 - (B) Mission, Objectives, Strategies and Tactics
 - (C) Machinery, Office, Staff and Technology
 - (D) Manager, Operator, Seller and Trader
34. Who published the book 'The Psychology of Management' ?
- (A) Henri Fayol
 - (B) Robert Owen
 - (C) F. W. Taylor
 - (D) Lillian Gilberth
35. According to Henri Fayol, which of the following is true of discipline ?
- (A) Penalties are properly applied
 - (B) Superiors at all levels of an organisation who are always clear and fair
 - (C) Agreements between two parties that are always clear and fair
 - (D) All of the above

36. Management skills applies to Managers at _____.
- (A) Middle levels in an organization (B) Top levels in an organization
(C) Executive levels in an organization (D) All levels in an organization
37. The problem-solving process begins with :
- (A) Clarification of the situation (B) Establishment of alternatives
(C) Identification of the difficulty (D) Isolation of the cause
38. _____ is known as "The Father of Scientific Management".
- (A) Fredrick W. Taylor (B) Henri Fayol
(C) Robert Owen (D) None of the above
39. Which of the following is not an accounting convention ?
- (A) Conservatism (B) Going Concern
(C) Materiality (D) Consistency
40. Post-dated cheques are considered as :
- (A) Bank balance (B) Cash
(C) Account Payable (D) Account Receivable
41. Select the correct one from the following which is true about the trial balance :
- (i) It lists down the balance of accounts
(ii) It checks only the arithmetical accuracy
- (A) Only (i) (B) Only (ii)
(C) Both (i) and (ii) (D) None of the above
42. Average inventory is Rs. 95,000 and Opening inventory is Rs. 10,000 more than the Closing inventory. If sales is Rs. 2,00,000 and gross profit margin is 25%, then find the Cost of goods Sold :
- (A) Rs. 1,50,000 (B) Rs. 1,30,000
(C) Rs. 1,40,000 (D) None of the above

43. Choose the correct one for issue of debenture :
- (i) Debenture cannot be issued at discount
 - (ii) Only secured debentures are allowed in India
- (A) Only (i) (B) Only (ii)
(C) Both (i) and (ii) (D) None of the above
44. Accounting Standard-17 is related to :
- (A) Segment reporting (B) Related party disclosure
(C) Revenue Recognition (D) Employee Benefit
45. Debit note is used for :
- (A) Sales return (B) Purchase Return
(C) Discount (D) All of the above
46. The damages awarded by way of punishment is called :
- (A) Nominal damages (B) Special damages
(C) Ordinary damages (D) Vindictive damages
47. Communication of offer may be by way of :
- (A) Words only (B) Conduct Only
(C) Words or conduct (D) None of the above
48. Which of the following may or may not pass between bailee and bailor ?
- (A) Ownership (B) Consideration
(C) Both (A) and (B) (D) None of the above
49. Find the incorrect statement from the following :
- (i) Minor cannot be a partner of new partnership firm
 - (ii) Minor only enjoy the profit of the business as per the profit-sharing ratio
- (A) Only (i) (B) Only (ii)
(C) Both (i) and (ii) (D) None of the above

50. Goods which are in the existence at the time of the contract of sale is known as :
- (A) Ascertained goods (B) Specific goods
(C) Existing goods (D) Present goods
51. Minor changes in terms of contracts lead to :
- (A) Novation (B) Alteration
(C) Waiver (D) Merger
52. If 100 kgs of material introduced into the process and the expected normal loss is 5%, and if the actual output from the process is 88 kgs, then what would be the abnormal loss unit ?
- (A) 2 units (B) 5 units
(C) 7 units (D) No abnormal loss
53. Depreciation is an example of :
- (A) Fixed Cost (B) Variable Cost
(C) Semi-Variable Cost (D) None of the above
54. When sales is Rs. 2,00,000, variable cost is Rs. 1,50,000 and fixed cost is Rs. 40,000, Then, what will be the Break-Even Sales (in Rs.) ?
- (A) Rs. 1,56,000 (B) Rs. 1,58,000
(C) Rs. 1,40,000 (D) Rs. 1,60,000
55. What is the labour rate variance if standard hours for 100 units of output are 400 @ Rs.2 per hour and actual hours taken are 380 @ Rs. 2.25 per hour ?
- (A) Rs. 120 (Adverse) (B) Rs. 100 (Adverse)
(C) Rs. 95 (Adverse) (D) Rs. 25 (Favourable)
56. A flexible budget requires a careful study of :
- (A) Fixed, Semi Fixed and Variable expenses
(B) Past and current expenses
(C) Overheads, selling and administrative expenses
(D) None of the above

57. A manufacturing enterprise monthly consumes 1350 units of raw materials at the cost of Rs. 20 per unit. Determine its Economic Order Quantity (EOQ) given the ordering cost of Rs. 2400 and carrying cost of inventory being 30% of the price paid :
- (A) 3600 units (B) 2400 units
(C) 4800 units (D) 2700 units
58. Which of the following is the Net Annual Value (NAV) of house for the given details ?
- Municipal Value – Rs. 3,60,000
Fair Rental Value – Rs. 4,00,000
Standard Rent – Rs. 5,00,000
Actual Rent (Annual Rent) – Rs. 4,80,000
Municipal Tax – Rs. 12,000 (due but not paid)
- (A) Rs. 4,00,000 (B) Rs. 4,80,000
(C) Rs. 4,68,000 (D) Rs. 5,00,000
59. Tax audit is compulsory in the case of a person carrying on profession and whose gross receipts exceeds which one of the following ?
- (A) Rs.60 Lakhs (B) Rs.1 Crore
(C) Rs.40 Lakhs (D) Rs.50 Lakhs
60. Mr. X a resident individual having agricultural income in Sri Lanka is Rs.10 Lakhs. What amount will be taxable under Income Tax Act, 1961 ?
- (A) Fully exempted (B) Rs.5 Lakhs
(C) Rs.10 Lakhs (D) None of the above
61. Unabsorbed depreciation can be carried forward to the subsequent years by the same assessee for a period of :
- (A) 4 A. Y. (B) 7 A. Y.
(C) No time limits (D) 8 A. Y.

62. Which Section governs the deduction in respect of medical insurance premium under Income Tax Act, 1961 ?
- (A) 80 DDB (B) 80 DD
(C) 80 D (D) 80 C
63. The standard deduction is allowed from gross salary to the maximum of :
- (A) Rs. 50,000 (B) Rs. 40,000
(C) Rs. 2,500 (D) Rs. 5,000
64. Which of the following is an absolute measure of dispersion ?
- (A) Coefficient of variation (B) Coefficient of dispersion
(C) Standard deviation (D) Coefficient of skewness
65. If the observations of a variable X are, $-4, -20, -30, -44$ and -36 , then the value of the Range will be :
- (A) -48 (B) 40
(C) -40 (D) 48
66. Mean Deviation computed from a set of data is always :
- (A) Negative (B) Equal to standard deviation
(C) More than standard deviation (D) Less than standard deviation
67. Find the Mode of 5, 3, 27, 5, 9, 3, 8, 5 :
- (A) 5 (B) 27
(C) 9 (D) 3
68. The arithmetic mean of the marks obtained by 50 students was calculated as 44. It was later discovered that a score of 36 was misread as 56. Find the correct value of arithmetic mean of the marks obtained by the students.
- (A) 43 (B) 43.6
(C) 45 (D) 50

69. The branch of Economics that deals with the allocation of resources is _____.
(A) Econometrics (B) Macroeconomics
(C) Microeconomics (D) None of the above
70. Which of the following is a sign of a free economy ?
(A) The prices are regulated
(B) The prices are partly regulated
(C) The prices are determined with the help of the forces of demand and supply
(D) None of the above
71. Fisher's method of calculating the index number is based on the _____.
(A) Geometric mean (B) Arithmetic mean
(C) Harmonic mean (D) None of the above
72. The weights used in a quantity index are _____.
(A) Quantity (B) Values
(C) Price (D) None of the above
73. If RBI reduces the cash reserve ratio, what will happen to the credit creation ?
(A) There will be no impact (B) It will decrease
(C) It will increase (D) None of the above
74. Which of the following methods are used for the Valuation of Goodwill ?
(A) Super profit method (B) Weighted profit method
(C) Average profit method (D) All of the above
75. The value of a partly paid equity share is equal to _____.
(A) The value of a fully paid-up share minus the calls unpaid per share
(B) The value of a fully paid-up share divided by the face value of a share
(C) The value of a fully paid-up share
(D) None of the above

76. Who should be involved in preparing a firm's business plan ?
- (A) Accountant (B) Engineer
(C) Entrepreneur (D) None of the above
77. The process of designing something new is called :
- (A) Creative flexibility (B) Management
(C) Business (D) Innovation
78. Entrepreneurship Development Program is helpful for :
- (A) First-generation entrepreneurs (B) Future generation entrepreneurs
(C) Existing Entrepreneurs (D) None of the above
79. Which decisions are concerned with policy matters and may influence the goals and objectives of a business ?
- (A) Routine decisions (B) Strategic decisions
(C) Organisational decisions (D) Personal decisions
80. A person sold a stove for ₹ 423 and incurred a loss of 6%. At what price would it be sold so as to earn a profit of 8% ?
- (A) ₹ 525 (B) ₹ 500
(C) ₹ 490 (D) ₹ 486



SPACE FOR ROUGH WORK

SEAL

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