

104217

FOUNDATION COURSE EXAMINATION

DECEMBER 2024

SUBJECT: FUNDAMENTALS OF LAWS AND COMMUNICATION

Time Allowed: 1 hour

Full Marks: 100 (2×50)

Choose the correct answer from the given alternatives.

1. The decision of any High Court shall prevail over
 - (A) subordinate courts under the High Court.
 - (B) union territories.
 - (C) all state High Courts.
 - (D) throughout India.

2. Which among the following is a quasi-judicial body?
 - (A) District court
 - (B) Sessions court
 - (C) High court
 - (D) District Consumer Forum

3. Functions of the Parliament is to
 - (A) execute laws.
 - (B) give justice to people.
 - (C) make laws.
 - (D) give punishment.

4. A Bill becomes an Act on assent of
 - (A) Prime Minister
 - (B) Cabinet Committee
 - (C) President of India
 - (D) Solicitor General

5. What is a Private Bill?
 - (A) Bill introduced by a private citizen.
 - (B) Bill introduced by a private company.
 - (C) A Bill introduced by a member other than a minister.
 - (D) A Bill relating affairs which are private to individual.

6. In normal course, contract ends with
 - (A) offer
 - (B) proposal
 - (C) promise
 - (D) performance

7. A contract between one existing company and one dissolved company is
 - (A) valid
 - (B) void
 - (C) voidable
 - (D) Any of the above

8. What is minor's liability if he is a party to contract?
 - (A) Minor not liable till minority.
 - (B) Minor is personally liable.
 - (C) Minor's property is liable.
 - (D) None of the above

9. Contract to make a contract is
- (A) also a contract
 - (B) not a contract
 - (C) None of the above is correct
 - (D) Both options are correct
10. You have got a job offer to be posted at Mumbai. You write back intimating that you can join provided you are posted at Kolkata. This amounts to
- (A) rejection of the offer.
 - (B) acceptance of the offer.
 - (C) modification of the offer.
 - (D) None of the above
11. Agreement with a person who is lunatic is
- (A) valid
 - (B) void
 - (C) voidable
 - (D) None of the above
12. In case of merger of A Ltd. with B Ltd., all contracts pending with A Ltd. will
- (A) continue to be valid and to be executed by B Ltd.
 - (B) revoked.
 - (C) terminated.
 - (D) becomes illegal.
13. In case of independent performance
- (A) only proposer will perform.
 - (B) only acceptor will perform.
 - (C) both parties shall perform their part independent of each other.
 - (D) None of the above
14. When both parties more or less have equal rights and liabilities in a contract, it is called _____ contract.
- (A) bilateral
 - (B) unilateral
 - (C) formal
 - (D) one sided
15. A job application by a person is
- (A) only an information for the job to be done.
 - (B) offer for doing the job.
 - (C) invitation to start the job.
 - (D) offering his candidature.
16. An understanding between two or more persons not expressly a contract, but in the nature of a contract is called
- (A) quasi contract
 - (B) contingent contract
 - (C) illegal contract
 - (D) formal contract
17. A contract not performed by the performer, denotes
- (A) performance
 - (B) breach
 - (C) abandonment of contract
 - (D) All of the above
18. A contract is valid without consideration in a case of
- (A) sale
 - (B) gift
 - (C) agency
 - (D) Both (B) and (C) above

19. A contract shall not be void if it is not against
- (A) law
 - (B) public policy
 - (C) Both above
 - (D) None of the above
20. A wagering agreement in India is declared by the Indian Contract Act, 1872 as
- (A) illegal and void.
 - (B) void but not illegal.
 - (C) voidable at the option of the aggrieved party.
 - (D) immoral.
21. A sale between seller and buyer which requires goods to move from one state to another within the country will amount to
- (A) inter state sale
 - (B) intra state sale
 - (C) domestic sale
 - (D) export sale
22. Agreement "of sale" _____ agreement "to sale".
- (A) precedes
 - (B) succeeds
 - (C) happens at the same time
 - (D) are not related
23. Delivery of car keys by seller of car to the buyer is _____ delivery.
- (A) symbolic
 - (B) actual
 - (C) constructive
 - (D) None of the above
24. Delivery by the seller can be
- (A) actual delivery
 - (B) symbolic delivery
 - (C) constructive delivery
 - (D) Any of the above
25. Sale is not complete unless the possession and _____ is transferred.
- (A) title
 - (B) ownership
 - (C) papers
 - (D) None of the above
26. When a buyer's goods are sold based on sample, the goods shall conform to
- (A) sample only
 - (B) description only
 - (C) both description and sample
 - (D) None
27. The doctrine of Caveat Emptor is not applicable
- (A) in the case of sale under a patent name.
 - (B) where the seller is guilty of fraud.
 - (C) in case of sale under a trade name.
 - (D) where the buyer relies on the skill and judgement of the seller.
28. The phrase "nemo dat quad non habet" means
- (A) no one having right to sell.
 - (B) none can give something which he does not possess.
 - (C) every body is having different habit.
 - (D) None of the above

29. An unpaid seller has
- (A) right of lien on goods.
 - (B) stoppage of goods.
 - (C) resale.
 - (D) All of the above
30. Any stipulation essential to main purpose in sales contract is called
- (A) warranty
 - (B) condition
 - (C) price
 - (D) after sale service
31. The Negotiable Instruments Act was enacted in the year
- (A) 1880
 - (B) 1881
 - (C) 1882
 - (D) 1883
32. Bank may refuse payment against a cheque, if:
- (A) There is no balance in account.
 - (B) The signature of the drawer is not matching.
 - (C) Stop payment instruction have been received.
 - (D) All or any of the above
33. In course of negotiation, a bill goes from one person to other. They are called:
- (A) transferee
 - (B) transferee in due course
 - (C) holders
 - (D) holders in due course
34. In case of cheque, the drawee is
- (A) the account holder.
 - (B) in whose favor the cheque is issued.
 - (C) the bank.
 - (D) None of the above
35. If a minor draws, endorses, delivers or negotiates an instrument, such instrument binds
- (A) all parties to the instrument except the minor.
 - (B) all parties to the instrument including the minor.
 - (C) only the minor and not other parties to the instrument.
 - (D) None of the above
36. Upon dishonor of a cheque, the payee can initiate legal action under section _____ of The NI Act.
- (A) 137
 - (B) 138
 - (C) 175
 - (D) 180
37. In case of cheque, acceptance by the drawee is
- (A) must
 - (B) not required
 - (C) required if payee wants
 - (D) required if drawer wants
38. If the bill of exchange is payable at sight, acceptance is
- (A) necessary
 - (B) not necessary
 - (C) depends on drawee
 - (D) None of the above

39. In case of promissory note, date is
- (A) not required.
 - (B) required.
 - (C) at the wish of the drawer.
 - (D) None of the above
40. Documents which are not specifically mentioned as negotiable instrument under the Act but are transferable as per the customs of trade, are called
- (A) quasi negotiable instruments.
 - (B) not negotiable instruments.
 - (C) not considered as documents.
 - (D) semi negotiable instruments.
41. Which out of the following is a trial presentations?
- (A) Seminars/Conferences
 - (B) Presentation before clients for business
 - (C) Presentation before teachers for practice
 - (D) All of the above
42. Which of the following are non verbal communication?
- (A) Facial expression
 - (B) Eye contact
 - (C) Gesture
 - (D) All of the above
43. Which of the following is/are a constituent of the 7 C's of communication?
- (A) Completeness
 - (B) Clarity
 - (C) Concreteness
 - (D) All of the above
44. Horizontal Communication takes place between
- (A) employees of the same status.
 - (B) executives and subordinates.
 - (C) Both (A) and (B)
 - (D) None of the above
45. Which of the following communication has no interaction from audience?
- (A) Speech
 - (B) Debate
 - (C) Discussion
 - (D) Deliberation
46. A communication shall be considered as complete, when
- (A) listeners raise queries.
 - (B) listeners are satisfied.
 - (C) people don't listen.
 - (D) people don't understand.
47. Communication between lawyer and client is
- (A) internal and confidential.
 - (B) external and non confidential.
 - (C) personal.
 - (D) internal, confidential and professional.
48. Nowadays mass communication is through
- (A) Print media
 - (B) Direct communication
 - (C) Telephonic communication
 - (D) Digital mode

49. Proper grammar comes under which C of communication?

- (A) Coherence
- (B) Completeness
- (C) Correctness
- (D) Courteous

50. Formal communication should be

- (A) only verbal.
- (B) only through email.
- (C) telephonic.
- (D) any mode recordable for future reference.

SUBJECT: FUNDAMENTALS OF FINANCIAL AND COST ACCOUNTING

Time Allowed: 1 hour

Full Marks: 100 (2×50)

Choose the correct answer from the given four alternatives:

51. Expense incurred to obtain license for starting a new factory is _____ expenditure.

- (A) Capital
- (B) Revenue
- (C) Deferred Revenue
- (D) Prepaid

52. The framework of accounting has _____ pillars.

- (A) 2
- (B) 3
- (C) 4
- (D) 5

53. Which of the following relationships is correct?

- (A) Assets = Liabilities – Equity
- (B) Assets = Equity – Liabilities
- (C) Assets = Liabilities + Equity
- (D) Equity = Liabilities – Assets

54. Ledger Folio (L.F.) column in the Journal is filled at the time of _____.

- (A) Journalising
- (B) Posting
- (C) Casting
- (D) Balancing

55. The total of discount column appearing on the debit side of Triple Column Cash Book is posted to the

- (A) Credit of Discount Allowed A/c.
- (B) Debit of Discount Received A/c.
- (C) Debit of Discount Allowed A/c.
- (D) Credit of Discount Received A/c.

56. Cheque received from a Debtor for ₹22,400, has been recorded as ₹24,200 in Cash Book, while the same has been collected and credited by bank as ₹22,400. How should it be treated while drafting Bank Reconciliation Statement, if the balance as per Cash Book is the starting point?

- (A) ₹1,800 is to be deducted.
- (B) ₹22,400 is to be deducted.
- (C) ₹1,800 is to be added.
- (D) ₹46,600 is to be added.

57. Which of the following is/are not true about Trail Balance?

- (A) It is mandatorily prepared.
- (B) It is a part of books of account.
- (C) It proves accounting accuracy.
- (D) All of the above

58. Goods worth ₹24,000 taken by the proprietor for personal use should be debited to _____ Account.

- (A) Debtors
- (B) Drawings
- (C) Capital
- (D) Purchases

59. Sale of office furniture has been credited to Sales Account. It is

- (A) a clerical error.
- (B) an error of principle.
- (C) a misposting error.
- (D) a compensating error.

60. Obsolescence means decline in value due to

- (A) physical wear and tear.
- (B) fall in market price.
- (C) efflux of time.
- (D) change in taste, fashion, etc.

61. In a consignment, Account Sales is sent by _____.

- (A) Consignor
- (B) Banker
- (C) Consignee
- (D) Customer

62. On March 1, 2024, Hardik of Ahmadabad consigned 300 bales of cotton to Kartick of Coimbatore (costing ₹ 1,50,000) to be sold at an invoice price of 25% profit on sales. By what amount should Consignment to Coimbatore Account be credited to account for the loading on goods sent on consignment?

- (A) ₹ 1,12,500
- (B) ₹ 37,500
- (C) ₹ 1,87,500
- (D) ₹ 50,000

63. On January 1, 2024 Kalpit draws a bill worth ₹ 3,00,000 on Shivam for 3 months. Kalpit got the bill discounted on January 4, 2024 @ 12% p.a. What is the amount of discount on bill?

- (A) ₹ 36,000
- (B) ₹ 27,000
- (C) ₹ 18,000
- (D) ₹ 9,000

64. When a bill of exchange is honoured on the maturity date, in the books of the drawee _____ is to be debited.

- (A) Drawer's Account
- (B) Bills Payable Account.
- (C) Bills Receivable Account
- (D) Bank Account

65. What will be the accounting entry goods taken over by co-venturer in case separate set of books are maintained?

- (A) Debit: Goods A/c;
Credit: Co-Venturer's A/c
- (B) Debit: Co-Venturer's A/c;
Credit: Joint Venture A/c
- (C) Debit: Joint Bank A/c;
Credit: Joint Venture A/c
- (D) Debit: Joint Venture A/c;
Credit: Co-Venturer's A/c

66. Joint Venture Account is of the nature

- (A) Personal Account.
- (B) Real Account.
- (C) Nominal Account.
- (D) Artificial Personal Account.

67. Memorandum Joint Venture Account prepared

- (A) to ascertain profit/ loss of venturer.
- (B) to ascertain the amount due from co-venturer.
- (C) to ascertain the amount due to co-venturer.
- (D) to ascertain the amount of remittance.

68. Work-in-progress gets reflected in which of the following component of financial statement of a manufacturing-cum-trading organisation?

- (A) Manufacturing A/c
- (B) Profit & Loss A/c
- (C) Trading A/c
- (D) Both (A) and (B)

69. The balance of Depreciation on Plant Account appearing in Trial Balance will be _____.

- (A) debited to Trading A/c only
- (B) debited to Profit & Loss A/c only
- (C) debited to Trading A/c & also deducted from Plant A/c in Balance Sheet
- (D) debited to Profit & Loss A/c & also deducted from Plant A/c in Balance Sheet

70. An asset having physical existence is known as _____ asset.

- (A) Current
- (B) Non-current
- (C) Tangible
- (D) Intangible

71. In Arjun's garment business for the year 2023-24: Value of stock-in-trade on 01.04.2023 and 31.03.2024 were ₹2,50,000 and ₹2,00,000 respectively; Purchases during the year were ₹9,50,000; Rate of Gross Profit is 30% on Cost of Goods Sold. What is the Sales for the year 2023-24?

- (A) ₹13,00,000
- (B) ₹13,60,000
- (C) ₹12,70,000
- (D) None of the above

72. An amount of donation received by a charitable organisation for a specific purpose is a _____.

- (A) Revenue receipt
- (B) Capital receipt
- (C) Asset
- (D) Liability

73. Which of the following is the income statement of a non-profit organisation?

- (A) Balance Sheet
- (B) Income & Expenditure A/c
- (C) Profit & Loss A/c
- (D) Receipts & Payments A/c

74. A social club received Subscription worth ₹1,19,000 in cash during the year 2023-24. Ascertain the amount of Subscription to be credited to Income & Expenditure A/c, given the following details:

Arrear Subscription: On March 31, 2023 ₹17,000 and March 31, 2024 ₹23,000.

- (A) ₹1,25,000
- (B) ₹1,59,000
- (C) ₹1,13,000
- (D) ₹79,000

75. Receipts & Payments A/c of a non-profit organisation is by nature _____.

- (A) Income Statement
- (B) Nominal Account
- (C) Personal Account
- (D) Real Account

76. All revenue receipts and expenditure are shown in _____.

- (A) Balance Sheet.
- (B) Statement of Affairs.
- (C) Cash Flow Statement.
- (D) Trading and Profit & Loss Account.

77. If opening capital is ₹18,00,000, closing capital is ₹22,00,000 and drawings are ₹8,00,000, what is the amount of profit or loss?

- (A) ₹12,00,000
- (B) ₹10,00,000
- (C) ₹14,00,000
- (D) ₹8,00,000

78. Noting charges paid by the _____ of the bill are to be reimbursed by the _____.

- (A) Holder; Drawer
- (B) Holder; Acceptor
- (C) Drawer; Payee
- (D) Holder; Payee

79. The amount of yearly depreciation under written down value method

- (A) remains same over the years.
- (B) increases year by year.
- (C) fluctuates every year.
- (D) decreases year by year.

80. Which of the following is/are the basic objective(s) of accounting?

- (A) Systematic recording of transactions
- (B) Determination of the operating results
- (C) Ascertainment of financial position of business
- (D) All the above

81. If the incomes are ₹ 27,500 and deficit debited to capital fund is ₹ 2,600, then the expenditures are

- (A) ₹ 2,600
- (B) ₹ 27,500
- (C) ₹ 24,900
- (D) ₹ 30,100

82. What is the value of sundry creditors at the end of the year, when opening sundry creditors is ₹ 19,000, Cash paid to sundry creditors is ₹ 54,800, Discount received is ₹ 1,000 and Credit purchases is ₹ 61,200?

- (A) ₹ 25,400
- (B) ₹ 13,600
- (C) ₹ 26,400
- (D) ₹ 24,400

83. In an overdraft balance as per Cash Book, a cheque of ₹ 3,655 deposited into bank but not recorded in Cash Book is

- (A) Deducted by ₹ 3,655.
- (B) Added by ₹ 3,655.
- (C) Added by ₹ 7,310.
- (D) Deducted by ₹ 7,310.

84. Life membership fees received by club is

- (A) Capital expenditure.
- (B) Capital receipt.
- (C) Revenue receipt.
- (D) None of the above

85. Sales Return Book is a

- (A) part of Journal.
- (B) part of Ledger.
- (C) part of Financial Statements.
- (D) None of the above

86. CAS 7 deals with _____.

- (A) Material Cost
- (B) Employee Cost
- (C) Production and Operating Overheads
- (D) Pollution Control Cost

87. Which method of costing is appropriate for pharmaceutical industry?

- (A) Process Costing
- (B) Contract Costing
- (C) Job Costing
- (D) Operating Costing

88. In case of _____ costing, the main objective is to ascertain costs that have been incurred in the past.

- (A) Absorption
- (B) Direct
- (C) Historical
- (D) Standard

89. Which is the appropriate cost unit for cement industry?

- (A) Tonne-Km
- (B) Metric tonne
- (C) Megawatt
- (D) None of the above

90. _____ is a device for the purpose of breaking up costs into smaller sub-divisions attributable to products or services.

- (A) Cost centre
- (B) Cost object
- (C) Cost unit
- (D) Cost driver

91. Which of the following is the classification of costs by 'function'?

- (A) Fixed cost, Variable cost, Semi-variable cost
- (B) Material cost, Employee cost, Expenses
- (C) Production cost, Administration cost, Selling & Distribution cost, Research & Development cost
- (D) Direct cost, Indirect cost

92. Cost Accounting Standards are issued by _____.

- (A) Cost Accounting Standards Board
- (B) The Institute of Cost Accountants of India
- (C) Cost Accounting Standards Committee
- (D) Cost Accounting Standards Forum

93. Calculate the value of closing inventory of finished goods from the given data: Cost of Goods sold is ₹ 3,60,000, Cost of Production is ₹ 3,40,000 and value of opening inventory of finished goods is ₹ 1,80,000.

- (A) ₹ 3,20,000
- (B) ₹ 1,60,000
- (C) ₹ 3,80,000
- (D) ₹ 2,00,000

94. _____ overheads are the costs incurred in handling a product/ service from the time it is ready for dispatch or delivery until it reaches the ultimate consumer.

- (A) Production
- (B) Administration
- (C) Selling
- (D) Distribution

95. _____ costs are by nature hypothetical or notional costs.

- (A) Imputed
- (B) Sunk
- (C) Opportunity
- (D) Relevant

96. Chargeable Expenses are also known as

- (A) Indirect Expenses.
- (B) Production Overheads.
- (C) Overheads.
- (D) Direct Expenses.

97. _____ is the value of the best alternative course of action that was not chosen.

- (A) Sunk Cost
- (B) Imputed Cost
- (C) Out-of-Pocket Cost
- (D) Opportunity Cost -

98. Batch costing followed in

- (A) Toy manufacturing.
- (B) Interior decoration
- (C) Chemical industry.
- (D) Road transport industry.

99. Variable Costs are fixed

- (A) for a period.
- (B) per unit.
- (C) depending upon the entity.
- (D) for a particular process of production.

100. Direct material and Direct wages are ₹ 2,32,000 and ₹ 2,05,000 respectively. If the factory overheads are 60 per cent of direct wages then factory cost will be

- (A) ₹ 5,60,000
- (B) ₹ 7,78,667
- (C) ₹ 5,46,667
- (D) ₹ 4,37,000