Part A – Fundamentals Accounting

1. On 2-03-2015, 50,000, 10% debentures of Rs.100 each are issued at a discount of 5%. On 10-3-2015, 80,000, 6% preference shares of Rs.100 each are redeemed at a premium of 10% along with one month dividend. On 22-03-2015, 40,000 equity shares of Rs.100 each are issued at a premium of 15%. On 28-02-15, bank balance was Rs.6,34,000. What is the bank balance on 31-03-2015?

   - a) Rs.11,84,000
   - b) Rs.11,44,000
   - c) Rs.7,04,000
   - d) Rs.16,34,000

2. P, Q, and R are partners sharing profits and losses in the ratio of 3:2:1. R retired. Future profit sharing ratio is 2:1. There was a joint life policy of Rs.6,00,000 with a surrender value of Rs.80,000. What will be the treatment in the Partner’s Capital A/c’s, if JLP is maintained at surrender value along with reserve?

   - a) Rs.6,00,000 to be distributed to all the partners in old ratio
   - b) Rs.5,20,000 to be distributed to all the partners in old ratio
   - c) Rs.80,000 to be distributed to all the partners in old ratio
   - d) Distribute JLP reserve account in old profit sharing ratio.

3. An investment of Rs.22,000 was not recorded in the books of account. The adjustment entry will be.
a) Revaluation A/c Dr 22,000
   To Investment A/c 22,000
b) Investment A/c Dr 22,000
   To Revaluation A/c 22,000
c) Partners Capital A/c’s Dr 22,000
   To Revaluation A/c 22,000
d) None of the above

4. 1,500 boxes costing Rs.10 each were sent on consignment. Rs.12,000 spent on freight. A loss of 10% is unavoidable. Calculate the cost of each box.

   a) Rs.20
   b) Rs.10
   c) Rs.18
   d) Rs.15

5. Which of the following are not the methods of preparing the trial balance?

   a) Totals method
   b) Balances method
   c) Differences method
   d) Totals & Balances method

6. At the time of valuation of goodwill, weighted average price method is followed, if the profits of the firm are ____

   a) In increasing trend
   b) In decreasing trend
   c) Either a) or b)
7. From the following information calculate the amount received from debtors.

- Opening balance of cash Rs.56,000
- Bills discounted Rs.21,000
- Bills payable honoured Rs.14,000
- Cash purchases Rs.1,26,000
- Other Expenses Rs.1,84,000
- Payment to Creditors Rs.2,32,000
- Cash sales Rs.3,95,000
- Closing balance of cash Rs.47,000

a) Rs.1,31,000  
 b) Rs.1,10,000  
 c) Rs.1,24,000  
 d) Rs.1,45,000

8. Out of the following which is not the external factor of depreciation?

- Effluxion of time  
- b) Accidents  
- c) Natural Wear and tear  
- d) Obsolescence

9. Match the following

<table>
<thead>
<tr>
<th>Group – 1</th>
<th>Group – 2</th>
</tr>
</thead>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1) AS 15</td>
<td>a) Borrowing costs</td>
<td></td>
</tr>
<tr>
<td>2) AS 16</td>
<td>b) Employees benefits</td>
<td></td>
</tr>
<tr>
<td>3) AS 17 c)</td>
<td>Segment reporting</td>
<td></td>
</tr>
<tr>
<td>4) AS 18</td>
<td>d) Related party disclosures</td>
<td></td>
</tr>
</tbody>
</table>

- a) 1-c; 2-a; 3-b, 4-d
- b) 1-a; 2-b; 3-c, 4-d
- c) 1-b; 2-a; 3-c, 4-d
- d) 1-d; 2-c; 3-b, 4-a

10. In the balance sheet of a company, capital work in progress is shown under the head __

- a) Shareholders Funds
- b) Fixed Assets
- c) Current Liabilities
- d) Current Assets

11. A bill is drawn by X on 06-03-2015, for a period of 30 days after sight. It is accepted on 10-03-2015. The due date of the bill will be ___

- a) 04-04-15
- b) 08-04-15
- c) 09-04-15
- d) 12-04-15

12. Which of the following statements are true about discount columns of cashbook?
13. Securities premium cannot be used for ___

   a) The issue of bonus shares
   b) Writing off discount on issue of debentures.
   c) Writing off losses of the company.
   d) Writing off preliminary expenses

14. Contingent liability is ____

   a) Not recognized
   b) Recognized
   c) A provision
   d) A liability

15. Fixed deposit is a ____ A/c according to traditional approach and ____ A/c according to accounting equation approach.

   a) Capital, Profit
   b) Profit, Capital
   c) Asset, Real
   d) Real, Asset

16. _____ A/c shows a debit balance.
17. At the end of the accounting year, the details of three materials X, Y & Z are as follows:

<table>
<thead>
<tr>
<th>Material</th>
<th>Cost (Rs.)</th>
<th>NRV (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>25,900</td>
<td>19,200</td>
</tr>
<tr>
<td>Y</td>
<td>15,400</td>
<td>17,600</td>
</tr>
<tr>
<td>Z</td>
<td>11,400</td>
<td>8,100</td>
</tr>
</tbody>
</table>

Find out the value of closing inventory

- a) Rs.52,700
- b) Rs.44,900
- c) Rs.42,700
- d) Rs.54,900

18. The Portion of acquisition cost of an asset yet to be allocated is ______

- a) Accumulated cost
- b) Realisation cost
- c) Written down value
- d) Historical cost

19. When shares are issued at a price which is more than the par value, the excess price will be credited to ______
20. Decrease in the provision for doubtful debts amounts to ____

- a) Increase in Net profit
- b) Decrease in Net Profit
- c) Increase in Net Assets
- d) Decrease in Net Assets

21. Receipts of Promissory Notes and Hundies will be recorded in _____ for our convenience

- a) Bills receivable book
- b) Bills payable book
- c) Promissory Notes book
- d) Hundies book

22. Decrease in Bank overdraft balance results in _

- a) Increase in capital
- b) decrease in assets
- c) Increase in cash
- d) increase in assets

23. On 1-3-15 Rohan sent goods costing Rs.60,000 at a profit of 25% on sales to Mohan on Sale or return basis. On 31-3-15 Mohan returned goods costing Rs.18,000. At the end of Financial Year the remaining goods were
neither returned nor approved by Mohan. Rohan records the goods sent on approval as normal sale. In the balance sheet, for the goods sent but not yet approved __________.

- a) Rs.56,000 will be added to debtors
- b) Rs.56,000 will be deducted from debtors
- c) Rs.48,000 will be deducted from debtors
- d) Rs.52,500 will be deducted from debtors.

24. Trade discount is recorded in _____

- a) Debit side of three column cashbook
- b) Credit side of three column cashbook
- c) Debit side of two column cashbook
- d) None of the above

25. In case of death of a partner, his share in the profits of the firm till the date of his death will be debited to ______ A/c.

- a) Profit and Loss Appropriation
- b) Profit and Loss Suspense
- c) Profit and Loss Adjustment
- d) Profit and Loss

26. Lion and Tiger having capitals of Rs.2,00,000 each are sharing profits and losses equally. Leopard joins as an equal partner with a capital of Rs.2,50,000. Goodwill of the firm is valued at Rs.2,10,000. The revaluation profit is Rs.36,000. Find the closing capitals of Lion, Tiger and Leopard

- a) Rs.2,50,000; Rs.2,50,000; Rs.2,50,000
27. The difference between Passbook and Cashbook occurs due to ________

- a) Errors in either cashbook or passbook
- b) Same entries not recorded in cashbook and passbook
- c) Dr. balance in cashbook appearing as Cr. Balance in passbook.
- d) None of the above

28. The following are the valuation principles except ______

- a) Current Cost
- b) Future Cost
- c) Historical Cost
- d) Realizable Value

29. From the following particulars calculate the amount of proposed dividend

- Called up share Capital Rs.25,00,000
- Calls in arrears Rs.1,90,000
- Calls in advance Rs.70,000
- Proposed Dividend 20%

- a) Rs.5,00,000
- b) Rs.4,76,000
- c) Rs.5,14,000
- d) Rs.4,62,000
30. Ram is a partner. He made drawings as follows:

- July 1 – Rs.200
- August 1 – Rs.200
- September – 1 Rs.300
- November 1 – Rs.50
- February 1 – Rs.100

If the rate of interest on drawings is 6% and accounts are closed on March 31 the interest on drawings is:

- a) Rs. 29.75
- b) Rs. 35
- c) Rs. 30
- d) Rs. 40

31. A company issued shares of Rs.50 each at a premium of 10%. The minimum application money as per the Companies Act, 2013 will be

- a) Rs.2.50
- b) Rs.3.00
- c) Rs.5.00
- d) Rs.4.50

32. From the following particulars calculate the value of closing inventory under adjusted selling price method.

- Sales Rs.3,00,000
- Purchases Rs.2,00,000
- Selling price of closing inventory Rs.1,00,000
33. A bill is drawn for Rs.20,000 for 3 months. It is paid 1 month before the due date at 6% discount. The amount of discount is ______

- a) Rs.100
- b) Rs.200
- c) Rs.300
- d) Rs.400

34. On 1-7-2012 a second hand machinery was purchased for Rs.15,00,000 and an amount of Rs.1,00,000 was spent for its repairs. Depreciation is charged at 15% per annum under WDV method. The machinery was sold on 31-03-2015 for Rs.10,40,000. Calculate the profit or loss on the sale of machinery.

- a) Rs.29,300 Loss
- b) Rs.14,050 Profit
- c) Rs.1,67,000 Loss
- d) Rs.10,298.75 Profit

35. The overdraft balance as per the cashbook Mitra is Rs.13,200. A amount of Rs.5,200 was deposited by a customer direct into the account of Mitra. And a cheque of Rs.2,000 deposited by Mitra was bounced. Mitra is unaware of these two transactions. The balance as per passbook will be________

- a) Rs.10,000 (Favourable)
b) Rs.10,000 (O.D)
c) Rs.8,000 (O.D)
d) Rs.10,200 (O.D)

36. A company wants to redeem 1,00,000, 10% preference shares at a premium of 10% by the issue of 10,000 equity shares of Rs.100 each at a premium of 10%. The amount to be transferred to capital redemption reserve will be ______

a) Rs.10,00,000
b) Rs.11,00,000
c) Rs.1,00,000
d) Nil

37. 64,000, 12% preference shares of Rs.10 each are to be redeemed at a premium of 5%. Divisible profits available Rs.2,00,000. Face value of fresh equity share to be issued is Rs.80. Calculate the number of fresh equity shares to be issued.

a) 4,400
b) 5,200
c) 5,900
d) 6,300

38. Mr. X consigned goods of the invoice value of Rs.5,00,000 at cost plus 25% to Mr. Y. The expenses of X amounted to Rs.30,000. The expenses of Y amounted to Rs.24,000 other than selling expenses. The selling expenses amounted to Rs.8,000. 20% of the goods were lost in transit. 3/4th of the remaining goods were sold by Y. Calculate the value of consignment stock?
39. Summarizing means ____

- a) Presentation and Preparation of classified data
- b) Systematic analysis of the recorded data
- c) Methodical classification of the data
- d) Explaining the meaning and significance of the data.

40. Calculate the closing inventory under LIFO method.

<table>
<thead>
<tr>
<th>Date</th>
<th>Particulars</th>
<th>Qty.(Units)</th>
<th>Cost per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/3/2015</td>
<td>Op. inventory</td>
<td>200</td>
<td>800</td>
</tr>
<tr>
<td>5/3/2015</td>
<td>Purchases</td>
<td>160</td>
<td>840</td>
</tr>
<tr>
<td>10/3/2015</td>
<td>Purchases</td>
<td>190</td>
<td>910</td>
</tr>
<tr>
<td>15/03/15</td>
<td>Sales</td>
<td>290</td>
<td>–</td>
</tr>
</tbody>
</table>

- a) Rs.2,00,400
- b) Rs.2,30,000
- c) Rs.2,10,400
- d) Rs.2,00,000

41. Which is not the procedural aspect of accounting?

- a) Generating financial information.
b) Classification.
c) Using financial information.
d) None of the above

42. The book value of machinery on 01-04-2014 is Rs.1,62,000. Depreciation was charged at 10% per annum under WDV method. On 31-03-2015 the method of depreciation is changed to straight line method with retrospective effect from 01-04-2012 and the rate being the same.

a) Rs.5,800 depreciation to be charged
b) Rs.5,800 depreciation written back
c) Rs.2,000 depreciation to be charged
d) Rs.2,000 depreciation written back

43. The Profits and Losses for the last three years were 2012 – Rs.2,08,000 (Profit); 2013 – Rs.94,000 (Loss); 2014 – Rs.2,64,000 (Profit) including a profit of Rs.30,000 earned exceptionally from a contract which will not be renewed further. The average capital employed is Rs.4,20,000. Rate of interest on investment is 10%. The remuneration of all the partners is estimated at Rs.5,000 per month. The value of goodwill on the basis of two years purchase of super profits based on average of three years profits will be

a) Rs.1,68,000
b) Rs.28,000
c) Rs.48,000
d) Rs. 1,48,000

44. On 1-03-2015 Kola sold goods to Tola for Rs.1,60,000. Tola accepted a bill for 3 months for this amount. On the due date Tola could pay Rs.40,000
in cash and agreed to pay the balance amount after one month at an interest of 10% per annum. Noting charges incurred Rs.600. How much interest will be charged?

- a) Rs.995
- b) Rs.1005
- c) Rs.1000
- d) None

45.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>1/4/2014</th>
<th>31-03-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw material</td>
<td>1,28,000</td>
<td>1,32,000</td>
</tr>
<tr>
<td>Work in progress</td>
<td>92,000</td>
<td>87,000</td>
</tr>
<tr>
<td>Finished Goods</td>
<td>1,85,000</td>
<td>1,98,000</td>
</tr>
</tbody>
</table>

Manufacturing overheads – Rs.3,24,000
Manufacturing wages – Rs.76,000
Purchase of Raw material – Rs.4,47,000

Cost of Manufacturing of finished goods sold is______

- a) Rs.8,51,000
- b) Rs.8,59,000
- c) Rs.8,61,000
- d) Rs.8,35,000

46. ___ is not an objective of accounting standards.
• a) To eliminate Non-Comparability of financial statements
• b) To override the statute
• c) To provide a set of standard accounting policies
• d) To improve the reliability of financial statements

47. Calculate the profit for the year ended 31-03-2015.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>1/4/2014</th>
<th>1/4/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>2,50,000</td>
<td>?</td>
</tr>
<tr>
<td>Unsecured loan</td>
<td>40,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Sundry creditors</td>
<td>15,000</td>
<td>13,000</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>1,80,000</td>
<td>2,10,000</td>
</tr>
<tr>
<td>Debtors</td>
<td>18,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Stock</td>
<td>55,000</td>
<td>26,000</td>
</tr>
<tr>
<td>Cash &amp; Bank</td>
<td>52,000</td>
<td>18,000</td>
</tr>
</tbody>
</table>

• a) Rs.8,000 Profit
• b) Rs.27,000 Loss
• c) Rs.22,000 Profit
• d) Rs.21,000 Profit

48. A, B and C are the partners sharing profits and losses in the ratio of 2:2:1. They changed the ratio to 3:4:5. They had workmen’s compensation fund. How it will be distributed on the change of ratio?

• a) Capital Ratio
b) Old profit sharing ratio
c) New profit sharing ratio
d) Not at all distributed

49. Mr. X sent goods to Mr. Y on Consignment basis at invoice price. Mr. Y sold the goods to the customers. One of the customers returned the goods to Mr. Y because of defective quality. Mr. Y returned those goods to Mr. X paying Rs.5,000 for freight. The returned goods are valued at _______

a) Selling Price
b) Cost Price
c) Invoice Price
d) Invoice Price + Rs.5,000

50. Which of the following is not disclosed or recognized in the financial statements?

a) Contingent Liability
b) Contingent Asset
c) Provision
d) None of the above

51. A purchased 1000 kg of rice costing Rs.200 per kg. Paid carriage Rs.2,000 and insurance Rs.3,000. 4/5th of the same were sold by B at Rs.250 per kg. Remaining Inventories were taken over by B at cost. The value of Inventories taken over by B will be______

a) Rs. 40,000
b) Rs.41,000
c) Rs.50,000
52. Due to change in the accounting policy there is no material effect in the current year, but there is effect in the future years. This effect can be reasonably estimated. Then _______

- a) The amount effected should be disclosed
- b) That fact should be disclosed
- c) Both the amount and the fact should be disclosed
- d) No disclosure is required.

53. E’s Trial Balance contains the following information: Discount received Rs.15,000, Provision for discount on Trade Payables Rs.21,000. It is desired to maintain a provision for discount Trade Payables at Rs.19,600. The amount to be credited to the Profit & Loss Account is:

- a) 18,600
- b) 19,600
- c) 15,000
- d) 13,600

54. If favourable balance as per cashbook is the starting point, a wrong posting of Rs.5,200 in the deposit column of passbook will be _______ while preparing the B.R.S.

- a) Added
- b) Subtracted
- c) Ignored
- d) None of the above
55. When preference shares are redeemed, otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend _____ of preference shares will be transferred to Capital Redemption Reserve A/c.

- a) Nominal Value
- b) Called-up Value
- c) Subscribed Value
- d) Paid-up Value

56. Nivya, Nitya and Kavya are partners in a firm sharing profits and losses in the ratio of 1:2:1. Nitya retired from the firm. Nivya and Kavya decided to share future profits and losses in the ratio of 3:1. They want to show the assets and liabilities in the new balance sheet at their old values. Then which account is to be prepared?

- a) Revaluation A/c
- b) Profit and Loss A/c
- c) Memorandum Revaluation A/c
- d) Profit and Loss Appropriation A/c

57.

58.

59.

60.

Part B – Mercantile Laws
61. Standing offer means _____

- a) Offer for a fixed period
- b) Accepted proposal
- c) Conditional acceptance
- d) All of the above

62. In case of illegal agreements collateral agreements are _____

- a) Valid
- b) Void
- c) Voidable
- d) None of these

63. Which of the following is true

- a) Generally, stranger to a contract can sue
- b) A promise to pay time barred debt orally is valid
- c) A promise to pay time barred debt is valid if it is in written form
- d) All of the above

64. Which is not opposed to public policy?

- a) Trading with alien enemy
- b) Interference with the course of justice
- c) Sale of public offices
- d) Agreement to do impossible act

65. In case of promise to pay time barred debt
- a) It should be in written form
- b) It should be signed by promisor only, but not by his agent
- c) It may be express or implied
- d) None of the above

66. A agrees to sell his house worth of Rs.10,00,000 to B for Rs.2,00,000 on free will. The contract is ______

- a) Void
- b) Valid
- c) Voidable
- d) None of these

67. In case of necessaries supplied to the minor ______ is liable

- a) His guardian is liable
- b) Minor’s property only
- c) He is personally liable
- d) After attaining majority

68. When both the parties are mistaken under a contract, the contract is ______

- a) Void
- b) Valid
- c) Voidable
- d) None of these

69. Which of the following is true?
70. A contract to do or not to do something, if some event collateral to such contract, does or does not happen.

- a) Contingent contract
- b) Wagering agreement
- c) Uncertain contract
- d) Voidable contract

71. Which of the following persons can perform the contract

- a) Promisor alone
- b) Legal representatives of promisor
- c) Agent of promisor
- d) All of the above

72. A, B, C jointly promised to pay 80,000 to D, C dies. Who should perform the promise.

- a) A, B should perform
- b) A, B and C’s representative should perform
- c) C’s spouse is liable
- d) None of the above

73. A, B, C borrowed Rs.90,000 from bank. The bank compelled A to pay the whole amount. Which of the following statement is correct?
a) A’s payment is valid and B, C are not liable to repay the balance amount to A
b) A can recover the amount paid by him from bank
c) A is entitled to recover the amount of Rs.30,000 each from B and C
d) None of the above

74. When the time is essence of contract, promisor does not perform his obligation. What is the effect of contract ________

a) Voidable at the option of promisee
b) Void
c) Unenforceable
d) None of the above

75. Breach by the promisor prior to the date of performance of a contract is ________

a) Actual breach of contract
b) Anticipatory breach of contract
c) No contract
d) Void-ab-initio

76. Pre-probable estimated losses is called ________

a) Ordinary damages
b) Exemplary damages
c) Vindictive damages
d) Liquidated damages
77. ‘A’ agreed to decorate ‘B’’s house at a lumpsum of Rs.5,00,000. At the end, it was found to be defective and he repaired the defective work. ‘B’ spent Rs.1,00,000. How much ‘B’ should give to ‘A’

- a) Rs.5,00,000
- b) Rs.1,00,000
- c) Rs.4,00,000
- d) None of the above

78. Payment in proportionate to the work done, it means ______

- a) Injection
- b) Specific performance
- c) Recession
- d) Quantum Meruit

79. In the absence of agreement, partners are entitled to ______

- a) Interest on loan
- b) Interest on drawings
- c) Interest on capital
- d) Salary

80. When registrar is satisfied with the information provided, he makes an entry in __

- a) Register of partnership
- b) Register of firms
- c) Register of companies
- d) None of these
81. When a partner applies for court for the dissolution of the firm?

- a) Insanity
- b) Misconduct
- c) Perpetual losses
- d) All of the above

82. A person who lends his name to the firm but has no interest in the share of profits is called

- a) Nominal partner
- b) Holding out partner
- c) Dormant partner
- d) Active partner

83. P, Q, R are partners. P retires from the firm without giving notice to the public. Now he is liable to the third party according to ____

- a) Partners by holding out
- b) Actual partner
- c) Nominal partner
- d) None of the above

84. When a minor attains majority, elects not to become a partner and gives public notice to that effect. Which of the following is correct?

- a) His share is liable up to the age of majority
- b) He can file a suit against the firm for profit
- c) He is not liable after attaining majority
- d) All of the above
85. Where no provision is made by contract between partner’s for the determination of duration of their partnership, then it is called __

- a) Fixed term partnership
- b) Particular partnership
- c) Partnership at will
- d) Limited partnership

86. According to Indian Partnership Act 1932, subject to contract between partners, the mutual rights of partners are ____

- a) Right not to be expelled
- b) Right of access to books of accounts
- c) Right to be consulted
- d) All of the above

87. Which is beyond the scope of implied authority of a partner?

- a) Purchase or sale of goods on behalf of firm
- b) Borrowing money for the purpose of firm
- c) Enter into partnership on behalf of firm
- d) To engage a lawyer to defend actions against firm

88. Which of the following statement is true about registration of partnership?

- a) It must be done only before its formation
- b) It is compulsory but can be done any time after its formation
- c) It must be done only at the time of filing suit against third party
- d) It may be done at any time after its formation
89. Continuing guarantee given to a firm or to third party in respect of the transaction of a firm, when it is revoked?

- a) Change in the constitution of the firm
- b) When a partner takes money and misappropriates the amount
- c) When a partner misconducts with third party
- d) All of the above

90. Under the sale of goods Act 1930 if goods sold on brand or patent name there is no _____

- a) Implied condition
- b) Implied warranty
- c) Express condition
- d) Express warranty

91. The right of lien means _____

a) Retaining the possession

b) Regain the possession

c) Delivery of goods

d) None of the above

92. In which of the following cases ownership on goods is transferred to buyer

- a) Pledge
b) Bailment

c) Sale

d) All of the above

93. A agrees to buy a car from B with exchange of his old car and remaining in cash. This is a____

a) Contract of sale
b) Agreement to sell
c) Barter
d) Exchange

94. When the goods are with railway department as a carrier, the seller tries to exercise his right to stoppage of goods in transit. The buyer was also liable to the railway department in the past. Which of the following is correct?

a) Railway department can exercise the right of lien on the goods
b) The seller cannot exercise his right of stoppage
c) The seller can exercise his right of stoppage in transit
d) None of the above

95. If the seller makes a delivery of goods more than the contracted goods, what are the rights of the buyer?

a) Reject the whole goods
b) Accept the whole goods
c) Accept the contracted goods and reject the excess
d) All of the above
96. When the buyer treats condition as warranty,

- a) he losses the right to reject the goods
- b) he can claim only damages
- c) Both (a) & (b)
- d) None of the above

97. When the goods are delivered to buyer on sale or return or other similar terms, the property in the goods is transferred to the buyer ______

- a) When he signifies his approval
- b) When he does any other act adopting the transaction
- c) Both (a) & (b)
- d) None of the above

98. Goods that are identified and agreed upon at the time of contract of sale are called ____

- a) Existing goods
- b) Future goods
- c) Specific goods
- d) None of the above

99. When goods are sold by non-owners, buyer can get a good title. Which of the following statements is correct?

- a) Sale by mercantile agent
- b) Sale by one of the joint owners
- c) Sale by a person in possession under a voidable contract
- d) All of the above
100. When the property in the goods is transferred to the buyer?

- a) Specific goods
- b) Goods are in deliverable state
- c) Both (a) & (b)
- d) None of these

**Key – Part A – Fundamentals Accounting**

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**Key – Part B – Mercantile Laws**

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