Sample Questions

for

ASAT

(ALLEN Scholarship Admission Test)

CLASSROOM CONTACT PROGRAMME

COMMERCE

XII - PASSED

ALLEN® ACE JAIPUR CAMPUS

65, Surya Nagar, Ridhi Sidhi Crossing, Near Paramhans Dham, Gopalpura Bypass

Web : allen.ac.in/ace/jaipur | E-mail : infoace@allen.ac.in | Whatsapp : 8690424333

INSTRUCTIONS

Please read the instructions carefully. You are allotted 5 minutes specifically for this purpose.

Things NOT ALLOWED in EXAM HALL : Blank Paper, clipboard, log table, slide rule, calculator, camera, mobile and any electronic or electrical gadget. If you are carrying any of these then keep them at a place specified by invigilator at your own risk.

1. This booklet is your Question Paper. **DO NOT** break the seal of the Booklet until the invigilator instructs you to do so.
2. Fill your Form No. in the space provided at the top of this page.
3. The Answer Sheet is provided to you separately which is a machine readable Optical Response Sheet **(ORS)**. You have to mark your answer in the **ORS** by darkening the bubble, as per your answer choice, by using **black & blue ball point pen.**
4. Total Questions to be Attempted are **60** Questions.
5. After breaking the Question Paper seal, check the following:
   a. There are **..... pages** in the booklet containing question numbers. 1 to 60.
   b. Question paper contains total 60 questions under 4 sections which are Accountancy: 15, Economics: 10 Business Studies: 10 , Mathematics : 5
6. **Marking Scheme:**
   a. If darkened bubble is the RIGHT answer : **+3 Marks.**
   b. If darkened bubble is the WRONG answer : **-1 Marks.**
   c. If no bubble is darkened in any question: **No Mark.**
7. Think wisely before darkening the bubble as there is negative marking for wrong answer.
8. If you are found to be involved in cheating or disturbing others then your ORS will be cancelled.
9. Do not put any stain on ORS and hand it over properly to the invigilator.

PART-I (ACCOUNTANCY)

1. Accounts relating to properties or assets are known as –
(A) Real Accounts
(B) Personal Accounts
(C) Nominal Accounts
(D) None of above

2. Which of the following errors will affect the trial balance ?
(A) Repairs to building wrongly debited to Building A/c
(B) Total of Purchase Journal by ₹ 1,000 short
(C) Freight paid on new machinery debited to Freight A/c
(D) None of the above

3. Fees paid to lawyer for drawing a purchase deed of land is –
(A) Capital expenditure
(B) Revenue expenditure
(C) Deferred revenue expenditure
(D) None of the above

4. Bank balance as per pass book (Cr.) ₹ 5,090. A comparison of pass book and cash book revealed the following :
– The bank had directly collected dividend of ₹ 80 and interest ₹ 60.
– As per standing instruction bank had paid bills of ₹ 400.
Balance as per cash book will be –
(A) ₹ 5,630
(B) ₹ 5,350
(C) ₹ 4,550
(D) ₹ 4,830

5. In the case of downward revaluation of an asset which is for the first time, the account to be debited is .....
(A) Fixed Asset A/c
(B) Revaluation Reserve A/c
(C) Profit & Loss A/c
(D) General Reserve A/c

6. The net profit or loss is transferred to –
(A) Drawing Account
(B) Capital Account
(C) Suspense Account
(D) None of the above

7. An increase in one liability may lead to –
(A) Increase in another asset
(B) Decrease in liability
(C) Both (A) and (B)
(D) Either (A) or (B)

8. On the death of a partner, his executor is paid the share of profits of the dying partner for the relevant period. This payment is recorded in :
(A) Profit & Loss Account
(B) Profit & Loss Adjustment Account
(C) Profit & Loss Suspense Account
(D) None of the above

9. R, J & D are the partners sharing profits in the ratio 7 : 5 : 4. D died on 30th June, 2015 . It was decided to value the goodwill on the basis of 3 year's purchase of last 5 years average profits.it the profits are ₹ 29,600; ₹ 28,700 ; ₹ 28,900 ; ₹ 24,000 & ₹ 26,800. What will be D's share of goodwill ?
(A) ₹ 20,700
(B) ₹ 27,600
(C) ₹ 82,800
(D) ₹ 27,000

10. Where the continuing partners carry on the business of the firm, the dead partner whose claim is not settled, his executor-

X. is entitled to share of profits since date of cessation as partner.
Y. is not entitled to claim anything other then unsettled amount
Z. is entitled to 6% interest p.a. on the unsettled amount.
Select the correct answer from the options given below-
(A) Y is correct
(B) Only X is correct
(C) Only X is correct
(D) Either X or Z at his option.

11. X Ltd. Issued 10,000 shares of ₹10 each, ₹ 8 called up and received. It will be shown in 'Notes to Accounts-to-Balance Sheet' as:
(A) Issued Capital
(B) Subscribed and fully paid
(C) Subscribed but not fully paid
(D) None of these.

12. X Ltd issued 10,000 shares off 10 each fully called up and paid except final call off 2 on 500 shares. These. 500 shares will be shown in **'Notes to Accounts** to -Balance Sheet' under:
(A) Called up Capital
(B) Subscribed and fully paid
(C) Subscribed but not fully paid
(D) None of these.

13. X Ltd purchased building from Y Ltd for ₹36,00,000. Company issued …… shares ₹100 each to vendor at a premium of 20%.
(A) 30,000
(B) 36,000
(C) 45,000
(D) None of these.

14. Calls in Arrears is :
(A) Added in Share Capital
(B) Deducted from subscribed fully paid Capital
(C) Deducted from subscribed but not fully paid Capital
(D) Deducted from Called Up Capital

15. A company forfeited 400 shares of ₹ 10 each for the non-payment of ₹ 3 on share first and ₹ 2 on share final call. If shares are issued at par, share forfeiture account will be credited to Capital Reserve A/c by:
(A) ₹ 2,000
(B) ₹ 1,600
(C) ₹ 4,000
(D) None of the these.

PART-II (ECONOMICS)

16. A good questionnaire should have:
(A) Minimum questions
(B) Concise
(C) Clear
(D) All the above

17. Fisher's method of calculating index numbers is based on:
(A) arithmetic mean
(B) harmonic mean
(C) geometric mean
(D) none of these

18. Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below:
Assertion (A): When price remains same at all levels of output, then Price = MC at the equilibrium level.
Reason (R): When MC is greater than MR after equilibrium, it means

producing more will lead to decline in profits.

Alternatives:

(A) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is True but Reason (R) is False.

(D) Assertion (A) is False but Reason (R) is True.

19. If more is demanded at the same price or same quantity at a higher price, this fact of demand is known as:

(A) Extension of demand

(B) Increase in demand

(C) Contraction of demand

(D) Decrease in demand

20. If quantity supplied increases by 60% due to a 50% increase in price, then elasticity of Supply is:

(A) (–)1.2

(B) (+)1.2

(C) (–)0.83

(D) (+) 0.83

21. **Statement 1:** Value of intermediate goods is reflected in the value of final goods.

Statement 2: Remittances by the NRIs are not transfer payments.

(A) Both the statement is true

(B) Both the statement is false

(C) Statement 1 is true, and Statement 2 is false

(D) Statement 2 is true, and Statement 1 is false

22. Reforms were initiated in ____ in 1978, ___ in 1988 and _____ in 1991.

(A) India, Pakistan, China

(B) India, China, Pakistan

(C) Pakistan, China, India

(D) China, Pakistan, India

23. Who regulates money supply?

(A) Government of India

(B) Reserve Bank of India

(C) Commercial Banks

(D) Planning Commission

24. Multiplier is _____ related to MPC.

(A) Directly

(B) Not

(C) Indirectly

(D) Rarely

25. International Bank for Reconstruction and Development is popularly known as

(A) World Bank

(B) International Monetary Fund

(C) Reserve Bank of India

(D) None of these

PART-III
(BUSINESS STUDIES)

26. Higher dividend per share is associated with:

(A) High earnings, high cash flows, unstable earnings and higher growth opportunities

(B) High earnings, high cash flows, stable earnings and high growth opportunities

(C) High earnings, high cash flows, stable earnings and lower growth opportunities

(D) High earnings, low cash flows, stable earnings and lower growth opportunities

Case Study: Read the following text and answer question no. 27-29 on the basis of the same:

'Viyo Ltd.' is a company manufacturing textile. It has a share capital of ₹ 60 lakhs. The earning per share in the previous year was ₹ 0.50. For diversification, the company requires additional capital of ₹40 lakhs. The company raised funds by issuing 10% debentures for the same. During the current year the company earned profit of ₹ 8 lakhs on capital employed. It paid tax @ 40%. (Assume that the face value of a share is ₹ 10)

27. Identify the financial decision highlighted above.
(A) Capital Budgeting decision
(B) Financing decision
(C) Dividend decision
(D) Working capital decision

28. State whether the shareholders gained or lost, in respect of earning per share on diversification.

(A) Gain
(B) Loss
(C) No Gain, No Loss
(D) None of these

29. What is the reason for the gain/loss to the shareholders?
(A) The shareholders of the company lost in terms of EPS because EPS falls from ₹ 0.50 to ₹ 0.40 with the use of debt. It is because Return on Investment (ROI) of the company is less than the cost of debt.
(B) The shareholders of the company gained in terms of EPS because EPs rises from ₹0.50 to ₹ 0.60 with the use of debt. It is because Return on Investment (ROI) of the company is more than the cost of debt.
(C) The shareholders of the company neither gained nor lost because EPS remains the same i.e., ₹ 0.50 with the use of debt. It is because Return on Investment (ROI) of the company is equal to the cost of debt.
(D) None of the above

30. Identify the factors (s) that favour the issue of debentures by the company as part of its capital structure.
(A) Control
(B) Tax Rate
(C) Cash Flow Position
(D) All of these

31. Which of the following cannot be classified as an auxiliary to trade ?
(A) Mining
(B) Insurance
(C) Warehousing
(D) Transport

32. The Karta in Joint Hindu family business has
(A) Limited liability
(B) Unlimited liability
(C) No liability for debts
(D) Joint liability

33. Reconstruction of sick public sector units is taken up by
(A) MOFA
(B) MoU
(C) BIFR
(D) NRF

34. DTH services are provided by ……..?
(A) Transport companies
(B) Cellular companies
(C) Bank
(D) None of the above

35. The payment mechanism typically to e-business
(A) Cash on Delivery (CoD)
(B) Cheques
(C) Credit and Debit Cards
(D) e-Cash

PART-IV (MATHEMATICS)

36. If bc : ca : ab = 4 : 3 : 2, then find the ratio $\frac{a}{bc} : \frac{b}{ca}$
(A) 9 : 16
(B)16 : 25
(C) 16 : 9
(D) 2 : 1

37. X speaks truth in 60% and Y in 50% of the cases. The probability that they contradict each other while narrating the same fact is
(A) $\frac{1}{4}$
(B) $\frac{1}{3}$
(C) $\frac{1}{2}$
(D) $\frac{2}{3}$

38. The sum of all natural numbers between 100 and 1000 which are multiple of 5 is:
(A) 98,450
(B) 96.450
(C) 97.450
(D) 95,450

39. A sum of money doubles itself in 10 years. The number of years it would triple itself is
(A) 25 years.
(B) 15 years.
(C) 20 years
(D) none of these

40. The diagonal of a rectangle is 5 cm and one of it's sides is 4 cm. Its area is
(A) 20 sq.cm.
(B) 12 sq.cm.
(C) 10 sq.cm.
(D) none of these

Answer key

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Answer	A	B	A	B	C	B	D	C	A	D	C	C	A	C	A
Question	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Answer	D	C	B	B	B	C	D	B	A	A	C	B	B	A	D
Question	31	32	33	34	35	36	37	38	39	40					
Answer	A	B	C	B	D	A	C	A	C	B					