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UPPCS Lower Subordinate Exam Paper- 2008 :
Commerce

विषय : वाणिज्य**Sub : COMMERCE**

पूर्णांक : 200

Max. Marks : 200

समय : 2 घण्टे

Time : 2 Hours

अपना अनुक्रमांक बॉक्स में लिखें (अंकों में / शब्दों में)।

Write your Roll Number in the box (in numbers / in words)

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प्रश्नों के उत्तर के लिये केवल काले बाल प्वाइंट पेन का इस्तेमाल करें।

To mark Answer use Black ball point pen only.

जब तक न कहा जाए इस प्रश्न-पुस्तिका को न खोलें।

Till told, do not open the booklet.

अभ्यर्थी उत्तर पत्रक पर उत्तर देने से पहले सभी अनुदेशों को सावधानीपूर्वक पढ़ लें।

Candidate must read all the instructions before writing the answers.

आपको अपने सभी उत्तर केवल उत्तर पत्रक पर ही देने हैं। परीक्षा उपरान्त उत्तर-पत्रक इनविजिलेटर को लौटा दें।

You are to mark your answer on Answer Sheet only. After the examination is over, handover the Answer Sheet to the Invigilator.

महत्वपूर्ण अनुदेश	IMPORTANT INSTRUCTIONS
1. सभी प्रश्नों के उत्तर दीजिये। सभी प्रश्नों के अंक समान हैं।	1. Answer all questions. All questions carry equal marks
2. उत्तर पत्रक पर अभ्यर्थी अपना अनुक्रमांक, विषय, प्रश्न-पत्रक का सही कोड एवं सीरीज अंकित करें अन्यथा उत्तर-पत्रक का मूल्यांकन नहीं किया जायेगा और उसकी जिम्मेदारी स्वयं अभ्यर्थी की होगी।	2. The candidate should indicate the correct Roll Number, Subject, Paper Code and its Series on the Answer-Sheet, otherwise the Answer-Sheet will not be evaluated and the candidate will be solely responsible for it.
3. इस प्रश्न-पुस्तिका में 100 प्रश्न हैं। प्रत्येक प्रश्न के चार वैकल्पिक उत्तर दिये गये हैं। अभ्यर्थी सही उत्तर निर्दिष्ट करते हुए उनमें से केवल एक गोले अथवा बबल को उत्तर-पत्रक पर काले बाल प्वाइंट पेन से पूरा गहरा कर दें। एक से अधिक उत्तर देने की दशा में प्रश्न के उत्तर को गलत माना जायेगा एवं उसे जाँचा नहीं जायेगा।	3. This booklet contains 100 questions. Each question has 4 alternative answers. The candidate has to darken only one circle or bubble indicating the correct answer on the answer sheet using black ball point pen. If more than one answers are marked, it would be treated as wrong answer and it will not be examined.
4. प्रश्न-पुस्तिका को कवर पेज पर अथवा अन्दर कहीं भी कुछ न लिखें। यदि आप रफ कार्य करना चाहते हैं तो आप इनविजिलेटर से वर्किंग शीट माँग लें व इस पर वांछित सूचनाएँ भर लें।	4. Nothing is to be written on the cover page or any other page of this booklet. If you need a working sheet to do your rough work, please ask the invigilator for it and mention required information on it.
5. प्रश्न-पुस्तिका खोलने के तुरन्त बाद जाँच करके देख लें कि प्रश्न-पुस्तिका के सभी पेज भली भाँति छपे हुए हैं। यदि प्रश्न-पुस्तिका में कोई कमी हो तो इनविजिलेटर को दिखाकर उसी सीरीज व कोड की दूसरी पुस्तिका प्राप्त कर लें।	5. If you happen to find that the booklet issued to you does not have all the pages properly printed or it has any other deficiency, then you need to approach the invigilator to get another booklet of same series and code.

COMMERCE

1. Which one of the following is not a capital expenditure ?
 - (a) Compensation paid to dismissed employee.
 - (b) Legal expenses incurred in raising debenture loan.
 - (c) Carriage paid at the time of purchase of assets.
 - (d) Amount paid for acquiring goodwill.
2. Charging of capital expenditure to revenue results in
 - (a) Secret Reserve
 - (b) Revenue Reserve
 - (c) Capital Reserve
 - (d) None of these
3. Original cost of machine ₹ 1,26,000
 Estimated salvage value Nil
 Actual residual value ₹ 6,000
 Useful life of the machine 6 years
 Depreciation for the forth year under sum of years digits method will be
 - (a) ₹ 22,857
 - (b) ₹ 17,143
 - (c) ₹ 18,000
 - (d) ₹ 24,000
4. Advertising is a
 - (a) only art
 - (b) only science
 - (c) both science and art
 - (d) neither science nor art
5. Social and economic responsibilities of entrepreneurs include
 - (a) Responsibilities to debtors
 - (b) Responsibilities to patent holder's
 - (c) Responsibilities to suppliers of raw materials
 - (d) All the above
6. Share application money should be at least
 - (a) 10% of the face value
 - (b) 90% of the face value
 - (c) 50% of the face value
 - (d) 5% of the face value
7. Provident Fund is
 - (a) Provision
 - (b) Surplus
 - (c) Current liability
 - (d) Loan
8. Drawings account is of the nature
 - (a) Personal Account
 - (b) Real Account
 - (c) Nominal Account
 - (d) None of the above
9. Dividend is paid on
 - (a) Authorised capital
 - (b) Issued capital
 - (c) Paid up capital
 - (d) Subscribed capital
10. Tactical Planning is also known as
 - (a) Strategic Planning
 - (b) Operational Planning
 - (c) Corporate Planning
 - (d) Proactive Planning
11. Communication consists of
 - (a) Coding
 - (b) Decoding
 - (c) Both the above
 - (d) None of the above
12. Direction is associated with
 - (a) Order
 - (b) Supervision
 - (c) Guidance
 - (d) All of the above
13. Staffing function involves
 - (a) only top-level management
 - (b) only middle managers
 - (c) only personnel managers
 - (d) all managers
14. A budget is a plan that is
 - (a) only time-bound
 - (b) only quantitative
 - (c) only of single use
 - (d) all the above
15. Appointment of an auditor can cancelled by
 - (a) Board of Directors
 - (b) Managing Director
 - (c) Annual General Meeting
 - (d) Any one director

16. Imports which expand productive capacity, are known as
 - (a) Maintenance Imports
 - (b) Developmental Imports
 - (c) Anti-inflationary Imports
 - (d) None of the above
17. An effective control system should not be
 - (a) Simple
 - (b) Flexible
 - (c) Rigid
 - (d) Economical
18. The assumption that a business enterprise will not be sold or liquidated in future is known as
 - (a) Separate entity
 - (b) Going concern
 - (c) Periodicity
 - (d) Conservative
19. Security Premium Account is shown in the liability side of the Balance Sheet under the heading
 - (a) Share Capital
 - (b) Reserve and Surplus
 - (c) Current Liability
 - (d) Provisions
20. When exports exceeds imports
 - (a) The balance of trade is favourable.
 - (b) The balance of trade is unfavourable.
 - (c) The balance of payment is favourable.
 - (d) The balance of payment is unfavourable.
21. Subordinates enjoy greater autonomy under
 - (a) Zero span of control
 - (b) Narrow span of control
 - (c) Wide span of control
 - (d) Tall organisation structure
22. Service of L.I.C. is an important form of
 - (a) Social security
 - (b) Economic security
 - (c) Political security
 - (d) Environmental security
23. The primary objective of vouching is to
 - (a) prepare Trial Balance
 - (b) routine checking
 - (c) verify authenticity of account
 - (d) check the voucher
24. Which one is not a principle of insurance ?
 - (a) Insurable interest
 - (b) Utmost good faith
 - (c) Subrogation
 - (d) Annuity
25. Of the following, the only one that is not part of organising process is
 - (a) Departmentation
 - (b) Delegation of authority
 - (c) Fixation of responsibility
 - (d) Performance appraisal
26. The auditor for a co-operative society is appointed by
 - (a) Managing Committee of that society
 - (b) Members nominated by the Managing Committee
 - (c) Registrar of Co-operative Society
 - (d) None of the above
27. The primary objective of Financial Accounting is to
 - (a) control the cost
 - (b) support managerial functions
 - (c) prepare financial statements
 - (d) none of the above
28. Internet is networking of
 - (a) Telephones
 - (b) Computers
 - (c) Networks
 - (d) Departments
29. Liability can be limited in case of
 - (a) Public company
 - (b) Private company
 - (c) Partnership firm
 - (d) All of the above
30. Non-trading institutions prepare
 - (a) Income & Expenditure Account
 - (b) Trading and Profit & Loss Account
 - (c) Only Trading Account
 - (d) None of the above

31. Appearance of contingent liabilities as a footnote in the Balance Sheet is based on which of the following accounting principle ?
 (a) Convention of Conservation
 (b) Convention of Disclosure
 (c) Convention of Consistency
 (d) Cost Concept
32. The organisation in which power of authority runs in straight line is called
 (a) Military organisation
 (b) Functional organisation
 (c) Committee organisation
 (d) None of the above
33. Registration of partnership is
 (a) Compulsory
 (b) Voluntary
 (c) Not needed at all
 (d) None of these
34. The system of recording transactions based on dual aspect concept is called
 (a) Double Entry System
 (b) Double Account System
 (c) Single Account System
 (d) None of the above
35. A big store engaged in the retail trade of wide variety of articles under the same roof is called
 (a) Super market
 (b) Departmental stores
 (c) Multiple shops
 (d) None of the above
36. Consumer's Co-operative Store is set up by
 (a) Central Government
 (b) State Government
 (c) Registrar of Co-operative Societies
 (d) Members
37. A large amount spent on special advertisement is
 (a) Capital Expenditure
 (b) Revenue Expenditure
 (c) Revenue Loss
 (d) Deferred Revenue Expenditure
38. 'SWOT' is used for
 (a) Planning (b) Organising
 (c) Motivating (d) Controlling
39. In the foreign trade, the Bill of Lading relates to
 (a) the insurance of goods in transit.
 (b) the processing of goods.
 (c) the transit of goods.
 (d) the auction of goods damaged in-transit.
40. Current Account for partners should be opened when capital are
 (a) fluctuating
 (b) fixed
 (c) either fixed or fluctuating
 (d) none of the above
41. In company, a secretary can be only
 (a) a person
 (b) a firm
 (c) an incorporated firm
 (d) all of the above
42. At the time of retirement of a partner, profit or loss on revaluation of assets and liabilities is transferred to all partners' capital accounts in
 (a) new profit sharing ratio
 (b) old profit sharing ratio
 (c) capital ratio
 (d) none of the above
43. The process of planning starts from
 (a) Policy formulation
 (b) Objectives and goals
 (c) Strategy formulation
 (d) None of the above
44. The principle of indemnity applies to
 (a) life insurance only
 (b) life insurance and fire insurance
 (c) life insurance and marine insurance
 (d) fire insurance and marine insurance
45. Premium received on issue of Shares Account is shown at
 (a) Liabilities side of Balance Sheet
 (b) Assets side of Balance Sheet
 (c) Credit side of Profit & Loss Account
 (d) Debit side of Profit and Loss Account

46. Management functions are in the sequence of
 (a) organising, planning, controlling and leading
 (b) planning, organising, leading and controlling
 (c) controlling, planning, leading and organising
 (d) none of the above
47. A private company limited by shares
 (a) must issue a prospectus
 (b) may not issue a prospectus and may file a statement-in-lieu of prospectus
 (c) is neither required to issue a prospectus nor to file a statement-in-lieu of prospectus
 (d) must issue a prospectus and also file a statement-in-lieu of prospectus
48. After re-issuing the forfeited shares, the balance of share forfeited account is transferred to
 (a) Capital Reserve Account
 (b) General Reserve Account
 (c) Capital Redemption Reserve Account
 (d) None of the above
49. The objective of control function is
 (a) Punish the culprit
 (b) Watch the culprit
 (c) Take corrective action
 (d) None of the above
50. Which of the following features is not present with the partnership form of organisation?
 (a) Perpetual succession
 (b) Unlimited liability
 (c) Creation by an agreement
 (d) Voluntary organisation
51. Which of the following is shown in Profit & Loss Appropriation A/c.?
 (a) Provision for Income-tax
 (b) Provision for Depreciation
 (c) Provision for Doubtful Debts
 (d) Contribution to General Reserve
52. Who can inspect minute book of a company?
 (a) Shareholder without any fee
 (b) Debentureholder after payment of fee
 (c) Any person after payment of fee
 (d) None of the above
53. The profit ratio of A, B and C, who are partners in a firm is 4 : 3 : 2. After D is admitted their sacrificing ratio will be
 (a) Equal (b) 4 : 3 : 2
 (c) 3 : 2 : 1 (d) 5 : 3 : 2
54. In pre and post of incorporation, advertisement expenses are allocated in
 (a) Time ratio
 (b) Sales ratio
 (c) Equal ratio
 (d) None of the above
55. Motivation refers to
 (a) Coordinate the people
 (b) Guide the working people
 (c) Terrorise the people
 (d) Inducing people to work willingly
56. Foreign company means
 (a) Company incorporated within India
 (b) Company incorporated outside India
 (c) Business established outside India
 (d) Company incorporated outside India and established business within India
57. Examination of vouchers comes under the scope of
 (a) Routine checking
 (b) Vouching
 (c) Auditing
 (d) None of the above
58. The objective of training is to
 (a) Develop knowledge and skill
 (b) Provide information
 (c) Change the attitude
 (d) All the above

59. Company is an artificial person because
 (a) its size is distinct from natural person.
 (b) its existence is statutory.
 (c) it is invisible.
 (d) none of these.
60. Preliminary expenses is an item of
 (a) Revenue
 (b) Capital
 (c) Deferred Revenue
 (d) None of these
61. Deciding in advance, what is to be done in future is called
 (a) Management
 (b) Coordination
 (c) Planning
 (d) Decision-making
62. In case a company suffers loss
 (a) it has to pay interest on loan
 (b) it has to pay dividend on equity shares
 (c) it has to pay dividend on preference shares
 (d) it is not necessary to pay interest and dividend
63. The position of a Company Secretary is
 (a) Management agent
 (b) Administrative officer
 (c) Formal servant of the Board of Directors
 (d) Manager
64. For alteration in 'Name-clause' Section - 21 of Companies Act 1956 required
 (a) General Resolution.
 (b) Special Resolution
 (c) Approval of Central Government
 (d) Special Resolution and approval of Central Government
65. The controlling function does not include the function of
 (a) assigning duties to the staff.
 (b) setting standards of performance.
 (c) measuring performance from time to time.
 (d) taking action to bring the performance to right tracks.
66. Debentures can be redeemed by
 (a) purchase in the open market.
 (b) converting debentures into shares.
 (c) converting into new class of debentures.
 (d) all the above.
67. The concept of planning in business implies
 (a) a process of integrating the people with the organisation.
 (b) deciding in advance the objectives of the organisation and the means for attaining them.
 (c) a process of comparing the actual performance with standards.
 (d) a process of pulling all the parts of organisation together towards the achievement of its predetermined goals.
68. The main demerit of sole business is
 (a) unlimited liability
 (b) limited capital
 (c) limited credit
 (d) limited scope
69. The scalar principle of organisation implies
 (a) a subordinate should have only one superior.
 (b) line of authority must be clearly defined.
 (c) manager should directly supervise only a limited number of subordinates.
 (d) all authority must vest in on single person.
70. The part of the share capital which can be called up only on the winding up of a company is called
 (a) Authorised capital
 (b) Called-up capital
 (c) Winding up capital
 (d) Reserve capital
71. The liability of a partner in respect of firm's debt is limited upto the amount of
 (a) his capital in the firm.
 (b) his capital and loan given to the firm.
 (c) his guarantee to reimburse losses.
 (d) his share of capital and private property in the firm.

72. The membership of a Joint Hindu Family can be acquired by
 (a) Contract
 (b) Agreement
 (c) Birth
 (d) None of these.
73. Realisation principle of accounting does not apply to
 (a) Long-term construction contracts
 (b) Electricity generation and distribution
 (c) Shipping companies
 (d) Railways
74. The process of searching the prospective employees for an organisation is known as
 (a) Recruitment (b) Selection
 (c) Induction (d) Development
75. Which information is not essential in a share certificate?
 (a) Number of shares
 (b) Share is fully paid up or partly paid up
 (c) Name of shareholder
 (d) Name of the bank distributing dividend
76. Opening Stock ₹ 10,000
 Purchases ₹ 90,000
 Closing Stock ₹ 28,000
 Gross Profit 10% of sales
 The amount of sales will be
 (a) ₹ 60,000 (b) ₹ 72,000
 (c) ₹ 80,000 (d) ₹ 90,000
77. It is a statutory duty of a Company Secretary to
 (a) make allotment of shares without the consent of directors.
 (b) register transfer of shares of the company without being specifically authorised by directors.
 (c) observe all legal formalities without being specifically authorised by the Board of Directors.
 (d) borrow money in the name of the company.
78. The importer has to produce to take delivery of goods
 (a) Bill of Sight
 (b) Bill of Lading
 (c) Shipping Bill
 (d) Certificate of Origin
79. A job description provides information about
 (a) nature and characteristics of the job.
 (b) characteristics of the person performing the job.
 (c) characteristics of the organisation.
 (d) characteristics of the management.
80. Closing Stock appearing in the Trial Balance is shown in
 (a) The Balance Sheet only
 (b) Both Trading Account and Balance Sheet
 (c) Trading Account only
 (d) None of the above
81. Management by exception implies that control is applied to
 (a) Critical points
 (b) Middle points
 (c) Marginal points
 (d) All points
82. The doctrine of subrogation is used in
 (a) only in life insurance
 (b) only in fire insurance
 (c) only in marine insurance
 (d) both in fire and marine insurance
83. The main object of auditing is
 (a) to verify statements of accounts.
 (b) to discover errors and frauds.
 (c) to prevent errors and frauds.
 (d) All the above.
84. Principles of delegation include
 (a) Principle of unity of command
 (b) Principle of indivisibility of responsibility
 (c) Principle of scalar chain
 (d) All the above
85. Prospectus of a company is
 (a) an offer
 (b) an invitation to offer
 (c) an agreement
 (d) a contract

86. If ₹ 3,000 was outstanding at the beginning of the year towards subscription and ₹ 20,000 is received during the year with ₹ 5,000 still outstanding at the end of the year, the amount to be taken to Income and Expenditure Account will be
 (a) ₹ 22,000 (b) ₹ 17,000
 (c) ₹ 20,000 (d) ₹ 28,000
87. In which form of organisation, power of authority flows like a straight line
 (a) Line and Staff organisation
 (b) Line organisation
 (c) Functional organisation
 (d) Both (b) and (c)
88. Which one does not come under dissolution of partnership?
 (a) Change in profit ratio
 (b) Entry of new partner
 (c) Retirement of partner
 (d) Dissolution of firm
89. Single entry system is defective because under this system
 (a) Trial Balance cannot be prepared.
 (b) Trading and Profit & Loss Account cannot be prepared.
 (c) Balance Sheet cannot be prepared.
 (d) All these cannot be prepared.
90. To define the problem is the process of
 (a) Decision-making
 (b) Planning
 (c) Controlling
 (d) Co-ordinating
91. The analysis of published accounts benefits to
 (a) Shareholders
 (b) Debentureholders
 (c) Employees
 (d) All of these
92. Auditor's Report is required to be submitted to
 (a) The Directors of a Company
 (b) Banker's of a Company
 (c) Shareholder's of a Company
 (d) Creditors of a Company
93. Which of the following principles is not the principle of planning?
 (a) Principle of efficiency
 (b) Principle of primacy
 (c) Principle of alternative
 (d) None of these
94. When shares are forfeited, Share Capital Account is debited by
 (a) Nominal value of shares
 (b) Paid up value of shares
 (c) Called up amount of shares
 (d) Forfeited amount of shares
95. Which of the following is not the scope of planning?
 (a) Objectives (b) Policies
 (c) Budget (d) None of these
96. In which method of depreciation, the amount of depreciation goes on diminishing every year
 (a) Fixed Instalment Method
 (b) Annuity Method
 (c) Sum of Year's Digits Method
 (d) Depreciation Fund Method
97. Internal Auditor is appointed by the
 (a) Statutory Auditor
 (b) Shareholders of the company
 (c) Debentureholders of the company
 (d) Board of directors of the company
98. Discount on issue of shares account is shown in
 (a) Profit and Loss A/c.
 (b) Profit & Loss Appropriation A/c.
 (c) Assets side of the Balance Sheet
 (d) Liabilities side of the Balance Sheet
99. Debenture Redemption Reserve is created
 (a) out of profits
 (b) by issue of fresh shares
 (c) by issue of fresh debentures
 (d) by sale of assets
100. Government audit means
 (a) Audit of accounts of Government Departments
 (b) Audit of companies by persons appointed by Government
 (c) Audit under the provision's of law
 (d) All of the above