

**Question Booklet and Answer-Key**  
**Recruitment Test of Accountant Grade-II,**  
**Local Govt. Punjab Held on 30.3.2014.**

**Directions Qs.1-4:-** Mark the correct synonym, out of the four choices given, of the following words :-

1. Overwrought  
A) Tense                      B) Empathetic                      C) Oppressive                      D) Preposterous
2. Mannequin:-  
A) Mannerly                      B) Dummy                      C) Materialistic                      D) Massive
3. Pontifical:-  
A) Supportive                      B) Predominant                      C) Doctrinaire                      D) Potential
4. Restitution  
A) Cautious                      B) Occupation                      C) Seizure                      D) Recovery

**Directions Q. No. 5-7:** Mark the correct meaning of the italicized idioms/phrases used in the following sentences out of the four choices:-

5. The High Court has *set aside* the decree of the lower court.  
A) annulled                      B) reinforced                      C) condemned                      D) appreciated
6. Karimuddin *pulled through* the examination.  
A) did not appear at                      B) passed with difficulty                      C) became ill                      D) created disorder
7. Kirat has *knocked about* the world a great deal.  
A) wasted his time                      B) condemned the world  
C) wandered about                      D) exposed his innermost feelings to others

**Directions: Q.8-10:** Choose the correct preposition, out of the four given choices, to be filled in the gaps of the following sentences:-

8. After a long discussion, he will come round \_\_\_ our views.  
A) at                      B) in                      C) of                      D) to
9. Thousands of people in the villages were carried \_\_\_ by plague last year.  
A) off                      B) in                      C) of                      D) from
10. I feel quite done \_\_\_ now.  
A) by                      B) up                      C) at                      D) from
11. Washing soda is the common name for  
A) Calcium carbonate                      B) Calcium bicarbonate  
C) Sodium carbonate                      D) sodium bicarbonate
12. Red blood corpuscles are formed in  
A) Liver                      B) Small intestine                      C) Kidneys                      D) Bone marrow
13. Goitre is caused by the deficiency of  
A) Zinc                      B) Chlorine                      C) Iron                      D) Iodine
14. The scientific study of ageing is known as  
A) Etiology                      B) Geratology                      C) Osteology                      D) Teratology
15. In which language did Buddha preach?  
A) Pali                      B) Prakrit                      C) Brahmi                      D) Sanskrit
16. Who among the following Mughal rulers was ignorant of the art of reading & writing?  
A) Babar                      B) Humayun                      C) Akbar                      D) Jehangir
17. The theory of economic drain of India during British imperialism was propounded by  
A) M.K. Gandhi                      B) Jawaharlal Nehru                      C) Dadabhai Naoroji                      D) R.C.Dutt
18. Who declared: 'The only hope for India is from the masses. The upper classes are physically and morally dead'?  
A) Mahatma Gandhi                      B) Gopal Krishna Gokhale  
C) Swami Vivekananda                      D) Bal Gangadhar Tilak

19. Who was the first speaker of the Lok Sabha?  
 A) Malgaonkar B) P. Upendra  
 C) Anantha Sayanam Ayyanagar D) Hukum Singh
20. What is 'Zero hour'?  
 A) When the proposals of the opposition are considered  
 B) When matters of utmost importance are raised  
 C) interval between the morning and afternoon sessions  
 D) when a Money Bill is introduced in the Lok Sabha
21. The basic regulatory authority for mutual funds and stock markets lies with the  
 A) Government of India B) Reserve Bank of India  
 C) Securities and Exchange Board of India D) Stock Exchanges
22. Which of the following does publish 'World Investment Report' ?  
 A) WEF B) WTO C) GATT D) UNCTAD
23. CENVAT is associated with  
 A) Rate of indirect tax B) Rate of income tax  
 C) Rate of direct tax D) None of the above
24. Which of the following has been appointed as brand ambassador of the Gujarat State Election Commission:  
 A) Amitabh Bachan B) Cheteshwar Pujara  
 C) Ravinder Jadeja D) Irfan Khan
25. World Day against Child Labour is celebrated on:  
 A) June 12 B) June 16 C) June 20 D) June 11
26. Malala Yousazai fought for girls' education in Swat valley against the Taliban and was shot in head by Taliban militant. Her birthday was declared as Malala Day by UN General Secretary Ban Ki-Moon. The first Malala Day was observed on:  
 A) July 12, 2013 B) October 9, 2013 C) September 11, 2013 D) April 12, 2013
27. Bermuda Triangle extend upto which of the following places?  
 1. Southern Florida 2. Puerto Rico 3. Hawaii Islands  
 Which of the statement(s) given above is /are correct.  
 A) 1,2 and 3 B) 1 and 2 only C) 2 and 3 only D) 1 and 3 only
28. For which sport is the Val Barker Cup awarded in the Olympic Games?  
 A) Swimming B) Boxing C) Long Jump D) High Jump
29. Acid rain is caused by the pollution of environment by :  
 A) carbon dioxide and nitrogen B) carbon monoxide and carbon dioxide  
 C) ozone and carbon dioxide D) nitrous oxide and sulphur dioxide
30. Who is at present the Foreign Secretary of India?  
 A) Sujatha Singh B) Manorama Singh C) Amita Sharma D) Aruna Rai
31. 'Cell' is related to 'Tissue' in the same way as 'Tissue' is related to  
 A) Object B) Ear C) Organ D) Limb
32. Choose the word from the given alternatives that shows the same relationship as is found between the two words to the right of the sign ::  
 QPRS : TUWV :: JIKL : ?  
 A) NMOP B) NMPO C) MNPO D) MNOP
33. Three of the following are alike in a certain way and so form a group. Which is the one that does not belong to the group?  
 A) Volume B) Size C) Large D) Shape

34. Three of the following four are alike in a certain way and so form a group. Which is the one that does not belong to the group?  
 A) 62                      B) 42                      C) 152                      D) 110
35. In a certain code language, 'BAT' is written 'YZG'. How will 'SICK' be written in that same code?  
 A) HRYV                      B) HRZP                      C) HRXP                      D) RHPX
36. In a certain code language 'min fin bin gin' means 'Trains are always late', 'gin din cin hin' means 'Drivers were always punished', 'bin cin vin rin' means 'Drivers stopped all trains', 'din kin fin vin' means 'All passengers were late'.  
 In the same code, 'hin min kin' would mean:  
 A) Always late train                      B) all passenger trains  
 C) Passengers are late                      D) Passengers are punished

**Directions Q.No. 37 to 39:** Read the pattern of words/numbers and find the missing term from the given alternatives:

37. IAZ, KEB, ?, OOF, QUH  
 A) MDD                      B) MII                      C) MIO                      D) MID
38. 419, 738, 639, ?  
 A) 650                      B) 659                      C) 759                      D) 859
39. 4, 16, 36, 64, ?, 144  
 A) 81                      B) 90                      C) 100                      D) 121
40. Ravi walk 8 mt. North East and then 6 m South East. What is the straight line distance between the starting point and end point?  
 A) 10 mt                      B) 14 mt                      C) 7 mt                      D) 2 mt
41. If 'P + Q' means that P is the sister of Q, 'P - Q' means that P is the mother of Q, 'P x Q' means that P is the brother of Q, 'P ÷ Q' means that P is the father of Q. Which of the following means that M is the maternal-uncle of R?  
 A)  $M \times T - R$                       B)  $M \div T \times R$                       C)  $M + T \div K - R$                       D)  $M + N + J$
42. Poonam said to her friend, "Yesterday I attended the birthday party of the son of the only son-in-law of my mother's mother." How is Poonam related to the man, whose birthday party she attended?  
 A) Niece                      B) Daughter                      C) Sister                      D) Mother
43. In the following series, some letters are missing which are given in that order as one of the alternatives below it. Choose the correct alternative.  
 a - bc - a - bcda - ccd - bcd -  
 A) bdbcba                      B) daabbc                      C) adbbad                      D) adabcd

**Directions for Q.No.44 to 46:** Read the following information carefully and answer the questions given below:

- (i) Eight rooms P, Q, R, S, T, U, V and W are located adjacent to one another in two different rows with four in each row.  
 (ii) Doors of the rooms of one row open into the doors of the rooms of another row.  
 (iii) No room of consecutive letter is either adjacent or opposite to each other.  
 (iv) P and Q are the rooms located at the end of two different rows.  
 (v) R is just left of T and is located in the same row in which P is located.  
 (vi) U is just left of Q.
44. Which room is opposite to P?  
 A) S                      B) U                      C) W                      D) None of these
45. Which room is diagonally opposite to S?  
 A) Q                      B) W                      C) V                      D) None of these

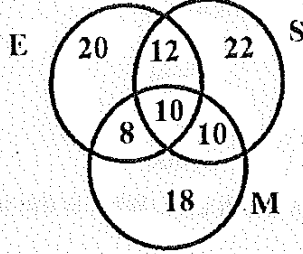
46. Which of the following room is not located at either ends?  
 A) Q                      B) V                      C) S                      D) W

47. How many parallelograms are there in the figure given below?



- A) 14                      B) 15                      C) 18                      D) 16
48. The ratio between the present ages of Ravi and Vinay is 7:15 respectively. Two years from now, Vinay's age will become twice the age of Ravi. What was the difference between their ages five years ago?  
 A) 13 year                      B) 16 year                      C) 11 year                      D) 18 year

**Directions Q. No. 49-50:** 120 candidates appeared in an examination in three subjects: English (E), Science (S) and Maths (M). The number of candidates who failed in E, S and M are shown in the following diagram:



49. Find the number of candidates who failed in atmost one subject.  
 A) 90                      B) 110                      C) 60                      D) 80
50. Find the % candidates who failed in atleast one subject.  
 A) 60%                      B) 50%                      C) 83.3%                      D) None of above
51. Which of the following is not a current asset?  
 A) Receivables                      B) Inventory                      C) Prepaid expenses                      D) Preliminary expenses
52. Cash flow statement is prepared under  
 A) Accounting Standard-1                      B) Accounting Standard -2  
 C) Accounting Standard -3                      D) Accounting Standard -4
53. Personal expenses are not recorded as per  
 A) Money Measurement Concept                      B) Cost Concept  
 C) Business Entity Concept                      D) Conservatism
54. With the increase in output, per unit fixed cost  
 A) Increases                      B) Decreases                      C) Remains Constant                      D) Randomly fluctuates
55. Which is a correct sequence?  
 A) Ledger – Journal – Trial Balance – P & L A/c – Balance sheet  
 B) Subsidiary Books – Journal – Trial Balance – P & L A/c – Balance sheet  
 C) Journal - Subsidiary Books – Trial Balance – P & L A/c – Balance sheet  
 D) Journal – Ledger - Subsidiary Books –P & L A/c – Trial Balance
56. Goods worth ₹ 5000 lost by fire will be  
 A) Debited to P & L A/C and Credited to Trading A/C  
 B) Credited to P & L A/C and Debited to Trading A/C  
 C) Debited to Assets and Credited to Trading A/C  
 D) Debited to Assets and Credited to P & L A/C

57. Which of the following is a Real Account?  
 A) Debtor's Account  
 B) Building Account  
 C) Creditor's Account  
 D) Rent Account
58. Working Capital refers to the  
 A) Capital invested by the owner  
 B) Fixed Assets - Current Assets  
 C) Current assets - Current liabilities  
 D) Capital - Drawings
59. Increase in working capital will be  
 A) Shown in sources side of Fund flow statement  
 B) Shown in application side of Fund flow statement  
 C) Added to calculate fund from operation  
 D) Deducted to calculate fund from operation
60. LIFO method is suitable in case of  
 A) Inflation  
 B) Deflation  
 C) Fluctuating Price  
 D) Constant Price
61. Out of pocket cost involve payment to  
 A) Sole proprietor  
 B) Employees  
 C) Outsiders  
 D) Partners
62. Bin card is a record of  
 A) Cost  
 B) Value  
 C) Quantity  
 D) Expense
63. Re-ordering level is computed through multiplying maximum period with  
 A) Maximum consumption  
 B) Minimum usage  
 C) Average usage  
 D) Re-order quantity
64. In contract account, profit is not transferred to P & L A/c if certified work is less than  
 A) 20% of contract price  
 B) 25% of contract price  
 C) 33.33% of contract price  
 D) 15% of contract price
65. The difference between fixed and variable cost is of special significance for preparing  
 A) Master budget  
 B) Sales budget  
 C) Cash budget  
 D) Flexible budget
66. Bank Reconciliation Statement is a statement  
 A) Prepared by customer to verify cash book balance with the bank statement balance  
 B) Prepared to verify the cash book  
 C) Prepared to verify the pass book  
 D) Prepared by bank to verify the cash book
67. The total of debit side of discount column in cash book represents  
 A) Excess of Discount allowed over discount received  
 B) Excess of Discount received over discount allowed  
 C) Total of Discount allowed  
 D) Total of Discount received
68. Which of the following statements is correct?  
 A) Assets - Capital = Liabilities  
 B) Assets + Capital = Liabilities  
 C) Assets + Profit = Liabilities  
 D) Assets - Profit = Liabilities
69. Gross profit is  
 A) Net profit less expenses of the period  
 B) Excess of sales over cost of goods sold  
 C) Excess of sales over Purchases  
 D) Net profit plus income of the period
70. If sales of XYZ Ltd is 40000, margin 20%, average stock is Rs 4000, what will be the stock turnover period  
 A) 6 times  
 B) 8 times  
 C) 12 times  
 D) 2 times
71. In case of fixed capitals accounts, partners' shares of profits will be  
 A) Debited to partners' capital accounts  
 B) Credited to partners' capital accounts  
 C) Debited to partners' current accounts  
 D) Credited to partners' current accounts

72. Prime cost does not include  
 A) Direct labour  
 B) Factory overhead expenses  
 C) Raw materials consumed  
 D) Direct Expense
73. At economic order quantity  
 A) Ordering cost > Holding cost  
 B) Ordering cost < Holding cost  
 C) Ordering cost = Holding cost  
 D) Ordering cost ≠ Holding cost
74. Which of the following is not calculated in respect of material variance?  
 A) Cost variance  
 B) Usage Variance  
 C) Yield Variance  
 D) Idle time Variance
75. If actual loss is less than estimated loss, the difference will be  
 A) Normal gain  
 B) Abnormal gain  
 C) Normal loss  
 D) Abnormal loss
76. Labour cost variance is the difference between standard cost and  
 A) Budgeted cost of labour  
 B) Actual cost of labour  
 C) Estimated cost of labour  
 D) Variable cost of labour
77. Which of the following variance is always adverse?  
 A) Yield variance  
 B) Idle time variance  
 C) Usage variance  
 D) Overhead variance
78. Idle quick ratio is  
 A) 2:1  
 B) 1:1  
 C) 3:1  
 D) 1:5
79. Capital expenditure represents the  
 A) Amount spent for purchase of assets  
 B) Expenses paid out of capital  
 C) Owner's personal expenses  
 D) Interest on capital
80. Which of the following is not used for analyzing financial statements?  
 A) Trend analysis  
 B) Fund flow analysis  
 C) Ratio analysis  
 D) Variance analysis
81. Under accrual basis of accounting, outstanding selling commission will  
 A) Reduce Gross profit  
 B) Increase Gross profit  
 C) Reduce Net profit  
 D) Increase Net profit
82. Which of the following is not used in inflation accounting?  
 A) Gearing adjustment  
 B) Depreciation adjustment  
 C) Cost of sales adjustment  
 D) Share capital adjustment
83. Which of the following is not true?  
 A) Accounting information is useful only to the management.  
 B) Under cash basis of accounting, no adjustments are made for outstanding expenses and accrued income  
 C) Accounting is the language of business.  
 D) Depreciation accumulated over few years following straight line method is more than that calculated under diminishing balance method.
84. Payment by debtors will  
 A) Increase total assets  
 B) Reduce total assets  
 C) Increase total liability  
 D) Will not affect total assets or total liability
85. Goods withdrawn for personal use should be recorded by  
 A) Debiting Drawings account and Crediting Purchase account  
 B) Debiting Purchase account and Crediting Drawings account  
 C) Debiting Purchase account and Crediting Capital account  
 D) Debiting Cash account and Crediting Purchase account
86. If the depreciated value of asset costing Rs. 120000 after 3 years comes at 66000 under straight line depreciation, rate of depreciation will be:  
 A) 25%  
 B) 15%  
 C) 10%  
 D) 20%

87. If the credit balance of bank as per cash book is Rs 20000 and there is a cheque worth Rs 2000 that has been issued but not presented, the balance as per pass book will be:  
A) 18000 Debit balance B) 18000 Credit balance  
C) 22000 Debit balance D) 22000 Credit balance
88. Which of the following is not included in cost of goods sold?  
A) Prime cost B) Factory overhead C) Selling overhead D) Direct Labour
89. If the net profit before charging manager's commission (5% on net profit after charging his commission) is Rs 378000; amount payable as commission will be  
A) 10000 B) 18900 C) 18000 D) 20000
90. Which of the following best measures firm's efficiency?  
A) Current ratio B) Proprietary ratio C) Debt equity ratio D) Debtor's turnover ratio
91. Which of the following best describes short term liquidity?  
A) Acid test ratio B) Proprietary ratio C) Debt equity ratio D) Inventory turnover ratio
92. Which of the following may have debit balance?  
A) Subscribed Share capital B) Working capital  
C) Paid up capital D) Authorized capital
93. The debit balance of returns shown in trial balance should be  
A) Deducted from Debit side of Trading account  
B) Deducted from Credit side of Trading account  
C) Deducted from Debit side of P & L account  
D) Deducted from Credit side of P & L account
94. Outstanding expenses shown in trial balance are recorded in  
A) Debit Side of P & L account B) Credit Side of P & L account  
C) Assets D) Liabilities
95. A started business with a capital of Rs 50000 out of which Rs 20000 has been borrowed. The correct entry will be  
A) Cash A/C Dr. 30000; Capital A/C Cr. 30000  
B) Cash A/C Dr. 50000; Capital A/C Cr. 30000; Loan A/C Cr. 20000  
C) Cash A/C Dr. 20000; Loan A/C Cr. 20000  
D) Cash A/C Dr. 50000; Capital A/C Cr. 20000; Loan A/C Cr. 30000
96. The balance of debtors as shown in trial balance is Rs 50000; Bad debts shown in trial balance are worth Rs 5000; Bad debts shown in adjustment are worth Rs 10000. What will be the value of provision for bad debts, if the same is to be created @ 10%?  
A) 5000 B) 3500 C) 4500 D) 4000
97. Which of the following is not a manufacturing overhead?  
A) Indirect labour B) Insurance of factory building  
C) Factory Rent D) Direct material
98. A furniture manufacturer requires small amount of glue. The glue used in production can be best described as  
A) Direct material B) Indirect material C) Prime cost D) Sundry expense
99. Manufacturing overheads are not known as  
A) Office overhead B) Factory overhead  
C) Indirect manufacturing cost D) Burden
100. Excess of sales over break-even point is known as  
A) Profit volume ratio B) Margin of safety C) Contribution D) Profit

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**KEY****Post: Accountant Grade-II (30.03.2014, Evening Session)**

Q.	Ans.	Q.	Ans.	Q.	Ans.	Q.	Ans.
1	A	26	A	51	D	76	B
2	B	27	B	52	C	77	B
3	C	28	B	53	C	78	B
4	D	29	D	54	B	79	A
5	A	30	A	55	C	80	D
6	B	31	C	56	A	81	C
7	C	32	C	57	B	82	D
8	D	33	A	58	C	83	A
9	A	34	D	59	B	84	D
10	B	35	C	60	A	85	A
11	C	36	D	61	C	86	B
12	D	37	D	62	C	87	A
13	D	38	D	63	A	88	C
14	B	39	C	64	B	89	C
15	A	40	A	65	D	90	D
16	C	41	A	66	A	91	A
17	C	42	C	67	C	92	B
18	C	43	C	68	A	93	B
19	C	44	A	69	B	94	D
20	A	45	C	70	B	95	B
21	C	46	D	71	D	96	D
22	D	47	C	72	B	97	D
23	A	48	B	73	C	98	B
24	B	49	D	74	D	99	A
25	A	50	C	75	B	100	B