

PPSC Competitive Exam for the Post of Accountant

Question Paper Along with Answer Key

Date: 21st June, 2014

Time: 03: 00 PM to 05:00 PM

Total Number of Questions: 100

Q 1.

At present the Right to Education in India is a :

Options:

- A) political right
- B) legal right
- C) fundamental right
- D) social right

Correct Option: Option "C"

Q 2.

Which one of the following is NOT a fundamental right of the Indian Constitution?

Options:

- A) Right to Equality
- B) Right against Exploitation
- C) Right to Constitutional remedies
- D) Right to Property

Correct Option: Option "D"

Q 3.

Which Article of the Indian Constitution provides for Common Civil Code?

Options:

- A) 48
- B) 44
- C) 46
- D) 50

Correct Option: Option "B"

Q 4.

The Vice-President is the Ex-officio chairman of the :

Options:

- A) Lok Sabha
- B) Planning Commission
- C) Rajya Sabha
- D) Election Commission

Correct Option: Option "C"

Q 5.

The Constitution of India vests the residuary powers in:

Options:

- A) the Union Government
- B) the States
- C) the Union and State governments
- D) none of the above

Correct Option: Option "A"

Q 6.

The first state in India to issue shoot at sight orders for poachers is _____

Options:

- A) Nagaland
- B) Madhya Pradesh
- C) Kerala
- D) Assam

Correct Option: Option "D"

Q 7.

Former Indian Air Force Chief N K Browne has been appointed as India's next ambassador to _____

Options:

- A) Pakistan
- B) Netherland
- C) Norway
- D) Australia

Correct Option: Option "C"

Q 8.

The "Indian Super League" is related to ____?

Options:

- A) Badminton
- B) Football
- C) Cricket
- D) Hockey

Correct Option: Option "B"

Q 9.

Recently, which among the following leading confectionery manufacturers has been renamed as Mondelez India Foods Limited?

Options:

- A) Cadbury India
- B) Nestle
- C) Nilgiris
- D) Mother Dairy

Correct Option: Option "A"

Q 10.

The "Mont Blanc Tunnel" links which of the following two countries?

Options:

- A) France and Germany
- B) France and Italy
- C) Germany and Switzerland
- D) Germany and Italy

Correct Option: Option "B"

Q 11.

The lowest layer of the atmosphere is known as:

Options:

- A) Stratosphere
- B) Ionosphere
- C) Troposphere
- D) Mesosphere

Correct Option: Option "C"

Q 12.

Which comet appears after every 76 years?

Options:

- A) Holme's
- B) Donati's
- C) Hailey's
- D) Alpha Centauri

Correct Option: Option "C"

Q 13.

Blizzards are characteristic of _____ region.

Options:

- A) equatorial
- B) tropical
- C) Antarctic
- D) temperate

Correct Option: Option "C"

Q 14.

The gas accidentally released by Union Carbide pesticide plant (Bhopal gas tragedy) in 1984 was:

Options:

- A) Methane
- B) Methyl isocyanate
- C) Sulphur dioxide
- D) Carbon monoxide

Correct Option: Option "B"

Q 15.

Diamond is a form of:

Options:

- A) nitrogen
- B) oxygen
- C) hydrogen
- D) carbon

Correct Option: Option "D"

Q 16.

The water that does not produce good lather with soap is called:

Options:

- A) heavy water
- B) soft water
- C) hard water
- D) polluted water

Correct Option: Option "A"

Q 17.

The age of a tree can be determined by:

Options:

- A) measuring its diameter
- B) measuring its height
- C) analyzing its sap
- D) counting the annual growth rings of its stem

Correct Option: Option "D"

Q 18.

The chemical substance present in bones and teeth is:

Options:

- A) Calcium phosphate
- B) Calcium borate
- C) Calcium sulphate
- D) Calcium chloride

Correct Option: Option "A"

Q 19.

Sickle cell anemia is a:

Options:

- A) genetic disorder
- B) virus disease
- C) bacteria disease
- D) disease due to vitamin deficiency

Correct Option: Option "A"

Q 20.

The organ of the body which is mainly damaged in hepatitis is the:

Options:

- A) kidney
- B) spleen
- C) liver
- D) lung

Correct Option: Option "C"

Q 21.

Night blindness could be caused by the deficiency of:

Options:

- A) Vitamin A
- B) Vitamin B
- C) Vitamin C
- D) Vitamin D

Correct Option: Option "A"

Q 22.

Which of the following countries is the leading producer of uranium?

Options:

- A) France
- B) Russia
- C) Canada
- D) India

Correct Option: Option "C"

Q 23.

How many paths were prescribed by Buddha to attain Nirvana?

Options:

- A) two
- B) the eightfold path
- C) nishkama karma
- D) the three jewels

Correct Option: Option "B"

Q 24.

Which one of the following period has been called the 'Golden Age' in Indian history?

Options:

- A) Chalukyas
- B) Pallavas
- C) Guptas
- D) Kushans

Correct Option: Option "C"

Q 25.

Who was the last Mughal Emperor?

Options:

- A) Dara Shikoh
- B) Bahadur Shah Zafar
- C) Aurangzeb
- D) Shah Alam

Correct Option: Option "B"

Q 26.

During the Indian freedom struggle, who among the following formed the party called 'Forward bloc'?

Options:

- A) M.N. Roy
- B) C. R. Das
- C) Subhash Chandra Bose
- D) Rash Behari Bose

Correct Option: Option "C"

Q 27.

The First Five year Plan adopted the:

Options:

- A) Lewis-Fei model
- B) Mahalanobis model
- C) Harrod Domar model
- D) Keynesian model

Correct Option: Option "C"

Q 28.

Where is the Sikh Heritage complex developed?

Options:

- A) Mansa
- B) Amritsar
- C) Ropar
- D) Anandpur Sahib

Correct Option: Option "D"

Q 29.

Who is the first Punjabi poetess to get the Jananpith Award?

Options:

- A) Amrita Shergil
- B) Amrita Pritam
- C) Dilip Kaur Tiwana
- D) Sharmila Panday

Correct Option: Option "B"

Q 30.

Which is the state animal of Punjab?

Options:

- A) Black Buck
- B) Buffalo
- C) Tiger
- D) Antelope

Correct Option: Option "A"

Q 31.

Accounting does not record non- financial transactions because of

Options:

- A) Entity Concept
- B) Accrual Concept
- C) Cost Concept
- D) Money Measurement Concept

Correct Option: Option "C"

Q 32.

Workmen Compensation under Dispute is an example of

Options:

- A) Contingent Liability
- B) Contingent Assets
- C) Current Liability
- D) Current Assets

Correct Option: Option "A"

Q 33.

Which of the following is an example of Capital Expenditure:-

Options:

- A) Insurance premium
- B) Taxes and Legal Expenses
- C) Discount allowed
- D) Custom duty on import of machinery

Correct Option: Option "D"

Q 34.

When the total of Trial balance is not reconciled , the account opened at this juncture is :-

Options:

- A) Trading Account
- B) Suspense Account
- C) Profit & Loss Account
- D) None of the options

Correct Option: Option "B"

Q 35.

Present liability of uncertain amount , which can be measured reliably by using substantial degree of estimation, is termed as :-

Options:

- A) Provision
- B) Liability
- C) Contingent Liability
- D) None of the options

Correct Option: Option "A"

Q 36.

Bank Overdraft is shown as a :-

Options:

- A) Current Liability
- B) Contingent Liability
- C) Unsecured Loan
- D) Provision

Correct Option: Option "A"

Q 37.

Which of the following is true?

Options:

- A) Bank Account is a Personal Account
- B) Stock of stationery Account is a Nominal Account
- C) Returns Inward Account is a Personal Account
- D) Outstanding rent Account is a Nominal Account

Correct Option: Option "A"

Q 38.

Which of the following errors is an error of principle?

Options:

- A) Total sales figure was taken as Rs. 19,373 instead of Rs. 19,733
- B) A discount of Rs. 30 allowed to Mr. A was not recorded in the discount allowed account
- C) Legal charges for acquisition of building for Rs. 500 was entered in the Legal Expenses Account
- D) Rs. 1,000 received from Mr. X was posted to the credit of Mr. M

Correct Option: Option "C"

Q 39.

Depreciation amount of a fixed asset represents —

Options:

- A) Historical cost less residual value
- B) Historical cost
- C) Historical cost less cost of disposal
- D) Book Value less scrap value

Correct Option: Option "A"

Q 40.

Rent outstanding for the month of December'12 will appear on-

Options:

- A) Debit side of Cash Book
- B) Credit side of Cash Book
- C) Either side
- D) Nowhere

Correct Option: Option "D"

Q 41.

Which of the following assets is a fictitious asset

Options:

- A) Goodwill A/c
- B) Prepaid Rent A/c
- C) Outstanding Salary A/c
- D) Preliminary expenses A/c

Correct Option: Option "D"

Q 42.

What is transferred to Hirer under hire purchase system :

Options:

- A) Ownership of assets
- B) Possession of asset
- C) Ownership and possession of asset
- D) None of the options

Correct Option: Option "B"

Q 43.

Arrangement of Balance Sheet in a logical order is known as —

Options:

- A) Dressing Balance Sheet
- B) Marshalling Balance Sheet
- C) Formatting Balance Sheet
- D) Make up of Balance Sheet

Correct Option: Option "B"

Q 44.

Which of these is an example of accelerate method of depreciation

Options:

- A) Written down value method
- B) Straight line method
- C) Sinking fund method
- D) Annuity method

Correct Option: Option "A"

Q 45.

From the following details what will be the partners' commission? Net profit before charging partners' commission Rs.65,000. Partners' commission @ 11% after charging such commission

Options:

- A) 6441
- B) 5431
- C) 7654
- D) 9876

Correct Option: Option "A"

Q 46.

A firm has a policy of changing depreciation on Plant and Machinery @ 10% under WDV Method. If the book value of Plant and Machinery was Rs. 81,000 on 31.03.2013. Find the original cost of the plant if the same was purchased on 01.04.2011

Options:

- A) Rs. 80000/-
- B) Rs. 100000/-
- C) Rs. 81000/-
- D) Rs. 120000/-

Correct Option: Option "B"

Q 47.

A club paid subscription fees of Rs.1,400. Out of which Rs. 200 is prepaid. In such case

Options:

- A) P&L A/C is debited with Rs. 1,400
- B) P&L A/C is debited with Rs. 1,200
- C) Rs. 200 is shown as current asset
- D) Both P&L A/C is debited with Rs. 1,200 and Rs. 200 is shown as current asset

Correct Option: Option "D"

Q 48.

Hire Purchase is governed by the Hire Purchase Act :-

Options:

- A) 1932
- B) 1972
- C) 1872
- D) 1956

Correct Option: Option "B"

Q 49.

Single entry system of book-keeping system:

Options:

- A) is best system
- B) is scientific system
- C) is incomplete system
- D) is most popular system.

Correct Option: Option "C"

Q 50.

What is transferred to Hirer under Instalment Payment system :

Options:

- A) Ownership of Assets
- B) Possession of Assets
- C) Ownership and Possession of assets
- D) None of the options

Correct Option: Option "C"

Q 51.

If goods worth Rs. 1,750 returned to a supplier is wrongly entered in sales return book as ` 1,570 , then

Options:

- A) Net Profit will decrease by Rs. 3,140
- B) Gross Profit will increase by Rs. 3,320
- C) Gross Profit will decrease by Rs. 3,500
- D) Gross Profit will decrease by Rs. 3,320

Correct Option: Option "D"

Q 52.

Any donation received for a specific purpose is a

Options:

- A) Liability
- B) Assets
- C) Revenue Receipts
- D) Capital Receipts

Correct Option: Option "D"

Q 53.

Computers taken on hire by a business for a period of twelve months should be classified as

Options:

- A) Current Asstets
- B) Intangible Assets
- C) deferred revenue expenditure
- D) Not an assets

Correct Option: Option "D"

Q 54.

To find out the opening and closing capitals, statement of affairs are prepared:

Options:

- A) One
- B) Two
- C) Four
- D) None of the options

Correct Option: Option "B"

Q 55.

The Balance Sheet gives information regarding the

Options:

- A) Results of operations for a particular period
- B) Financial position during a particular period
- C) Profit earning capacity for a particular period
- D) Financial position as on a particular date

Correct Option: Option "D"

Q 56.

Which of the following would not be reported as an investing activity?

Options:

- A) Selling a depreciable asset for cash at a loss.
- B) Purchasing a patent using cash.
- C) Purchasing land in exchange for stock.
- D) Purchasing shares of stock of another company using cash.

Correct Option: Option "C"

Q 57.

Which statement regarding the indirect method is false?

Options:

- A) Depreciation expense is added to net income.
- B) An increase in accounts receivable is added to net income.
- C) An increase in accounts payable is added to net income.
- D) An increase in merchandise inventory is subtracted from net income

Correct Option: Option "B"

Q 58.

In a statement of cash flows (indirect method), depreciation expense should be presented as:

Options:

- A) a cash flow from financing activities
- B) a cash flow from investing activities
- C) a deduction from net income
- D) an addition to net income

Correct Option: Option "D"

Q 59.

Which of the following accounts is not part of working capital?

Options:

- A) cash
- B) accounts receivable
- C) Inventory
- D) Investments

Correct Option: Option "D"

Q 60.

Which of the following is the focus for the statement of cash flows?

Options:

- A) cash
- B) cash and cash equivalents
- C) current assets
- D) working capital

Correct Option: Option "B"

Q 61.

Financial planning starts with the preparation of:

Options:

- A) Master Budget
- B) Cash Budget,
- C) Balance Sheet,
- D) None of the options

Correct Option: Option "D"

Q 62.

Evolution of Financial Management :-

Options:

- A) The Traditional Phase
- B) The Transitional Phase
- C) The Modern Phase.
- D) All of the options

Correct Option: Option "D"

Q 63.

Accounting Ratios are important tools used by

Options:

- A) Managers,
- B) Researchers,
- C) Investors,
- D) All of the options

Correct Option: Option "A"

Q 64.

In Ratio Analysis, the term Capital Employed refers to:

Options:

- A) Equity Share Capital
- B) Net Worth
- C) Shareholders Funds
- D) None of the options

Correct Option: Option "D"

Q 65.

Dividend Payout Ratio is:

Options:

- A) $PAT \div Capital$
- B) $DPS \div EPS,$
- C) $Pref. Dividend \div PAT,$
- D) $Pref. Dividend \div Equity Dividend$

Correct Option: Option "B"

Q 66.

In Net Profit Ratio, the denominator is:

Options:

- A) Net Purchases
- B) Net Sales
- C) Credit Sales,
- D) Cost of goods sold

Correct Option: Option "B"

Q 67.

The term 'EVA' is used for:

Options:

- A) Extra Value Analysis,
- B) Economic Value Added,
- C) Expected Value Analysis,
- D) Engineering Value Analysis.

Correct Option: Option "B"

Q 68.

Return on Investment may be improved by:

Options:

- A) Increasing Turnover
- B) Reducing Expenses
- C) Increasing Capital Utilization,
- D) All of the options

Correct Option: Option "D"

Q 69.

Which of the following does not help to increase Current Ratio?

Options:

- A) Issue of Debentures to buy Stock
- B) Issue of Debentures to pay Creditors,
- C) Sale of Investment to pay Creditors
- D) Avail Bank Overdraft to buy Machine.

Correct Option: Option "D"

Q 70.

Ratio of Net Income to Number of Equity Shares known as:

Options:

- A) Price Earnings Ratio
- B) Net Profit Ratio
- C) Earnings per Share,
- D) Dividend per Share.

Correct Option: Option "C"

Q 71.

Trend Analysis helps comparing performance of a firm

Options:

- A) With other firms
- B) Over a period of firm,
- C) With other industries,
- D) None of the options

Correct Option: Option "B"

Q 72.

XYZ Ltd. has earned 8% Return on Total Assests of Rs. 50,00,000 and has a Net Profit Ratio of 5%. Find out the Sales of the firm.

Options:

- A) Rs. 400,000
- B) Rs. 250,000
- C) Rs. 8,000,000
- D) Rs. 8,333,333.00

Correct Option: Option "C"

Q 73.

Suppliers and Creditors of a firm are interested in

Options:

- A) Profitability Position
- B) Liquidity Position
- C) Market Share Position
- D) Debt Position.

Correct Option: Option "B"

Q 74.

Gross Profit Ratio for a firm remains same but the Net Profit Ratio is decreasing. The reason for such behaviour could be:

Options:

- A) Increase in Costs of Goods Sold,
- B) If Increase in Expense
- C) Increase in Dividend,
- D) Decrease in Sales

Correct Option: Option "B"

Q 75.

Debt to Total Assets of a firm is .2. The Debt to Equity would be:

Options:

- A) 0.8
- B) 0.25
- C) 1
- D) 0.75

Correct Option: Option "B"

Q 76.

XYZ Ltd. has a Debt Equity Ratio of 1.5 as compared to 1.3 Industry average. It means that the firm has:

Options:

- A) Higher Liquidity
- B) Higher Financial Risk
- C) Higher Profitability
- D) Higher Capital Employed

Correct Option: Option "B"

Q 77.

Ratio Analysis can be used to study liquidity, turnover, profitability, etc. of a firm. What does Debt-Equity Ratio help to study?

Options:

- A) Solvency,
- B) Liquidity
- C) Profitability
- D) Turnover

Correct Option: Option "A"

Q 78.

In Inventory Turnover calculation, what is taken in the numerator?

Options:

- A) Sales
- B) Cost of Goods Sold
- C) Opening Stock
- D) Closing Stock

Correct Option: Option "B"

Q 79.

Retained earnings statement depicts:

Options:

- A) appropriation of profits
- B) estimates of profit
- C) estimates of costs
- D) None of the options

Correct Option: Option "A"

Q 80.

Which of the following is true:-

Options:

- A) Cash flow statement is based upon accrual basis of accounting
- B) Cash flow statement is useful for short term financial analysis.
- C) Cash flow statement is a substitute of Cash Account
- D) Cash from operations and funds from operations means the same thing .

Correct Option: Option "B"

Q 81.

If for two observations arithmetic mean is 80 and harmonic mean is 5 then geometric mean of them is

Options:

- A) 20
- B) 400
- C) 16
- D) None of the options

Correct Option: Option "A"

Q 82.

For moderately skewed distribution A.M. = 110, Mode = 104, then median is:

Options:

- A) 112
- B) 108
- C) 104
- D) None of the options

Correct Option: Option "B"

Q 83.

First 10 odd counting numbers each occurring twice has arithmetic mean

Options:

- A) 40
- B) 10
- C) 20
- D) None of the options

Correct Option: Option "B"

Q 84.

If the mode, variance and coefficient of skewness of a frequency distribution are 100, 16 and 6 respectively then mean of the distribution is

Options:

- A) 124
- B) 76
- C) 108
- D) None of the options

Correct Option: Option "A"

Q 85.

If the mean of a binomial distribution is 5 and standard deviation 2 find the number of items in the distribution

Options:

- A) 20
- B) 25
- C) 16
- D) 9

Correct Option: Option "B"

Q 86.

Mean deviation of first 5 positive integers about median is:

Options:

- A) 0
- B) 1.7
- C) 1.2
- D) None of the options

Correct Option: Option "C"

Q 87.

Statistics is derived from

Options:

- A) Latin word status
- B) Italian statista
- C) Both Latin word status and Italian statista
- D) None of the options

Correct Option: Option "A"

Q 88.

Class mark is

Options:

- A) A midpoint of
- B) Upper point of
- C) Lower class
- D) None class interval class interval

Correct Option: Option "A"

Q 89.

Open end class interval is one

Options:

- A) Which does not have upper limit
- B) Which does not have lower limit
- C) Which does not have upper and lower limit
- D) None of the options

Correct Option: Option "C"

Q 90.

Median is

Options:

- A) Average point
- B) Midpoint
- C) Most likely point
- D) Most remote point

Correct Option: Option "B"

Q 91.

Variance of first 5 positive integers is

Options:

- A) 3
- B) 2
- C) 1
- D) None of the options

Correct Option: Option "B"

Q 92.

An auditor who accepts an audit but does not possess the industry expertise of the business entity should

Options:

- A) engage experts
- B) obtain knowledge of matters that relate to the nature of entity's business
- C) inform management about it
- D) take help of other auditors

Correct Option: Option "B"

Q 93.

An auditor obtains knowledge about a new client's business and its industry to

Options:

- A) Make constructive suggestions concerning improvements to the client's internal control system
- B) Evaluate the appropriateness of audit evidence obtained
- C) Under stand the events and transactions that may have an effect on client's financial statements
- D) All of the options

Correct Option: Option "C"

Q 94.

Concurrent audit is a part of

Options:

- A) Internal check system
- B) Continuous audit
- C) Internal audit system
- D) None of the options

Correct Option: Option "C"

Q 95.

In India, balance sheet audit is synonymous to

Options:

- A) Annual audit
- B) Continuous audit
- C) Detailed audit
- D) Statutory audit

Correct Option: Option "A"

Q 96.

.....the audit risk,..... the materiality andthe audit effort

Options:

- A) Lower, Higher, Lower
- B) Lower, Lower, Higher
- C) Higher, Lower, Lower
- D) Lower, Higher, Higher

Correct Option: Option "A"

Q 97.

Which of the following methods of sample selection is least suitable for extrapolating results to the population?

Options:

- A) Systematic sampling
- B) Random sampling
- C) Haphazard sampling
- D) None of the options

Correct Option: Option "C"

Q 98.

For what minimum period should audit working papers be retained by audit firm?

Options:

- A) For the time period the entity remains a client of the audit firm
- B) For a period of ten years
- C) For the period the audit firm is in existence
- D)

Correct Option: Option "C"

Q 99.

Which of the following is not a revenue expense?

Options:

- A) Cost of raising a loan
- B) Cost of accessories of motor vehicles spent at the time of purchase
- C) Expenses incurred for laying of sewers on land purchased
- D) Insurance premium paid at the time of registration of the ship

Correct Option: Option "B"

Q 100.

If the book value of an asset stands atper cent of the original cost, a company need not provide depreciation on it.

Options:

- A) two
- B) fifteen
- C) five
- D) ten

Correct Option: Option "C"