

FOUNDATION COURSE EXAMINATION
JUNE 2024

107481

FUNDAMENTALS OF BUSINESS LAWS & BUSINESS COMMUNICATION

Full Marks: 100 (2×50)

Time Allowed: 1 hour

Choose correct option from the four alternatives given:

1. Money Bill is introduced in which House of the Parliament?
 - (A) Council of People-Lok Sabha
 - (B) Councils of States - Rajya Sabha
 - (C) Both the houses
 - (D) None of the Houses
2. Consideration Contemplated under Indian Law is
 - (A) Past Consideration only.
 - (B) Present Consideration only.
 - (C) Past, Present or Future Consideration
 - (D) Monetary Consideration only.
3. The term Unpaid Seller includes
 - (A) Agent of the Buyer
 - (B) Agent of the Seller
 - (C) Agent of the Carrier/ Transporter
 - (D) All of the above
4. An agreement will be unlawful if
 - (A) there is no consent.
 - (B) consent is not free.
 - (C) there is no considerations.
 - (D) the object is forbidden by law.
5. Feedback is needed in which way Communication?
 - (A) One way
 - (B) Two ways
 - (C) Both (A) and (B)
 - (D) None of the above
6. What are Personal Laws?
 - (A) Laws relating to inter-personal behaviour.
 - (B) Customs (religious beliefs) that have now been codified.
 - (C) Laws that a person makes.
 - (D) Laws based on opinion.
7. Agreements between a husband and wife living in friendly environment are
 - (A) Valid Contracts
 - (B) A Void Contract
 - (C) Domestic Arrangements
 - (D) Voidable Contract
8. A contract should be performed by
 - (A) the Promisor
 - (B) the Promisor's agent.
 - (C) Promisor's legal representative
 - (D) All of them

Please Turn Over

P-1(FBLC)

9. State which of the following statements is false:

- (A) When a bill is drawn, accepted or endorsed for consideration, it is a fictitious bill.
- (B) A Bill of Exchange is an unconditional order.
- (C) A cheque is always payable on demand.
- (D) The Negotiable Instrument Act, 1881 is applicable to the whole of India.

10. Writing is _____ in nature.

- (A) personal
- (B) impersonal
- (C) neutral
- (D) None of the above

11. Secondary/Subordinate legislation can not go beyond

- (A) the ambit of the Act.
- (B) the ambit of the Act or the Constitution of India.
- (C) the Constitution of India.
- (D) Directive Principles of State Policy.

12. If a party stands in a fiduciary relation to other,

- (A) he cannot dominate.
- (B) he can dominate the will of other.
- (C) the trust should be maintained.
- (D) None of the above

13. The term price has been defined in Section _____ of the Sale of Goods Act, 1930.

- (A) 2(10)
- (B) 2(7)
- (C) 2(4)
- (D) 2(2)

14. Who among the following cannot cross a cheque?

- (A) Drawer
- (B) Holder
- (C) Banker
- (D) Foreigner

15. Method of delivering the message is known as

- (A) receiver
- (B) channel
- (C) sender
- (D) feedback

16. State which of the following statements is true:

- (A) Case laws are judicial procedures.
- (B) Any elected Minister can pass an ordinance.
- (C) There is no punishment for contempt of court.
- (D) Only Acts passed by the Parliament of India or State Legislature are the laws.

17. Municipalities are provided for authority under which part of the Constitution of India?

- (A) Part IX
- (B) Part IX A
- (C) Part III
- (D) Part I

18. Which one of the following statements is correct?

- (A) Void agreement are always illegal.
- (B) Illegal agreements are voidable.
- (C) Illegal agreement can be ratified by the parties.
- (D) Illegal agreements are always void.

19. Which one of the following statements is false?

- (A) Only movable goods are subject matter of Sale of Goods Act, 1930.
- (B) Contract of sale creates right in personam.
- (C) Agreement to sell create right in rem.
- (D) Both (B) and (C)

20. There are _____ ingredients of offence under Sec. 138 of the Negotiable Instrument Act, 1881.

- (A) Two
- (B) Three
- (C) Four
- (D) Five

21. Need of proper Grammar and Syntax comes under which C of communications?

- (A) Completeness
- (B) Coherence
- (C) Courteous
- (D) Correctness

22. The grace period for payment of a negotiable instrument other than payable on demand is _____.

- (A) 7 days
- (B) 3 days
- (C) 1 month
- (D) 15 days

23. X contracted with Y to encroach upon Z's property forcefully. This contract is

- (A) Valid
- (B) Void
- (C) Illegal
- (D) Violable

24. Which of the following rights is/are available to an unpaid seller?

- (A) To resell the goods
- (B) To mortgage the goods
- (C) To consume the goods
- (D) All of the above

25. In a breach of conditions in a contract of sale, the buyer

- (A) cannot refuse to accept the goods.
- (B) has to pay the price.
- (C) can claim only damages.
- (D) can refuse to accept the goods.

26. In which business communication, a speaker has to clearly speak for or against a topic?

- (A) Presentations
- (B) Debate
- (C) Speech
- (D) Group discussion

27. State which of the following relates to disadvantages of referencing:

- (A) It is the basis of research using secondary data.
- (B) Too much referencing can lead to lack of originality.
- (C) It brings about rigidity in research and it is time consuming process.
- (D) Both (B) and (C)

28. _____ is commonly used to highlight certain important documents or matter of significance in a document.

- (A) Flowchart
- (B) Colour printing
- (C) Tables and graphs
- (D) None of the above

29. In FOB contract, property and risks passes on
- (A) shipment.
 - (B) landing at the port of destination.
 - (C) payment of the price.
 - (D) reaching the warehouse/godown of the buyer.
30. For which of these, rights of lien can not be exercised by an unpaid seller?
- (A) For dock charges
 - (B) Godown rent
 - (C) Warehousing charges
 - (D) All of the above
31. State which of the following statements is false:
- (A) The use of touch in communications is called Haptics.
 - (B) Change of command means levels of authority.
 - (C) Social media post is a written type of communication.
 - (D) Advertising is derived from Latin word "Venaliciium".
32. Which of the following is not an advantage of formal communication?
- (A) Reliable
 - (B) Fast
 - (C) Secrecy
 - (D) None of the above
33. At the end of the day, who needs to be satisfied?
- (A) Company
 - (B) Customers
 - (C) Suppliers
 - (D) None of the above
34. Select the odd one:
- (A) Estoppel
 - (B) Sale by Merchant Agent
 - (C) Sale by Power of Attorney Holder
 - (D) Sale by Joint Owner
35. Auctioner's tactics to raise the prices artificially is known as
- (A) Pretended Bidding
 - (B) Manipulated Bidding
 - (C) Inflated Bidding
 - (D) Rigged Bidding
36. Select the odd one:
- (A) Nominal damages
 - (B) Special damages
 - (C) Exemplary damages
 - (D) Symbolic damages
37. General offer can be accepted by
- (A) only senior citizens.
 - (B) any person competent to contract.
 - (C) the person indicted therein.
 - (D) None of them
38. Remission of contract means
- (A) Termination of Contract
 - (B) Lapse of a Contract
 - (C) Discharge of a Contract
 - (D) All of the above
39. Quasi-Contractual obligations are also called as
- (A) Contractual obligation
 - (B) Moral obligations
 - (C) Extra Contractual obligations
 - (D) Certain relations resembling those created by contract

40. Consensus ad-idems means
 - (A) meeting of the mind
 - (B) legality of objects
 - (C) illegality of considerations
 - (D) capacity to contract
41. Cheque is a
 - (A) Promissory Note
 - (B) Bill of Exchange
 - (C) Both (A) and (B)
 - (D) None of the above
42. If the words "not negotiable" are used with special crossing in a cheque, the cheque is
 - (A) not transferable
 - (B) transferable
 - (C) negotiable under certain circumstances
 - (D) None of the above
43. How many parties are involved in a Bill of Exchange?
 - (A) 2
 - (B) 3
 - (C) 4
 - (D) 1
44. Which of the following should be avoided in the group discussion?
 - (A) Positive body language
 - (B) Leadership initiative
 - (C) False statements
 - (D) Confidence
45. _____ parties are involved in a cheque
 - (A) 2
 - (B) 3
 - (C) 4
 - (D) None of the above
46. If an instrument may be construed either as a Promissory Note or Bill of Exchange, it is
 - (A) a valid instrument
 - (B) unambiguous instrument
 - (C) a returnable instrument
 - (D) None of the above
47. The phrase "a cheque in the electronic form" is defined in the Negotiable Instruments Act, 1881 under
 - (A) Section 6(a)
 - (B) Section 6(1)(a)
 - (C) Explanation 1(a) of Section 6
 - (D) None of the above
48. A corporation can be party to a negotiable instrument if
 - (A) authorised by its articles of associations.
 - (B) special permission of Board of Directors is taken.
 - (C) special resolutions by shareholders is passed.
 - (D) it is absolutely without any restrictions.
49. A Contract by a minor is voidable under the
 - (A) Indian Contract Act
 - (B) English Law
 - (C) Hindu Law
 - (D) Common Law
50. A Contract can be avoidable due to
 - (A) mistake of law of foreign country.
 - (B) mistake of law of own country.
 - (C) Both (A) and (B)
 - (D) None of the above

FUNDAMENTALS OF FINANCIAL AND COST ACCOUNTING

Time Allowed: 1 hour

Full Marks: 100 (2×50)

Choose correct option from the four alternatives given:

51. The economic life of an entity is artificially split into small equal time intervals in accordance with _____ concept.

- (A) going concern
- (B) matching
- (C) dual aspect
- (D) periodicity

52. Which of the following is not a framework of accounting?

- (A) Conceptual
- (B) Legal
- (C) Social
- (D) Institutional

53. Which component of financial statements directly represents the Accounting Equation?

- (A) Income Statement
- (B) Balance Sheet
- (C) Cash Flow Statement
- (D) None of the above

54. Which of the following is not a column in the triple column cash book?

- (A) Cash column
- (B) Bank column
- (C) Discount column
- (D) Petty cash column

55. A cheque issued to a party of ₹ 44,800 was recorded twice in the Cash Book. How should it be treated while drafting Bank Reconciliation Statement, if the balance as per Cash Book is the starting point?

- (A) ₹ 44,800 is to be deducted
- (B) ₹ 89,600 is to be added
- (C) ₹ 44,800 is to be added
- (D) ₹ 89,600 is to be deducted

56. Which of the following is true about Trial Balance?

- (A) It is a part of books of accounts.
- (B) It is a list of ledger balances.
- (C) It is a part of financial statements.
- (D) None of the above

57. ₹ 47,000 paid for installation of new machinery in the factory should be debited to _____ Account.

- (A) Machinery
- (B) Installation Expenses
- (C) Repairs
- (D) Factory

58. Recovery of bad debts

- (A) increases gross profit.
- (B) increases net profit.
- (C) decreases net profit.
- (D) decreases gross profit.

59. Under which method, depreciation is calculated on 'Original Cost' of fixed asset?

- (A) Fixed installment method
- (B) Production units method
- (C) Depletion method
- (D) Reducing balance method

60. Goods costing ₹ 1,28,000 taken for domestic use by proprietor were credited to Sales Account. While passing rectification entry _____ Account is to be debited and _____ Account is to be credited.

- (A) Advertisement; Purchases
- (B) Drawings; Purchases
- (C) Sales; Purchases
- (D) Sales; Suspense

61. In a consignment, the Proforma Invoice is sent by _____.

- (A) Consignee
- (B) Consignor
- (C) Customer
- (D) Banker

62. Anil draws a bill worth ₹ 60,000 on Vijay on March 1, 2024 for '30 days after date'. On which date will the bill mature, given that it was accepted on March 7, 2024?

- (A) March 31, 2024
- (B) April 1, 2024
- (C) April 3, 2024
- (D) April 10, 2024

63. On honour of a Bill of Exchange at maturity, no journal entry is required to be passed in the books of the drawer when

- (A) bill is retained till maturity.
- (B) bill is sent for collection.
- (C) bill is endorsed.
- (D) All of the above

64. What will be the accounting for goods purchased for joint venture by co-venturer in case separate set of books are maintained?

- (A) Debit: Goods A/c;
Credit: Co-Venturer's A/c
- (B) Debit: Joint Venture A/c;
Credit: Joint Bank A/c
- (C) Debit: Co-Venturer's A/c;
Credit: Joint Venture A/c
- (D) Debit: Joint Venture A/c;
Credit: Co-Venturer's A/c

65. Akash purchased goods costing ₹ 10,00,000, Vikash sold 4/5th of the goods for ₹ 12,50,000. Balance of the goods were taken over by Vikash at 'cost less 20%'. If same sets of books are maintained, determine the profit on venture.

- (A) ₹ 4,10,000
- (B) ₹ 2,50,000
- (C) ₹ 4,50,000
- (D) ₹ 5,00,000

66. In Memorandum Joint Venture accounting method, each co-venturer records

- (A) all transactions of joint venture.
- (B) common transactions of joint venture.
- (C) her/ his respective transactions of the joint venture.
- (D) transactions of the co-venturer.

67. Which of the following is not a component of financial statement of a trading sole proprietorship business concern?

- (A) Balance Sheet
- (B) Profit & Loss A/c
- (C) Profit & Loss Appropriation A/c
- (D) Trading A/c

68. What is the purpose of drafting Manufacturing Account?

- (A) Ascertaining cost on goods manufactured
- (B) Ascertaining profit/loss of goods manufactured
- (C) Ascertaining sale proceeds of goods sold
- (D) Both (A) and (B)

69. While drafting financial statements, 'Goods distributed as free samples but not yet accounted for in the books' is to be reflected in which of the component(s)?

- (A) Only in Trading A/c
- (B) Only in Profit & Loss A/c
- (C) Both in Trading A/c and Balance Sheet
- (D) Both in Trading A/c and Profit & Loss A/c

70. Outstanding Wages appearing in Trial Balance is reflected in

- (A) Trading A/c (Debit-side)
- (B) Profit & Loss A/c (Debit-side)
- (C) Balance Sheet (under Liabilities)
- (D) Profit & Loss Appropriation A/c (Debit-side)

71. In Ram's stationery business for the year 2023-24: Value of opening stock-in-trade is ₹ 4,00,000, Sales during the year is ₹ 20,00,000, Rate of Gross Profit is '25% on Cost' and Purchases is ₹ 24,00,000. What is the value of closing stock-in-trade?

- (A) ₹ 12,00,000
- (B) ₹ 14,00,000
- (C) ₹ 8,00,000
- (D) ₹ 15,00,000

72. Trade Mark is a

- (A) Fixed Tangible Asset
- (B) Fixed Intangible Asset
- (C) Current Asset
- (D) Fictitious Asset

73. Madhu's Trial Balance as at March 31, 2024 contains the following information:

12% Bank loan (since July 1, 2022) ₹ 2,00,000; Interest paid ₹ 20,000. What will be total amount of Interest debited to Profit & Loss A/c for the year 2023-24?

- (A) ₹ 2,20,000
- (B) ₹ 4,000
- (C) ₹ 20,000
- (D) ₹ 24,000

74. Subscription of a social club for the year 2023-24 appearing in Income & Expenditure A/c is ₹ 87,000. Ascertain the amount of Subscription received during the year, given the following details:

Arrear Subscription: On March 31, 2023 ₹ 10,000 and March 31, 2024 ₹ 12,000;
Advance Subscription: On March 31, 2023 ₹ 11,000 and March 31, 2024 ₹ 8,000

- (A) ₹ 84,000
- (B) ₹ 82,000
- (C) ₹ 92,000
- (D) ₹ 90,000

75. Income & Expenditure A/c of a non-profit organisation is by nature—

- (A) Nominal Account
- (B) Real Account
- (C) Personal Account
- (D) Fictitious Account

76. When Life Membership Fee is treated as a capital receipt, its

- (A) entire amount is credited to Income & Expenditure A/c.
- (B) entire amount is recorded as payments in Receipts & Payments A/c.
- (C) entire amount is added to Capital Fund in Balance Sheet.
- (D) None of the above

77. Provision for discount on debtors is correct only on

- (A) Insolvent debtors
- (B) Total debtors
- (C) Bad and Doubtful debtors
- (D) Total debtors after providing provision for bad debts

78. Jaggu purchased goods of ₹ 80,000 for cash at 10% trade discount and 5% cash discount. Purchase account is to be debited by

- (A) ₹ 72,000
- (B) ₹ 80,000
- (C) ₹ 76,000
- (D) ₹ 68,000

79. Goods purchased from Lokesh Ltd., but wrongly entered in the sales return book. After rectification of error the result will be

- (A) increase in gross profit.
- (B) decrease in gross profit.
- (C) no effect on gross profit.
- (D) increase in net profit.

80. Software A/c is a

- (A) Personal Account
- (B) Intangible Real Account
- (C) Nominal Account
- (D) Tangible Real Account

81. Which one of the following accounts is not opened in the books of consignor?

- (A) Consignment Account
- (B) Commission Account
- (C) Goods sent on Consignment Account
- (D) Consignee's Personal Account

82. Which one of the following statements is true?

- (A) Joint venture follows the going concern concept.
- (B) Accounting is concerned with both monetary and non-monetary transactions.
- (C) Comparability is one of the accounting concepts.
- (D) Financial statements are part of Accounting.

83. The manager is entitled to a commission of 2% on profits after deducting this commission. If the profits before charging such commission as well as interest on capital of ₹ 6,000 are ₹ 1,08,000, then manager's commission will be

- (A) ₹ 2,160
- (B) ₹ 2,000
- (C) ₹ 2,040
- (D) ₹ 2,280

84. Subscription received during the year ₹ 70,000; subscription outstanding at the beginning of the year ₹ 7,000. Income from subscription was shown as ₹ 75,000. What amount will be shown as subscription outstanding at the end of the year?

- (A) ₹ 12,000
- (B) ₹ 7,000
- (C) ₹ 5,000
- (D) ₹ 10,000

85. Bank balance as per Pass Book (credit) ₹ 25,000. Cheque issued worth ₹ 9,090, but recorded in cash book as ₹ 9,900. Find the bank balance as per cash book.

- (A) Cash book (Dr) ₹ 15,100
- (B) Cash book (Cr) ₹ 15,100
- (C) Cash book (Dr) ₹ 24,190
- (D) Cash book (Cr) ₹ 24,190

P-2(FFCA)

86. CAS 6 deals with
 (A) Material Cost
 (B) Employee Cost
 (C) Overheads
 (D) Pollution Control Cost
87. Which of the following is not a cost unit applicable for the services sector?
 (A) Passenger-Km
 (B) Tonne-Km
 (C) Room-Day
 (D) Cubic-feet
88. Which method of costing is appropriate for readymade garments industry?
 (A) Process Costing
 (B) Batch Costing
 (C) Multiple Costing
 (D) Contract Costing
89. The appropriate cost unit for _____ is 'Chargeable Hours'.
 (A) Power House
 (B) Hotel
 (C) Hospital
 (D) Audit Firm
90. The method of costing applicable for Hospitals is _____ Costing.
 (A) Operating
 (B) Single/ Output
 (C) Contract
 (D) Batch
91. GACAP stands for
 (A) Generally Accepted Cost Auditing Principles
 (B) Generally Accepted Cost Accounting Principles
 (C) Generally Accepted Cost Accountancy Practices
 (D) Generally Accepted Cost Accounting Procedures
92. Calculate the amount of Factory Rent given that: Prime Cost is ₹ 6,50,000, Works Cost is 200% of Prime Cost, Depreciation on Plant is ₹ 2,50,000 and Power & Fuel is ₹ 1,70,000
 (A) ₹ 5,20,000
 (B) ₹ 2,80,000
 (C) ₹ 2,30,000
 (D) ₹ 3,20,000
93. Which of the following item(s) is/are not included in Cost Sheet?
 (A) Donations
 (B) Collection expenses
 (C) Audit fees
 (D) All of the above
94. _____ is an example of Direct Expenses in book publication.
 (A) Cost of paper
 (B) Wages of printing staff
 (C) Royalty to authors
 (D) None of the above
95. Given that: Value of Raw Materials consumed is ₹ 2,00,000, Raw Materials purchased is ₹ 1,50,000 and Closing Stock of Raw Materials is ₹ 80,000, calculate the value of Opening Stock of Raw Materials.
 (A) ₹ 4,30,000
 (B) ₹ 30,000
 (C) ₹ 2,70,000
 (D) ₹ 1,30,000
96. _____ Costing is the adoption of identical costing principles and procedures.
 (A) Marginal
 (B) Uniform
 (C) Standard
 (D) Direct

97. Which one is False?

- (A) Tender is an estimation of selling price.
- (B) Rent on own building is imputed cost.
- (C) Fixed cost per unit increase with the increase of output.
- (D) Out of pocket costs involve payment to outsider.

98. Costs are classified into material costs, employees' costs and expenses, it is known as

- (A) Functional Classification.
- (B) Element-wise Classification.
- (C) Behavioral Classification.
- (D) Classification according to controllability.

99. Wages for abnormal idle time are charged to

- (A) Abnormal Overhead
- (B) Costing Profit & Loss Account
- (C) Production Cost
- (D) Job Cost

100. Which of the following items are not included in the Cost Sheet?

- (A) Cash Discount
- (B) Bank Interest
- (C) Donations to employees club
- (D) All of the above