

JUNE 2025

FUNDAMENTAL OF BUSINESS LAWS AND BUSINESS COMMUNICATION

Time Allowed: 1 hour

Full Marks: 100 (2×50)

Choose the correct answer from the given alternatives:

1. Which Articles of the Constitution of India have the power to entertain petitions of violation of Fundamental Rights?

- (A) Article 32
- (B) Article 226
- (C) Article 226 and Article 32
- (D) Article 356

2. In case of Hindu and Muslim family business, which Law prevail to divide there family properties?

- (A) Legal Laws
- (B) Government Laws
- (C) Their own Laws
- (D) None of the above

3. P invites Q to his wedding ceremony to which Q consented to attend. This is not a contract breach of which gives any remedy to either party because

- (A) it is not witnessed by two parties.
- (B) there is no intention to create legal obligations on the part of the parties.
- (C) there is no considerations.
- (D) formal invitation is not sent.

4. Select the odd one:

- (A) Condition as to Title
- (B) Condition as to Description
- (C) Condition as per Sample
- (D) Quiet Possession

5. State which of the following statements is true:

- (A) There is no punishment for Contempt of Court.
- (B) Case Laws are judicial precedents.
- (C) Any elected members can pass an ordinance.
- (D) The study of Indian Legal History can primarily be divided into three periods.

6. When no documents relating to Goods are annexed to bill, it is

- (A) Accommodation bills
- (B) Fictitious bill
- (C) Clean bill
- (D) Ambiguous bill

7. X owes Y ₹ 20,000. X paid ₹ 15,000 in full satisfaction of the debt to which Y agreed. This is the case of

- (A) Remission
- (B) Reduction
- (C) Redemption
- (D) Repayment

8. State which of the following is/are not a Negotiable Instrument:

- (A) Share Certificate with Blank Transfer Deed
- (B) Deposit Receipt and Mate Receipt
- (C) Both (A) and (B)
- (D) None of the above

P-1(FBLC)

9. An _____ may accept and pay the Bill of Exchange without previous protest (Section 116).

- (A) acceptor
- (B) acceptor for honour
- (C) drawee
- (D) drawee in case of need

10. Under the Sale of Goods Act, 1930, which of the following is/are the implied warranty (ies)?

- (I) Warranty of quiet possession
- (II) Warranty of freedom from encumbrances
- (III) Warranty of Title
- (IV) Warranty as to wholesomeness
- (A) (I) and (II)
- (B) (I) and (III)
- (C) (II) and (IV)
- (D) (III) and (IV)

11. Proforma invoice is used for which purposes?

- (A) Helps the Company for calculating of duties and taxes payable
- (B) Used as quotation
- (C) Both (A) and (B)
- (D) None of the above

12. FAS stands for

- (A) Free Alongside Ship
- (B) Free After Sale
- (C) Freight After Sales
- (D) None of the above

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13. Which factor is not in consideration while choosing means and mode of communication?

- (A) Cost factor
- (B) Nature and wealth of locality
- (C) Resources
- (D) Distance involved

14. State which of the following statements is false:

- (A) 'yours sincerely' is not used to conclude a business letter.
- (B) Name of the firm should be mentioned below the address of the writer.
- (C) 'with regards' must be mentioned in a business letter.
- (D) A job application is similar to a letter of order.

15. A Bench of three judges in a High Court is called

- (A) Smallest Bench
- (B) Division Bench
- (C) Triangular Bench
- (D) Full Bench

16. The decision given by Supreme Court are recorded in

- (A) AIR
- (B) SCC
- (C) AIR and SCC
- (D) ITR

17. Select the false statement:
- (A) Part acceptance of an offer is a valid acceptance.
 - (B) An actionable claim can always be assigned.
 - (C) Adequacy of consideration is not an essential element of a valid contract.
 - (D) Absence of free consent renders a contract voidable contract.
18. A contract which is valid initially however ceases to be enforceable subsequently
- (A) becomes voidable.
 - (B) becomes void when it ceases to enforceable.
 - (C) remains valid what may happen subsequently.
 - (D) becomes illegal if it ceases to be enforceable.
19. Commercial impossibility means
- (A) performance will not maximise profits of the promisor.
 - (B) performance will result in a loss to the promisor.
 - (C) performance will not give adequate profit to the promisor.
 - (D) performance will lead to strain on capacity utilization.
20. Office Order does not include
- (A) Order No.
 - (B) Subject
 - (C) Date
 - (D) Undersigned
21. State which of the following statement is false:
- (A) The word 'communicare' means share.
 - (B) Abbreviation must be avoided in business letter.
 - (C) Both (A) and (B)
 - (D) The Communication process is a circular model.
22. Which type of letter is not a goodwill letter?
- (A) Thank you letter
 - (B) Condolence letter
 - (C) Letter of complaint
 - (D) Letter of sympathy
23. Which is not a communication flow?
- (A) Upward
 - (B) Horizontal
 - (C) Vertical
 - (D) Diagonal
24. If a message is short and to the point, the message is said to be
- (A) correct
 - (B) concise
 - (C) coherent
 - (D) complete

25. Information overload is when _____.

- (A) listener gets inadequate information
- (B) listener gets too much information
- (C) listener gets adequate information
- (D) listener is inattentive

26. _____ damages are awarded by way of punishment.

- (A) Special
- (B) Vindictive
- (C) Nominal
- (D) All of the above

27. Communication of offer is complete only when

- (A) it is received by the offeree.
- (B) it is posted for transmission.
- (C) it comes to the knowledge of the offeree.
- (D) the offeree responds to it

28. A contract cannot be avoided due to

- (A) absence of free consent.
- (B) inadequacy of consideration.
- (C) Both (A) and (B)
- (D) None of the above

29. Select the odd one:

- (A) Sue for interest
- (B) Sue for refund of price
- (C) Sue for damages
- (D) Sue for reward

30. A male receipt is a/an
(A) document of Title of Goods.

- (B) Transfer Deed.
- (C) Goods Receipt.
- (D) acknowledgement for Receipt of Goods.

31. Which of these is not an essential requirement of a valid Bill of Exchange?

- (A) Acceptance
- (B) Consideration
- (C) Specific sum payable
- (D) Writing

32. Bills in sets are made in sets of

- (A) 3
- (B) 2
- (C) 4
- (D) 5

33. Liability of a drawer to compensate the holder in case of dishonour is primarily provided under

- (A) Section 30
- (B) Section 29
- (C) Section 31
- (D) Section 32

34. In a promissory note, the amount of money payable

- (A) must be certain.
- (B) may be certain or uncertain.
- (C) is usually uncertain.
- (D) None of the above

35. When a cheque is crossed generally, the banker on whom it is drawn

- (A) shall not pay it otherwise than to a banker.
- (B) shall not pay it otherwise than to the holder.
- (C) shall not pay it to a banker.
- (D) None of the above

36. Under which of these circumstances an agreement becomes void and illegal?

- (A) When it is forbidden by Law
- (B) When it is not voidable at the option of the other party
- (C) When it is not in writing
- (D) When it is an unilateral contract

37. State which statement is not true:

- (A) A minor can be an agent.
- (B) Capacity to contract is an essential condition to appoint an agent.
- (C) Both (A) and (B)
- (D) No consideration is required for appointment of an agent.

38. Which of the following statements is/are correct?

- (A) A breach of condition cannot be treated as a Breach of Warranty.
- (B) 'Caveat emptor' means that the buyer must be careful.
- (C) Seller is bound to disclose the defects in the goods to the buyer before sale.
- (D) Merchantability means that the goods must be of superior quality.

39. In case no price is fixed in a contract of Sale of Goods, the buyer is to pay

- (A) nothing.
- (B) reasonable price.
- (C) prevailing MRP less tax.
- (D) cost of production plus 10% profit.

40. Which of these statements is appropriate for a Hire Purchase Sale Agreement?

- (A) Buyer is the owner of the goods
- (B) The insolvency of the buyer, seller can take back goods
- (C) Hire Purchase Sale Agreement attracts Sales Tax liability at the time of agreement.
- (D) Instalment paid is treated as part of sales consideration rather than hire charges.

41. An agreement between two parties whereby one of the parties loses all the right against the other one is

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

42. Which of the following is a false statement?

- (A) Contingent Contract contains reciprocal promises.
- (B) Every Contingent Contract need not be a wagering agreement.
- (C) Contingent Contract is a contract to do or not to do something.
- (D) Contingent Contract are valid.

43. Which of the following is not covered under the quasi contract?

- (A) Finder of lost goods
- (B) Quantum meruit
- (C) Payment of money due by other
- (D) Payment of Contractual debt

44. Which of the following features is not a communication?

- (A) Continuous
- (B) Goal oriented
- (C) No flow of message
- (D) Interdisciplinary Science

45. Which of these is /are not an exception to the rule of Privity of Contract?

- (A) Family arrangement
- (B) Agency
- (C) Assignment
- (D) Agreement with minor

46. Which of the following statements is true?

- (A) An agreement with minor is void.
- (B) An agreement with minor is voidable.
- (C) The right of Estoppel is equally applicable against a minor.
- (D) A minor cannot be an agent.

47. Which of these is not an essential requirement of a contract under Sale of Goods Act?

- (A) Goods
- (B) Two parties
- (C) Must be in writing
- (D) Mutual consent

48. Under which circumstances an unpaid seller resales the goods?

- (A) When the goods are of perishable nature
- (B) When the goods are costly
- (C) Both (A) and (B)
- (D) None of the above

49. Section 5 of the Negotiable Instrument Act deals with

- (A) Bills of Exchange
- (B) Holder in due course
- (C) Cheque
- (D) Promissory Note

50. _____ is not a Negotiable Instrument as per customs and usage.

- (A) Delivery Note
- (B) Railway Receipt
- (C) Cheque
- (D) Government Promissory Note

FUNDAMENTALS OF FINANCIAL AND COST ACCOUNTING*Time Allowed: 1 hour**Full Marks: 100 (2×50)***Choose correct option from the four alternatives given:**

51. What is the primary purpose of financial accounting?
- ☒ (A) Providing financial information to stakeholders
- (B) To minimize taxes
- (C) To maintain details of assets and liabilities
- (D) All of the above
52. _____ is a science and art of correctly recording in the books of accounts all those transactions that result in transfer of money or money's worth.
- (A) Accounting
- (B) Accountancy
- (C) Journalizing
- ☒ (D) Book-keeping
53. In accounting, _____ provides a common set of rules and guidelines which is used to measure, recognise, present, and disclose the information appearing in an entity's financial statement.
- (A) framework
- (B) concepts
- (C) regulations
- (D) principles
54. Identify the Personal Account from the following:
- ☒ (A) Salary Payable Account
- (B) Taxes paid account
- (C) Investment Account
- (D) Trademark Account
55. _____ approach of determining debit and credit aspects of a transaction is based on conventional classification of accounts.
- (A) Diamond rule
- (B) Silver rule
- (C) Iron rule
- ☒ (D) Golden rule
56. The book(s) of accounts in which transactions of a specific type viz. credit purchases, credit sales etc. is/are initially recorded is called _____.
- (A) General Ledger
- (B) Special Ledger
- ☒ (C) Subsidiary Books
- (D) Journal
57. Expenses incurred for removal of inventories to a new site is by nature a
- ☒ (A) Revenue Expenditure
- (B) Capital Expenditure
- (C) Deferred Revenue Expenditure
- (D) None of the above
58. Which of the following is/are true about Bank Book?
- (A) It is a subsidiary book of account.
- (B) It is also known as Bank Journal.
- (C) Usually, large organisations with substantial volume of bank transactions maintain this book of account.
- ☒ (D) All of the above

59. Ledger contains various _____ in it.

- (A) transactions
- (B) entries
- ☒ (C) accounts
- (D) None of the above

60. Which of the following is not a feature of the Trial Balance?

- (A) It is only a statement of debit and credit balances of accounts.
- (B) It is a list of debit and credit balances which are extracted from various ledger accounts.
- ☒ (C) It is the part of financial statements.
- (D) All of the above

61. Consider the following statements:

Statement 1: Adjustment entries are recorded by an organisation in the General Journal.

Statement 2: Adjustment entries are passed to comply with the accounting principles.

- ☒ (A) Both statements are true.
- (B) Only Statement 1 is true.
- (C) Only Statement 2 is true.
- (D) Both statements are false.

62. _____ occurs only in case of wasting assets.

- ☒ (A) Depletion
- (B) Amortization
- (C) Obsolescence
- (D) Depreciation

63. Which of the following is not an internal factor causing depreciation?

- (A) Wear and tear of asset
- ☒ (B) Expiry of legal life of asset
- (C) Physical deterioration of asset
- (D) Exhaustion of asset

64. Bank balance as per Pass Book (Cr.) ₹ 1,000. Cheque deposited worth ₹ 2,000 but not yet collected. Find the bank balance as per Cash Book.

- (A) Cash Book (Dr.) ₹ 1,000
- (B) Cash Book (Cr.) ₹ 1,000
- ☒ (C) Cash Book (Dr.) ₹ 3,000
- (D) Cash Book (Cr.) ₹ 3,000

65. Gross profit is the difference between

- ☒ (A) sales and cost of goods sold.
- (B) sales and operating expenses.
- (C) sales and non-operating expenses.
- (D) sales and purchase.

66. In consignment business, the commission allowed by consignor to consignee for bearing the risk of bad debts arising out of credit sales is called

- (A) Ordinary Commission.
- (B) Extra Ordinary Commission.
- (C) Over-riding Commission.
- ☒ (D) Del credere Commission.

67. In a consignment accounting, the loading on opening stock of goods lying with consignee is accounted for by debiting _____ and crediting _____.

- (A) Consignment A/c; Consignment Stock Reserve A/c
- (B) Consignment Stock Reserve A/c; Consignment A/c
- (C) Opening Stock A/c; Consignment Stock Reserve A/c
- (D) Consignment Stock Reserve A/c; Opening Stock A/c

68. J of Jammu consigned 3000 kg. apples to K of Kolkata, the cost being ₹ 60 per kg. plus ₹ 12,000 for freight. It is estimated that 20% loss of the goods is unavoidable. The value per kg. of apple at Kolkata will be

- (A) ₹ 80 per kg.
- (B) ₹ 64 per kg.
- (C) ₹ 75 per kg.
- (D) ₹ 60 per kg.

69. Aarti and Bharti enter into a joint venture sharing profits and losses equally. Aarti purchased 10000 kg. of rice @ ₹ 50 per kg. Bharti purchased 2000 kg. of millet @ ₹ 60 per kg. Aarti sold 2000 kg. of millet @ ₹ 70 per kg., while Bharti sold 10000 kg. of rice @ ₹ 60 per kg. Given that same set of books are maintained to record the joint venture transactions, the share of profit of Bharti is

- (A) ₹ 2,20,000
- (B) ₹ 1,20,000
- (C) ₹ 60,000
- (D) ₹ 55,000

70. For co-venturer's capital contribution, in case of separate sets of books

- (A) Joint Bank A/c is to be debited and Joint Venture A/c is to be credited.
- (B) Co-venturer's A/c is to be debited and Joint Bank A/c is to be credited.
- (C) Joint Venture A/c is to be debited and Co-venturer's A/c is to be credited.
- (D) Joint Bank A/c is to be debited and Co-venturer's A/c is to be credited.

71. On 10.02.2025, Gopal draws a bill of ₹ 2,00,000 on Murari for 3 months. What will be the due date of the bill if the government declared a sudden holiday on 13.05.2025?

- (A) 10.05.2025
- (B) 12.05.2025
- (C) 13.05.2025
- (D) 14.05.2025

72. Kabir drew a bill on Suresh for ₹ 6,00,000. Kabir endorsed it to Amar, who further endorsed it to Prem. On the date of maturity, the payee of this bill will be

- (A) Kabir
- (B) Prem
- (C) Suresh
- (D) Amar

73. Mudit draws a bill on Saurav for ₹ 6,00,000 on February 1, 2025 for 3 months. At maturity, the bill was dishonoured and noting charges incurred was ₹ 6,000. 40 paise in a rupee was recovered from Saurav's estate. The amount of deficiency to be recorded on insolvency in the books of Saurav will be

- (A) ₹ 2,40,000
- (B) ₹ 2,42,400
- (C) ₹ 3,63,600
- (D) ₹ 3,66,000

74. Which of the following is not a component of the financial statements of a business organisation?

- ☒ (A) Trial Balance
- ☐ (B) Balance Sheet
- ☐ (C) Trading Account
- ☐ (D) Profit & Loss Appropriation Account

75. 'Income Tax paid' of the proprietor appearing in Trial Balance (Debit column) will get reflected in

- ☐ (A) Debit-side of Profit & Loss A/c.
- ☐ (B) Asset-side of Balance Sheet as a separate item.
- ☐ (C) Liabilities-side of Balance Sheet as a separate item.
- ☒ (D) Liabilities-side of Balance Sheet as deduction from balance of Capital A/c.

76. Ascertain the Gross profit of Arjun Stores, a sole proprietorship business, given that:

Cost of Goods sold ₹ 7,75,000, Sales ₹ 9,20,000, Returns outwards ₹ 20,000 and Closing inventories ₹ 50,000.

- ☐ (A) ₹ 1,75,000
- ☒ (B) ₹ 1,25,000
- ☐ (C) ₹ 1,45,000
- ☐ (D) ₹ 1,95,000

77. Profit & Loss Account is drafted for determination of

- ☐ (A) Balance of Capital A/c
- ☒ (B) Net profit or Net loss
- ☐ (C) Owner's equity
- ☐ (D) Gross profit or Gross loss

78. At the time of finalisation of accounts, 'Loss on Sale of Fixed Assets A/c' is closed by transfer to

- ☒ (A) Debit-side of Profit & Loss A/c.
- ☐ (B) Credit-side of Profit & Loss A/c.
- ☐ (C) Debit-side of Trading A/c.
- ☐ (D) Debit-side of Profit & Loss Appropriation A/c.

79. Which of the following is/are item(s) reflected under Current Liabilities in the Balance Sheet?

- ☐ (A) Accounts payable
- ☐ (B) Outstanding expenses
- ☐ (C) Advances from customers
- ☒ (D) All of the above

80. Elka's Trial Balance consists of the following information:

Bad Debts ₹ 10,000; Provision for Doubtful Debts (opening balance) ₹ 16,000.

At the time of finalisation, it is desired to maintain the balance of Provision for Doubtful Debts A/c at ₹ 11,000. For that purpose,

- ☐ (A) Profit & Loss A/c is to be debited with ₹ 17,000.
- ☐ (B) Profit & Loss A/c is to be debited with ₹ 15,000.
- ☒ (C) Profit & Loss A/c is to be debited with ₹ 5,000.
- ☐ (D) Profit & Loss A/c is to be credited with ₹ 5,000.

81. The capital of a non-profit seeking organisation is generally known as

- (A) Equity
- ☒ (B) Capital Fund
- (C) Finance Reserve
- (D) Cash Fund

82. Which of the following is/are not true about Income & Expenditure Account?

- (A) It is by nature a real account.
- (B) It deals with transactions of capital nature only.
- (C) It is drafted on cash basis.
- ☒ (D) All of the above

83. Consider the following statements:

Statement 1: In Receipts and Payments Account, transactions are recorded on accrual basis.

Statement 2: In Income & Expenditure Account, incomes/gains get credited and expenses/losses are recorded in the debit side.

- (A) Only Statement 1 is true.
- ☒ (B) Only Statement 2 is true.
- (C) Both statements are true.
- (D) Both statements are false.

84. Proceeds from sale of old magazines, newspapers etc. by a social club is

- (A) shown in the right-side of Receipts & Payments A/c.
- (B) shown as expenditure in the Income & Expenditure A/c.
- ☒ (C) shown as income in the Income & Expenditure A/c.
- (D) None of the above

85. Expenses incurred to obtain licence for starting a factory is _____ Expenditure.

- (A) Prepaid
- ☒ (B) Capital
- (C) Revenue
- (D) Deferred Revenue

86. _____ involves maintenance of records of all costs from their incurrence to their charge to cost centres and ultimately to products and services.

- (A) Cost ascertainment
- (B) Cost control
- ☒ (C) Cost book-keeping
- (D) Cost reporting

87. CAS 19 deals with _____.

- (A) Material Cost
- (B) Cost of Utilities
- (C) Direct Expenses
- ☒ (D) Joint Costs

88. Which method of costing is appropriate for advertising industry?

- (A) Process Costing
- ☒ (B) Job Costing
- (C) Multiple Costing
- (D) Contract Costing

89. Direct material and direct labour are ₹ 2,05,000 and ₹ 2,32,000 respectively. If the factory overhead is 50% of direct labour, then factory cost will be

- (A) ₹ 5,60,000
- (B) ₹ 5,46,600
- ☒ (C) ₹ 5,53,000
- (D) ₹ 4,37,000

90. In the context of decision making, _____ costs are considered to be pertinent.

- ☒ (A) Relevant
- (B) Sunk
- (C) Imputed
- (D) None of the above

91. Which of the following is not a part of 'Prime Cost'?

- (A) Direct Materials
- (B) Direct Expenses
- (C) Direct Labour
- ☒ (D) Power

92. Appropriate composite cost unit for the transport sector is

- (A) per tonne
- (B) per passenger
- ☒ (C) per passenger-km
- (D) number of vehicles

93. Calculate the profit per unit.

Given that: Number of units produced and sold is 16000; Cost of Production is ₹ 4/unit; Selling & Distribution overheads is ₹ 1/unit; Selling price is ₹ 10/unit.

- (A) ₹ 3
- ☒ (B) ₹ 5
- (C) ₹ 8
- (D) ₹ 10

94. The costs which vary disproportionately with change in activity level are called

- (A) Behavioural costs
- ☒ (B) Variable costs
- (C) Indirect costs
- (D) Semi-variable costs

95. The costs of common resources used for producing two or more products or rendering two or more services simultaneously are called

- ☒ (A) Joint costs
- (B) Batch costs
- (C) Process costs
- (D) Research costs

96. Which of the following is the classification of cost 'by traceability to cost object'?

- (A) Fixed costs, Variable costs & Semi-variable costs
- (B) Normal costs & Abnormal costs
- (C) Controllable costs & Non-controllable costs
- ☒ (D) Direct costs & Indirect costs

97. Variable costs are fixed

- (A) for a period.
- (B) depending upon the unit.
- (C) for a process of production.
- ~~(D) per unit.~~

98. Given that, Gross Factory Cost is ₹ 2,03,000; Net Factory Cost is ₹ 1,89,000; Opening Stock of work-in-progress is ₹ 28,000, determine the value of Closing Stock of work-in-progress.

- (A) ₹ 3,000
- (B) ₹ 14,000
- ~~(C) ₹ 42,000~~
- (D) ₹ 54,000

99. Which of the following is included in financial accounts, but not in cost accounts?

- (A) Dividend Paid
- (B) Interest on Loan
- (C) Provision for Bad Debts
- ~~(D) All of the above~~

100. 'Interest on capital' to owners is a

- (A) Cash cost
- (B) Sunk cost
- (C) Prime cost
- ~~(D) Notional cost~~

Space for Rough Work

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