

PSC Commercial Tax Officer - SR For ST Only And Direct - Commercial Taxes Dept Examination Previous Year Question Paper

***Exam Name: Commercial Tax Officer - SR For
ST Only And Direct - Commercial Taxes Dept***

Date of Test : 07.02.2015

Question Paper Code: 026/2015

Medium of Questions: English



26/2015

Maximum : 100 marks

Time : 1 hour and 15 minutes

1. Balance sheet shows :
(A) dynamic financial position (B) fund flow position
(C) static financial position (D) none of these
2. Cash payment as interest on debentures and loans is a ————— activity.
(A) operating (B) financing
(C) lending (D) investing
3. The portion of the value of work that the architect of the contractee agrees as to have been done is :
(A) work retained (B) work completed
(C) work uncertified (D) work certified
4. Works on cost is otherwise called :
(A) works overhead (B) works cost
(C) cost of production (D) prime cost
5. In funds flow statement, fund means :
(A) total capital (B) total assets
(C) total cash and bank (D) working capital
6. Dividend declared in between two annual general meeting is :
(A) internal dividend (B) interim dividend
(C) final dividend (D) scrip dividend
7. The discount on reissue of forfeited shares should not exceed :
(A) the amount paid by the original holder
(B) the amount unpaid by the original holder
(C) the called up value of shares
(D) the face value of shares

8. Production budget is a _____ Budget.
(A) master (B) fixed
(C) functional (D) none of these
9. _____ is an application of fund.
(A) Depreciation (B) Sale of fixed asset
(C) Purchase of fixed asset (D) Fund from operation
10. _____ cost is also known as period cost.
(A) Variable (B) Fixed
(C) Product (D) All of these
11. Piece meal distribution is in connection with :
(A) incorporation of firm (B) consignment
(C) joint venture (D) dissolution of firm
12. _____ commission is given for bearing risk of bad debts.
(A) Delcredere (B) Overriding
(C) Special (D) Brokerage
13. Debit note is prepared in connection with :
(A) credit sale (B) credit purchase
(C) return inwards (D) return outwards
14. _____ system is a method of accelerating the cash inflows.
(A) JIT (B) Lock box
(C) ABC (D) Factoring
15. A buffer to meet the un anticipated increase in the usage of material is called :
(A) minimum stock (B) maximum stock
(C) safety stock (D) danger level stock
16. A project requires an initial investment of Rs. 8,00,000 with annual cash inflow of Rs. 2,00,000 for five years. Its pay back period is :
(A) 4 years (B) 5 years
(C) 3 years (D) $3\frac{1}{2}$ years
17. Assets sold by a firm in the capital market to raise fund is called :
(A) real assets (B) fictitious assets
(C) financial assets (D) current assets

18. Capital gearing refers to the relationship between equity capital and :
(A) creditors (B) reserves
(C) short term debts (D) long term debts
19. Profitability index is a method of :
(A) preparing an index (B) ascertaining profitability
(C) evaluation of investment projects (D) ascertaining the financial position
20. Working capital is also known as _____ capital.
(A) circulating (B) fixed
(C) period (D) all of these
21. The method which recognises the time values of money by combining pay back with the net present value is :
(A) pay back reciprocal (B) discounted pay back period
(C) pay back profitability (D) ARR
22. The funds invested in total current assets is termed as :
(A) working capital (B) positive working capital
(C) net working capital (D) gross working capital
23. The quality of management is not directly disclosed in the books of accounts because of :
(A) going concern concept (B) cost concept
(C) money measurement concept (D) realization concept
24. Amount withdrawn by the proprietor for personal use reduces both :
(A) liabilities and capital (B) assets and owners equity
(C) expenses and liabilities (D) none of these
25. Cost of equity share is influenced by :
(A) dividend growth rate (B) growth rate of earnings
(C) both (A) and (B) (D) none of these
26. _____ represents minimum requirements for extending credit to a customer.
(A) Credit standard (B) Credit rating
(C) Credit evaluation (D) Credit cards

27. The difference between the total present value of a stream of cash flow of a given rate of discount and the initial capital outlay is known as :
(A) IRR (B) ARR
(C) Net working capital (D) NPV
28. According to _____ approach, the total value of the firm remains constant irrespective of the debt-equity mix.
(A) net operating income (B) net income
(C) traditional (D) none of these
29. The arbitrage process is the operational justification of :
(A) Derivatives (B) MM hypothesis
(C) FCCB (D) ADR
30. _____ refers to that EBIT level at which EPS remains the same irrespective of the Debt-Equity mix.
(A) Optimum capital structure (B) Under capitalization
(C) Over capitalization (D) Point of indifference
31. In case of _____ factoring, the factor assumes the risk of bad debts.
(A) advance (B) recourse
(C) non recourse (D) none of these
32. In case of firms having $r > k$, the optimum dividend policy requires _____ pay out ratio.
(A) 100% (B) 50%
(C) 0% (D) 1%
33. _____ committee suggested inventory and receivable norms for 15 major industries.
(A) Rangarajan (B) Tandon
(C) Chore (D) Marathe
34. JIT inventory system was pioneered in :
(A) Japan (B) USA
(C) Canada (D) China
35. Depreciation is included in costs in case of _____ method.
(A) Pay back (B) IRR
(C) NPV (D) ARR

36. _____ is a form of equity financing designed specially for funding high risk and high reward project.
- (A) Venture capital (B) Seed capital
(C) Bridge capital (D) Sweat equity
37. Operating lease is favoured by lessee in respect of assets which depreciate in value on account of:
- (A) wear and tear (B) exhaustion
(C) obsolescence (D) none of these
38. Stock split is a remedy for:
- (A) under capitalization (B) over capitalization
(C) capital gearing (D) leasing
39. The accept-reject result of NPV and IRR is the same if:
- (A) projects are mutually exclusive (B) projects are independent
(C) both (A) and (B) (D) none of these
40. In India, the issue of commercial papers came into being after the recommendations of:
- (A) Tandon committee (B) Chore committee
(C) Kannan committee (D) Vaghul committee
41. The loss incurred on an incomplete contract is transferred to _____ account.
- (A) contract (B) profit and loss
(C) work-in-progress (D) inventory
42. _____ is a selective inventory control technique.
- (A) FSN analysis (B) LED analysis
(C) Perpetual inventory (D) ABC analysis
43. The guidance and regulation of the cost of operating by executive action is called:
- (A) cost control (B) cost audit
(C) cost reduction (D) cost manipulation
44. _____ is that segment of activity of a business which is responsible for both revenue and expenses.
- (A) conversion centre (B) cost centre
(C) profit centre (D) production centre

45. Bonds issued without any rate of interest is called :
(A) NCD (B) Zero coupon bond
(C) FCCB (D) Flexi bond
46. When the same transaction is recorded twice in the books of accounts, the error is called :
(A) error of duplication (B) error of principle
(C) error of commission (D) error of compensation
47. Carriage outward is an item of _____ overhead.
(A) production (B) selling
(C) administration (D) distribution
48. _____ refers to excess of absorbed overhead over the actual overhead.
(A) Under absorption (B) Over absorption
(C) Full absorption (D) Over trading
49. Operating cycle is :
(A) inventory conversion period only
(B) inventory conversion period minus debtors conversion period
(C) inventory conversion period plus debtors conversion period
(D) none of these
50. If the debentures carry interest @ 10% per annum and corporate tax rate is @ 30%, cost of debt is :
(A) 10% (B) 5%
(C) 3% (D) 7%
51. The essentials of a valid contract is provided under, _____ of the Indian Contract Act.
(A) Section 10 (B) Section 17
(C) Section 25 (D) Section 18
52. A contract without consideration is :
(A) Valid (B) Voidable
(C) Illegal (D) Void
53. A minor's contract was held to be void in the case :
(A) Scarf V Jardine
(B) Carlill V Carbolic Smoke ball company
(C) Mohoribibi V Dharmodas Ghosh
(D) Cox V. Hickman

54. Section 13 (f) of the Indian Partnership Act provides for :
- (A) Indemnity in favour of the partner against the firm
 - (B) Indemnity in favour of the firm against a partner
 - (C) Indemnity in favour of third parties against the firm
 - (D) None of the above
55. Which is correct about the following statements?
- (1) A counter offer terminates the original offer
 - (2) Quotation of price is an offer
 - (3) Acceptance to an offer is like a lighted match to a train of gun powder
- (A) (1) and (3) are correct
 - (B) (2) and (3) are correct
 - (C) (1), (2) and (3) are correct
 - (D) Only (3) is correct
56. When goods are displayed in a shop window with price tags attached to them, it amounts to :
- (A) an offer
 - (B) invitation to an offer
 - (C) counter offer
 - (D) acceptance
57. The damages under Section 73 of the Indian Contract Act are :
- (A) liquidated
 - (B) penal
 - (C) compensatory
 - (D) none of the above
58. Which section of the Indian Contract Act, deals with agreement in restraints of legal proceedings?
- (A) Sec. 27
 - (B) Sec. 29
 - (C) Sec. 30
 - (D) None of the above
59. A partner has no implied authority :
- (A) to borrow money in case of a commercial firm
 - (B) to enter into partnership with other person in other business
 - (C) neither (A) nor (B)
 - (D) both (A) and (B)
60. Where one of the parties is under a mistake as to matter of fact, the contract is?
- (A) voidable
 - (B) valid
 - (C) illegal
 - (D) void

61. A property belonging to a partner on entering into a partnership and used for the purposes of partnership :
- (A) becomes the property of the partners in their profit sharing ratio
 - (B) becomes the property of the firm
 - (C) remain the property of the partner
 - (D) either (A) or (B)
62. Section 40 of Indian Partnership Act provides for :
- (A) compulsory dissolution
 - (B) dissolution by court
 - (C) dissolution by notice
 - (D) dissolution by agreement
63. Which one of the following does not amount to fraud?
- (A) a promise made without any intention of performing it
 - (B) active concealment of a fact
 - (C) suggestion of a fact of that which is not true by one who does not believe it to be true
 - (D) a representation made without knowing it to be false, honestly believing it to be true
64. Which one of the following is a contract?
- (A) an undertaking in writing duly signed to pay the time-barred debt
 - (B) an agreement to do a lawful act by an unlawful means
 - (C) an agreement in restraint of trade
 - (D) a wagering agreement
65. The liability of a partner :
- (A) joint only
 - (B) joint and several
 - (C) several only
 - (D) either joint or several
66. Section _____ of sale of Goods Act, 1930, enumerates the doctrine of 'Nemo dat quod non habet'.
- (A) Section 26
 - (B) Section 27
 - (C) Section 16
 - (D) Section 17
67. The term 'Mercantile agent' defined under sale of Goods Act means an agent having in the customary course of business as such agent authorised to :
- (A) raise money on the security of goods
 - (B) buy goods
 - (C) sell goods or consign goods for the purpose of sale
 - (D) either (A) or (B) or (C)

68. A contract of sale under Section 4 of the sale of goods may be :
(A) absolute
(B) conditional
(C) either absolute or conditional
(D) none of the above
69. The unpaid seller of goods can waive his right to lien :
(A) expressly or impliedly
(B) expressly only
(C) impliedly only
(D) right cannot be waived
70. Conditions and warranties are defined in Section _____ of the sale of Goods Act.
(A) Section 11
(B) Section 12
(C) Section 21
(D) Section 22
71. The principle of caveat emptor is enunciated under Section _____ of the sale of Goods Act.
(A) Section 16
(B) Section 18
(C) Section 28
(D) Section 32
72. The term 'Person' defined under the Kerala value added tax includes :
(A) an individual
(B) a local authority
(C) central government
(D) all the above
73. The turnover on which a dealer shall be liable to pay tax after making the deductions from his total turnover, is called :
(A) sale price
(B) taxable turnover
(C) total turnover
(D) zero rate sale
74. Every dealer whose total turnover in any year is not less than _____ should get compulsory registration.
(A) 10 lakh rupees
(B) five lakh rupees
(C) two lakh rupees
(D) twenty lakh rupees
75. "No tax shall be levied or collected except by authority of law". This is provided under :
(A) Article 283
(B) 262 of the constitution
(C) Article 265
(D) Article 285

76. Sale under Section 3 of the Central Sales Act means, any transfer of goods by one person to another :
- (A) for cash alone
 - (B) for deferred payment
 - (C) on hire purchase
 - (D) either (A) or (B) or (C)
77. The term goods under Section 2 (d) of the Central Sales Tax Act 1956 includes :
- (A) all movable properties
 - (B) including actionable claims and shares and stocks
 - (C) both (A) and (B)
 - (D) either (A) or (B)
78. An Indian company is always :
- (A) Resident in India
 - (B) Resident but not ordinarily resident in India
 - (C) Non-resident
 - (D) Either (A) or (B) or (C)
79. According to Section 2 (34) of the Income Tax Act 1961. Previous year means, year :
- (A) Starting from July 1st to June 30th of next year
 - (B) March 1st to April 30th of next year
 - (C) April 1st to March 31st of next year
 - (D) January 1st to December 31st of the same year
80. The term Assessee means :
- (A) a person by whom any tax or any other sum of money payable
 - (B) every person who is deemed to be an assessee in default
 - (C) every person who is deemed to be an assessee
 - (D) all the above
81. In one of the following cases Mr. A.B. Vajpayee, before he became the Prime Minister of India, was a respondent. The case was :
- (A) *Hindutva Case*
 - (B) *Habeas Corpus Case*
 - (C) *Fundamental Rights Case*
 - (D) None of the above
82. In *R.C Cooper V. Union of India*, the Supreme Court declared as unconstitutional one of the following Constitution (Amendment) Acts, which is :
- (A) Fifth Amendment Act
 - (B) Fourteenth Amendment Act
 - (C) Seventh Amendment Act
 - (D) Fourth Amendment Act

83. What is the maximum age fixed by the Food Security Act for providing nutritional entitlements to children of school-going age?
(A) 14 (B) 16
(C) 18 (D) 21
84. The Maximum number of Judicial Members excluding the Chairperson Green Tribunal is :
(A) ten (B) fifteen
(C) six (D) twenty
85. Any man who follows a woman and contacts repeatedly despite a clear indication of disinterest by such woman is punishable under Section 354D of the Indian Penal code for the offence of :
(A) Voyeurism (B) Sexual harassment
(C) Stalking (D) None of the above
86. Disbursement of wages of a worker under the National Rural Employment Guarantee Act has to be made on :
(A) every ten days (B) weekly or fortnightly basis
(C) monthly basis (D) quarterly basis
87. The Wild Life Protection Act was enacted in the year :
(A) 1971 (B) 1970
(C) 1974 (D) 1972
88. The concept of basic structure was adopted from the Constitution of :
(A) Canada (B) Germany
(C) Austria (D) United States
89. Two provisions in the Indian Constitution that are connected to the right to education are :
(A) Art. 21A and 49 (B) Art. 21A and 47
(C) Art. 21A and 51A (D) Art. 21A and 52
90. Which of the following is not specifically mentioned as eligible for appointment as Judge of the Supreme Court under Article 124?
(A) Advocate of a High Court (B) Advocate of the Supreme Court
(C) Judge of a High Court (D) Distinguished jurist
91. The most important event related to Malabar Rebellion is :
(A) Khilafat Movement (B) Wagon Tragedy
(C) Nivarthana Agitation (D) Home Rule Movement

92. The fourth all Kerala political conference held at Payyannur presided over by :
(A) Jawaharlal Nehru (B) Lalbahadur Sastri
(C) K. Kelappan (D) Mahatma Gandhi
93. Which among the following is 'World Cancer Day'?
(A) March 8 (B) January 30
(C) December 28 (D) February 4
94. 'Vishakanyaka' is the work of :
(A) G. Sankarakurup (B) Kesav Dev
(C) S.K. Pottakkad (D) Chandu Menon
95. The credit for taking the first tangible step towards the introduction and diffusion of Western Education goes to :
(A) Christian Missionaries (B) Lord Curzon
(C) English East India Company (D) Kothari Commission
96. Sree Narayana Guru conducted an uncompromising crusade against :
(A) Nivarthana Agitation (B) Caste System
(C) Temple Entry Proclamation (D) Vaikom Satyagraha
97. Which among the following Gandhiji called "a miracle of modern times"?
(A) Ezhava memorial (B) Malayalee memorial
(C) Vaikom Sathyagraha (D) Temple Entry Proclamation
98. The leader of 'Narmada Bachao Andolan' agitation is :
(A) Irom Chanu Sharmila (B) Medha Padkar
(C) Aung San Suukyi (D) Sonia Gandhi
99. The headquarters of International Court of Justice is at :
(A) Hague (B) Washington
(C) Geneva (D) Vienna
100. GSAT-14 successfully launched from Sriharikotta on
(A) 31 December 2013 (B) 30 December 2013
(C) 5 January 2014 (D) 8 January 2014