

MOCK TEST PAPER - I
COMMON PROFICIENCY TEST
(10.30 AM – 12.30 PM)

Time Allowed – 2 Hours

Maximum Marks – 100

SECTION A: FUNDAMENTALS OF ACCOUNTING

1. Net salary paid to employees Rs. 45,000 in cash after deducting income tax Rs. 1,000, professional tax Rs. 200, employees provident fund Rs. 2,000, staff welfare fund Rs. 100 and recovery of loan Rs. 1,700. Salary A/c will be debited with -
 - (a) Rs. 50,000
 - (b) Rs. 45,000
 - (c) Rs. 48,000
 - (d) None of the three
2. Depreciation on motor car, whose cost is Rs. 58,000 with an accumulated depreciation reserve of Rs. 11,600, at 20% p.a. on diminishing balance will be
 - (a) Rs. 9,000
 - (b) Rs. 9,280
 - (c) Rs. 10,000
 - (d) None of the three.
3. Huge Ltd. issued 25,000 equity shares of Rs.100 each at a premium of Rs. 15 (with application) each payable as Rs. 25 on application, Rs. 40 on allotment and balance in the first call. The applications were received for 75,000 equity shares but the company issued to them only 25,000 shares. Excess money was refunded to them after adjustment for further calls. Last call on 500 shares were not received and were forfeited after due notice. The above is the case of
 - (a) Oversubscription.
 - (b) Pro-rata allotment.
 - (c) Forfeiture of shares.
 - (d) All of the above
4. When balance as per cash book is the starting point, and cheques issued for payment Rs. 400 was wrongly credited by Bank as Rs.900 then in the bank reconciliation statement cash balance will be
 - (a) Added by Rs. 1300
 - (b) Subtracted by Rs. 1,300
 - (c) Added Rs. 900
 - (d) Subtracted by Rs. 400
5. A partnership firm maintains its accounts on calendar year basis. Mr. Lal, one of the three partners died on 31/03/17. The profit of the firm for the year 2016 was Rs. 75,000, which was distributed among the partners equally. The share of Mr. Lal in the profits of the firm till the date of his death on the basis of previous year's profits will be Rs. __
 - (a) Rs.25,000
 - (b) Rs. 6,250

- (c) Rs. 18,750
 - (d) Rs.37,500
6. Birbal drew a three month bill on Satyapal for Rs. 5,000. On due date Satyapal approached Birbal to renew the bill for another month @ 12% p.a. Amount of the new bill will be
- (a) Rs. 5,000
 - (b) Rs. 5,050
 - (c) Rs. 4,050
 - (d) None of the three
7. Double column cash book records
- (a) Only credit transactions
 - (b) All transactions
 - (c) Cash and bank transactions
 - (d) Cash purchase and credit sale transactions
8. A bill has been drawn on August 10, 2018 payable after 3 months. The maturity date of the bill will be
- (a) Nov. 13, 2018
 - (b) Nov. 10, 2018
 - (c) Oct. 31, 2018
 - (d) None of the above
9. Salary and wages is debited to
- (a) Trading Account
 - (b) Profit and Loss Account
 - (c) P/L Appropriation account
 - (d) Balance Sheet
10. Preet accepted a 90 days bill of Rs. 10,000 drawn by Jeet on 05.02.2018. On 13.03.2018, Preet wished to retire the bill. Jeet offered rebate @ 12% p.a. Considering the year of 360 days, rebate amount will be -
- (a) Rs. 150
 - (b) Rs. 180
 - (c) Rs. 184
 - (d) None of the three
11. A company issued Rs. 2,00,000 15% debentures at a discount of 5% redeemable after 10 years at a premium of 10%. Loss on issue of debentures will be
- (a) Rs. 30,000
 - (b) Rs. 15,000
 - (c) Rs. 20,000
 - (d) None of the three

12. A limited company forfeited 100 equity shares of the face value of Rs. 10 each, for non- payment of first call of Rs. 2 per share. The forfeited shares were subsequently reissued as fully paid @ 7 each. Amount transferred to capital reserve will be
- Rs. 500
 - Rs. 200
 - Rs. 300
 - None of the three
13. A trader sells goods at a profit of 25% on sale. In a particular month, he sold goods costing Rs. 34,200. Rate of profit on cost will be -
- $33\frac{1}{3}\%$
 - 30%
 - 35%
 - None of the three
14. A manager gets 5% commission on sales. Cost price of goods sold is Rs. 40,000 which he sells at a margin of 20% on sale. Commission will be
- Rs. 2,500
 - Rs. 2,400
 - Rs. 2,000
 - None of the three
15. Selection of accounting policies is based on:
- Prudence
 - Substance over form
 - Materiality
 - All of the above
16. Mr. X paid commission to his consignee Mr. Y Rs. 25,000 @ 5% on sales made by him. Goods were sold by Mr. Y at a profit of 25% on cost. Stock in hand as on 31.3.2018 is Rs. 50,000 at cost. What is the cost of goods sent by Mr. X on consignment to Mr. Y?
- Rs. 4,50,000
 - Rs. 75,000
 - Rs. 5,50,000
 - Rs. 6,00,000.
17. Which of the following expense is not considered as part of cost of inventory?
- Packing, loading & insurance paid by consignor
 - Inward consignment freight paid by consignee
 - Transport charges up to godown paid by consignee
 - Insurance Charges paid by consignee
18. Opening stock of the year is Rs. 20,000, Goods purchased during the year is Rs. 1,00,000, Carriage Rs. 2,000 and Selling expenses Rs. 2,000. Sales during the year is Rs. 1,50,000 and closing stock is Rs. 25,000. The gross profit will be:
- Rs. 53,000.

- (b) Rs. 55,000.
 - (c) Rs. 80,000.
 - (d) Rs. 51,000.
19. Compensation paid to retrenched employee is:
- (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Prepaid revenue expenditure
 - (d) Capital loss
20. Petty expenses paid in cash are recorded in:
- (a) Purchase book
 - (b) Sales book
 - (c) Petty cash book
 - (d) Purchase return book
21. Capital introduced in the beginning by Ram Rs. 16,080; further capital introduced during the year in the form of machinery Rs. 2000; Drawings in cash during the year Rs. 3,000
Life Insurance Premium of Ram paid during the year Rs. 250
Closing capital Rs. 21,925
The amount of profit or loss for the year will be
- (a) Profit Rs. 7,095
 - (b) Profit Rs. 7,085
 - (c) Loss Rs. 5,000
 - (d) Loss Rs. 6,000
22. A decrease in the provision for doubtful debts would result in :-
- (a) A decrease in net profit
 - (b) An increase in net profit
 - (c) An increase in liabilities
 - (d) A decrease in current asset
23. If cost of goods sold is Rs. 80,700, Opening stock Rs. 5,800 and Closing stock Rs. 6,000. Then the amount of purchase will be
- (a) Rs. 80,500
 - (b) Rs. 74,900
 - (c) Rs. 74,700
 - (d) Rs. 80,900
24. Writing of transaction in the ledger is called
- (a) Posting
 - (b) Journalizing
 - (c) Balancing
 - (d) Casting

25. Prakash Ltd. issued 15,000, 15% debentures of Rs.100 each at a premium of 10%, which are redeemable after 10 years at a premium of 20%. The amount of loss on redemption of debentures to be written off every year is
- Rs. 15,000.
 - Rs. 30,000.
 - Rs. 45,000.
 - Rs. 22,500.
26. Debentures which are not secured by any charge upon any asset of the company are called
- Secured debenture
 - Naked debenture
 - Bearer debenture
 - Floating debenture
27. Sona of Kanpur sent 400 chairs @ Rs. 300 per chair to Tom of Delhi. Sona paid freight of Rs. 1,000 and Rs. 400 as insurance in transit. Tom paid Rs. 200 as cartage and Rs. 600 as godown rent. At the end of the year, 300 chairs were sold. The selling price of each chair in Delhi was Rs. 350. Value of stock unsold will be
- Rs. 30,000
 - Rs. 30,400
 - Rs. 32,000
 - 30,500.
28. The subscribed share capital of Sai Ltd. is Rs. 80,00,000 (shares of Rs. 100 each). There were no call in arrears till the final call was made. The final call was paid on 77,500 shares. The call-in-arrear in respect of the final call amounted to Rs. 67,500. The amount of final call per share will be:
- 20
 - 25
 - 62.50
 - 27
29. Debit balance as per Cash Book of Axe Ltd. As on 31.3.2018 is Rs. 2,000. Cheques deposited but not cleared amounts to Rs. 100 and Cheques issued but not presented of Rs. 150. The bank allowed interest amounting Rs. 100 and collected dividend Rs. 50 on behalf of Axe Ltd. Balance as per Pass Book should be
- Rs. 1,700
 - Rs. 2,000
 - Rs. 2,100
 - Rs. 2,200
30. General manger gets 6% Commission on net profit after charging such commission. Gross Profit is Rs. 60,000 and Other Indirect expenses other than Managers Commission are Rs 7,000. Commission amount will be
- 3,000
 - 3,396
 - 3,500

- (d) 3,180
31. Rs. 1,500 spent on repairs before using a second hand car purchased recently is a
- (a) Capital expenditure
 - (b) Revenue expenditure
 - (c) Prepaid revenue expenditure
 - (d) None of the three
32. Commission received in advance is a
- (a) Personal account
 - (b) Nominal account
 - (c) Real account
 - (d) None of the three
33. Depreciable amount of the machinery is Rs. 11,00,000. The machine is expected to produce 30 lakhs units in its 10 year life and expected distribution of production units is as follows:
- 1-3 year 5 lacs units each year
4-6 year 3 lacs units each year
7-10 year 1.5 lacs units each year.
- Annual depreciation for 1-3 year, using production units method will be _____
- (a) Rs. 1,10,000.
 - (b) Rs. 55,000.
 - (c) Rs. 65,000.
 - (d) Rs. 1,83,333.
34. 18% investment of Rs. 1,00,000 and interest received on investment Rs. 15,000 have been given in the trial balance for the period ended on 31.3.2018. The amount of interest outstanding in the final accounts will be _____
- (a) Rs. 18,000
 - (b) Rs. 15,000
 - (c) Rs. 3,000
 - (d) Nil
35. If the profit is 25% of the cost price then it is
- (a) 25% of the sales price
 - (b) 33% of the sales price
 - (c) 20% of the sales price
 - (d) 15% of the sales price.
36. Rivera Ltd. forfeited 300 equity shares of Rs.10 each issued at par for non- payment of Rs.4 per share by the holder. These shares are reissued at Rs.5 share as fully paid. What is the amount to be transferred to capital reserve A/c?
- (a) Rs.300
 - (b) Rs.500
 - (c) Rs.600

- (d) Rs.800
37. X Co. took over the assets of B Ltd. for a purchase consideration of Rs. 4,40,000. The company issued 10% debenture of Rs. 100 each at a premium of 10% towards the purchase consideration. No of debentures issued will be
- (a) 4,200
 - (b) 4,000
 - (c) 3000
 - (d) 4400
38. The Fixed Assets of a company is double of the current assets and half of capital. If the current assets are Rs. 3,00,000 and investments Rs. 4,00,000 calculate the current liabilities assuming that there are no other items in the balance sheet.
- (a) Rs. 2,00,000
 - (b) Rs. 1,00,000
 - (c) Rs. 3,00,000
 - (d) Rs. 4,00,000
39. If bank balance as per cash book differs from that appearing in the current account statement, then the balance considered for finalizing the accounts is of
- (a) Adjusted cash book.
 - (b) Cash book before any adjustments.
 - (c) Pass book.
 - (d) Not taken to final accounts in case of difference in the balance
40. A company issued 1,00,000 equity shares of Rs.10 each at a premium of Rs. 2 and 5,000 10% Debentures of Rs. 100 each at 10% discount. All the shares and debentures were subscribed and allotted by crediting 10% Debentures account with
- (a) Rs. 10,00,000
 - (b) Rs. 12,00,000
 - (c) Rs. 5,00,000
 - (d) Rs. 4,50,000
41. 3,000 shares of Rs. 10 each of Krishna were forfeited by crediting Rs. 5,000 to share forfeiture account. Out of these, 1,800 shares were re-issued to Radhe for Rs. 9 per share. The amount to be transferred to capital reserve account will be
- (a) Rs. 3,200.
 - (b) Rs. 2,000.
 - (c) Rs. 1,800.
 - (d) Rs. 1,200.
42. Balance of outstanding salary at 31 March 2017 is Rs. 25,000 and balance of outstanding salary at 31 March 2018 is Rs. 10,000. Salary paid during the year is Rs. 3,00,000. Pre paid salary on April 1, 2018 is Rs. 10,000. Balance of salary A/c transferred to P & L A/c will be:
- (a) Rs. 3,05,000
 - (b) Rs. 2,65,000

- (c) Rs. 3,15,000
 (d) 2,75,000
43. Sunset Tours has a Rs.70,000 account receivable from Mohan. On January 20th, the latter makes a partial payment of Rs.50,000 to Sunset Tours. The journal entry made on January 20th by Sunset Tours to record this transaction includes:
- (a) A Credit to the cash received account of Rs.50,000
 (b) A Credit to the account receivable account of Rs.50,000
 (c) A Debit to the cash account of Rs.20,000
 (d) A Debit to the accounts receivable account of Rs.20,000
44. From the following balances find out the total of trial balance:
- Capital Rs. 4,00,000
 Computer Rs. 25,000
 AC & Furniture Rs. 1,00,000
 Fixed deposits Rs. 2,00,000
 Salaries Rs. 8,00,000
 Fees Received Rs. 12,00,000
 Traveling expenses Rs. 1,50,000
 Rent & office expenses Rs. 2,40,000
 Cash Rs. 1,80,000
 Bank O.D Rs. 95,000
- (a) Rs. 16,00,000
 (b) Rs. 14,50,000
 (c) Rs. 16,95,000
 (d) Rs. 15,00,000
45. Rent received from a tenant Rs. 18,000 was correctly entered in the cash book and posted to the debit of Rent A/c. The effect of this error on the trial balance will be
- (a) Debit total will be Rs. 36,000 more than the credit total.
 (b) Debit total will be Rs. 18,000 more than the credit total.
 (c) Subject to other entries being correct, the total will agree.
 (d) None of three
46. Opening inventory = Rs. 4,00,000
 Cash sales = Rs. 2,00,000
 Total sales = Rs. 17,00,000
 Selling price = 125% of purchase price
 What is the cost of goods sold?
- (a) Rs. 15,60,000
 (b) Rs. 13,60,000
 (c) Rs. 15,00,000

- (d) Rs. 11,00,000
47. The date of maturity of bill is 10th October, 2018. The Government of India suddenly declared 10th October, 2018 as the holiday under the Negotiable Instruments Act, then the bill will mature on _____
- (a) 9th October, 2018
 - (b) 10th October, 2018.
 - (c) 12th October, 2018
 - (d) 11th October, 2018.
48. On 1.1.2018, a machine costing Rs. 10,000 and a piece of furniture costing Rs.20,000 was purchased. Depreciation is provided @ 5% p.a. on furniture and 10% per annum on machine. The depreciation for the year ended 31st March, 2018 should be:
- (a) Rs. 1,000.
 - (b) Rs. 300
 - (c) Rs. 500
 - (d) None of the three.
49. Mr. A sent 250 units costing Rs. 10,000 each to Mr. B. Mr. B sold 150 units @ Rs. 14,200 per unit on credit and 75 units @ Rs. 14,000 for cash. Mr. B is entitled to a commission Rs.500 per unit. The amount of commission will be:
- (a) Rs. 75,000
 - (b) Rs. 37,500
 - (c) Rs. 1,12,500
 - (d) Rs. 85,000
50. When Del-credere commission is paid, bad debts will be debited to _____ A/c in the books of consignee:
- (a) Commission earned
 - (b) Consignor
 - (c) Credit receivable
 - (d) Consignment
51. Goods sent on consignment = Rs. 2,00,000
Consignor's expenses = Rs. 5,000
Consignee's expenses = Rs. 2,000
Cash sales = Rs. 1,00,000
Credit sales = Rs. 1,10,000
Closing Inventory = Rs. 40,000
Ordinary Commission = Rs. 3,000
Del-credere commission = Rs. 2,000
Bad Debts = Rs. 2,000
Find the profit on consignment.
- (a) Rs.38,000

- (b) Rs.36,000
 - (c) Rs.40,000
 - (d) Rs.43,000
52. Mr. Sobby draws a two months bill of Rs. 50,000 on Mr. Dobby. Dobby accepts it on 01-02-18. Sobby discounts it on 15-02-18 at 18% per annum. On the due date of bill Dobby became insolvent and 50 paise in a rupee could only be recovered from his estate. Calculate the amount of bad debt:
- (a) Rs. 25,000
 - (b) Rs. 18,874
 - (c) Rs. 23,374
 - (d) Rs. 27,300
53. Sales for the year ended 31st March, 2017 amounted to Rs.10,00,000. Sales included goods sold to Mr. A for Rs.50,000 at a profit of 20% on cost. Such goods are still lying in the godown at the buyer's risk. Therefore, such goods should be treated as part of:
- (a) Sales
 - (b) Closing inventory
 - (c) Goods in transit
 - (d) Sales return
54. On 31st March 2018, Suraj has to pay to M/s Chandra and Co. Rs. 7,000 on account of credit purchase from the later. He paid Rs. 1,800 on 30th June 2018 after availing a cash discount of 10%. On 30th September 2018, he paid Rs. 2,850 after availing 5% cash discount. On account of final settlement, the amount to be paid by Suraj without any discount will be
- (a) Rs. 2,350
 - (b) Rs. 2,000
 - (c) Rs. 2,200
 - (d) Rs. 2,150
55. Which of the following is not a transaction?
- (a) Goods are purchased on cash basis for Rs. 1,000.
 - (b) Salaries paid for the month of May, 2018.
 - (c) Land is purchased for Rs. 10 lakhs.
 - (d) An employee dismissed from the job.
56. Rabin consigned goods for the value of Rs.8,250 to Raj of Kanpur and paid freight etc. of Rs.650 and insurance Rs.400. He drew a bill on Raj for 3 months after date for Rs. 3,000 as an advance against consignment, and discounted the bill for Rs.2,960. Further, he received Account sales from Raj showing that, part of the goods had realized gross Rs. 8,350 and that his expenses and commission amounted to Rs. 870. The stock unsold was valued at Rs. 2,750. Consignee wants to remit a draft for the amount due. The amount of draft will be:
- (a) Rs. 2,130
 - (b) Rs. 4,480
 - (c) Rs. 5,130
 - (d) Rs. 5,090

57. Sales return of worth Rs. 637 has been wrongly credited to purchase return account, but had been correctly posted to debtors account. Total of trial balance would show:
- (a) Debit side will be higher than Credit side by Rs. 637
 - (b) Credit side will be higher than Debit side by Rs. 637
 - (c) Credit side will be higher than Debit side by Rs. 1274
 - (d) Debit side will be higher than Credit side by Rs. 1274
58. A bill of Exchange matures on 16th July. Suddenly it was declared as bank strike and the next day is Sunday. Then the due date of the bill will be _____:
- (a) 15th July
 - (b) 17th July
 - (c) 18th July
 - (d) 16th July
59. B Ltd. issued shares of Rs. 10 each. Mr. C purchased 30 shares and paid Rs. 2 on application but did not pay the allotment money of Rs. 3 and further call money. If the company forfeits his entire shares, the forfeiture account will be credited by
- (a) Rs. 90
 - (b) Rs. 81
 - (c) Rs. 60
 - (d) Rs. 54
60. A draws a bill on B for Rs. 30,000. A wants to endorse it to C in settlement of Rs. 35,000 at 2% discount with the help of B's acceptance and balance in cash. How much cash A will pay to C?
- (a) Rs. 4,300
 - (b) Rs. 4,000
 - (c) Rs. 4,100
 - (d) Rs. 5,000

SECTION B: MERCANTILE LAW

61. A partnership firm is compulsorily dissolved where
- (a) All partners have become insolvent
 - (b) Firm's business has become unlawful
 - (c) The fixed term has expired
 - (d) In cases (a) and (b) only
62. Which of the following is false? An acceptance:
- (a) Must be communicated
 - (b) Must be absolute and unconditional
 - (c) Must be accepted by a person having authority to accept
 - (d) May be presumed from silence of offeree.
63. If A agrees to deliver 100 Kg of sugar to B in exchange of 15 metres of cloth, then it is
- (a) Contract of sale
 - (b) Agreement to sell
 - (c) Sale on approval
 - (d) Barter
64. A void agreement is one which is
- (a) Valid but not enforceable
 - (b) Enforceable at the option of both the parties
 - (c) Enforceable at the option of one party
 - (d) Not enforceable in a court of law
65. Which of the following statements is not true about minor's position as a partner?
- (a) He cannot become a full-fledged partner.
 - (b) He can become a full-fledged partner in an existing firm.
 - (c) He can be admitted only to the benefits of any existing firm.
 - (d) He can become partner on becoming a major.
66. Which of the following is not an implied condition in a contract of sale?
- (a) Condition as to title
 - (b) Condition as to description
 - (c) Condition as to free from encumbrance
 - (d) Condition as to sample
67. In case of illegal agreements, the collateral agreements are:
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Any of these.

68. The doctrine of Caveat Emptor does not apply, when
- (a) The goods are bought by sample
 - (b) The goods are bought by sample as well as description
 - (c) The goods are purchased under its brand name
 - (d) All of the above
69. Which of the following statements, about the registration of firm, is not true:
- (a) It must be done at the time of its formation.
 - (b) It may be done at the time of formation.
 - (c) It may be done before filing a suit against third party.
 - (d) It may be done at any time after its formation.
70. Which of the following statement is true?
- (a) Consideration must result in a benefit to both parties.
 - (b) Past consideration is no consideration in India.
 - (c) Consideration must be adequate.
 - (d) Consideration must be something, which a promisor is not already bound to do.
71. Goods which are in existence at the time of the Contract of Sale is known as
- (a) Present Goods
 - (b) Existing Goods
 - (c) Specific Goods
 - (d) None of the above
72. A firm is the name of:
- (a) The partners
 - (b) The minors in the firm
 - (c) The business under which the firm carries on business
 - (d) The collective name under which it carries on business
73. A, B and C jointly promised to pay Rs. 60,000 to D. Before performance of the contract, C dies. Here, the contract
- (a) Becomes void on C's death.
 - (b) Should be performed by A and B along with C's legal representatives.
 - (c) Should be performed by A and B alone
 - (d) Should be renewed between A, B and D.
74. Consideration in simple term means:
- (a) Anything in return
 - (b) Something in return
 - (c) Everything in return
 - (d) Nothing in return
75. The bidder at an auction sale can withdraw his bid
- (a) Any time during auction

- (b) Before fall of hammer
 - (c) Before payment of price
 - (d) None of these
76. Which of the following acts are not included in the implied authority of a partner?
- (a) To buy or sell goods on accounts of partners.
 - (b) To borrow money for the purposes of firm.
 - (c) To enter into partnership on behalf of firm.
 - (d) To engage a lawyer to defend actions against firm.
77. Consent is not said to be free when it is caused by
- (a) Coercion
 - (b) Undue Influence
 - (c) Fraud
 - (d) All of these
78. The unpaid seller has right of stoppage of goods in transit only where the buyer
- (a) Become insolvent
 - (b) Refuses to pay price
 - (c) Acts fraudulently
 - (d) All of these
79. A minor is:
- (a) A partner of a firm
 - (b) Representative of the firm
 - (c) Entitled to carry on the business of the firm
 - (d) Entitled to the benefits of the firm
80. A wrong representation when made without any intention to deceive the other party amounts to
- (a) Coercion
 - (b) Undue Influence
 - (c) Misrepresentation
 - (d) Fraud
81. In which form of the contract, the property in the goods passes to the buyer immediately:
- (a) Agreement to sell
 - (b) Hire purchase
 - (c) Sale
 - (d) Instalment to sell
82. Every partner has the right to:
- (a) Take part in the business of the firm
 - (b) To share exclusive profits
 - (c) To use the property of the firm for personal purposes

- (d) Pay taxes
83. Voluntary transfer of possession by one person to another is popularly known as
- (a) Transfer
 - (b) Possession
 - (c) Delivery
 - (d) None of the above
84. On the valid performance of the contractual obligations by the parties, the contract
- (a) Is discharged
 - (b) Becomes enforceable
 - (c) Becomes void
 - (d) None of these
85. The essence of a right of lien is to
- (a) Deliver the goods
 - (b) Retain the possession
 - (c) Regain the possession
 - (d) None of the above
86. A contingent contract dependent on the happening of future uncertain event can be enforced when the event
- (a) Happens
 - (b) Becomes impossible
 - (c) Does not happen
 - (d) Either of these.
87. A partner can be expelled if:
- (a) Such expulsion is in good faith
 - (b) The majority of the partner agree on such expulsion
 - (c) The expelled partner is given an opportunity to start a business competing with that of the firm
 - (d) Compensation is paid
88. A voidable contract is one which
- (a) Can be enforced at the option of aggrieved party
 - (b) Can be enforced at the option of both the parties
 - (c) Cannot be enforced in a court of law
 - (d) Courts prohibit
89. Which of the following modes of delivery of goods is considered effective for a valid contract of sale?
- (a) Actual delivery
 - (b) Symbolic delivery
 - (c) Constructive delivery
 - (d) All of these

90. For the purposes of entering into a contract, a minor is a person who has not completed the age of
- (a) 16 years
 - (b) 18 years
 - (c) 20 years
 - (d) 21 years
91. Contract of Sale is
- (a) executory Contract
 - (b) executed Contract
 - (c) both of the above
 - (d) none of the above
92. An unregistered firm cannot claim:
- (a) Set on
 - (b) Set off
 - (c) Set on and set off
 - (d) None of the above
93. An agreement in restraint of marriage, i.e. which prevents a person from marrying, is
- (a) Void
 - (b) Valid
 - (c) Voidable
 - (d) Contingent
94. The reconstitution of the firm takes place in case
- (a) Admission of a partner
 - (b) Retirement of a partner
 - (c) Expulsion or death of a partner
 - (d) All of the above.
95. Acceptance of delivery of goods is deemed to take place when the buyer
- (a) intimates to the seller that he had accepted the goods.
 - (b) does any act to the goods, which is inconsistent with the ownership of the seller.
 - (c) rejects and retains the goods after the lapse of a reasonable time, without intimating the seller.
 - (d) any of the above.
96. An agreement to pay money or money's worth on the happening or non-happening of a specified uncertain event, is a
- (a) Wagering agreement
 - (b) Contingent contract
 - (c) Quasi contract
 - (d) Uncertain agreement
97. A partner may be retired from an existing firm
- (a) with consent of all partners.

- (b) as per express agreement.
 - (c) by written notice in partnership at will.
 - (d) all of the above.
98. Sometimes, a person finds certain goods belonging to some other persons. In such a case, the finder
- (a) becomes the owner of the goods and can use them
 - (b) is under a duty to trace the true owner and return the goods
 - (c) can sell the perishable goods if true owner cannot be found
 - (d) both (b) and (c)
99. Seller has right of resale where
- (a) goods are perishable
 - (b) seller has reserved such right
 - (c) seller gives notice
 - (d) all of these
100. A agrees to pay Rs. 1,000 to B if a certain ship returns within a year. However, the ship sinks within the year. In this case, the contract becomes
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Illegal