FOUNDATION COURSE EXAMINATION

DECEMBER 2025

103961

FUNDAMENTALS OF BUSINESS LAWS AND BUSINESS COMMUNICATION

Time Allowed: 1 hour

Full Marks: 100

Answer all questions. Each question carry 2 marks. Choose the answer which you feel is correct or nearest to correct.

1. Which among the following is not a source of law?

(A) Custom
(B) Precedent
(C) Practice
(D) Opinion of lawyers

2. In Indian Parliament, House of the people is called

(A) Council of ministers
(B) Lok Sabha
(C) Rajya Sabha
(D) Legislature

3. The subjects on which law can be made by both Central and State is called

(A) union list
(B) concurrent
(C) formal
(D) one sided

4. A Bill introduced by any Member of Parliament, is called

(A) Govt bill
(B) treasury
(C) private members bill
(D) None of the above

5. Writ petition can be made in High Court under which Article of the Constitution?

(A) 225
(B) 226
(C) 227
(D) 228

6. When both parties do not have equal rights and liabilities in a contract, it is called _____ contract.

(A) bilateral
(B) unilateral
(C) formal
(D) one sided

7. A job notification by a company is

(A) only an information for the job to be done.
(B) invitation to make an offer for doing the job.
(C) invitation to start the job.
(D) advertisement about the company.

8. Parties to a contract need not discuss about the contract with others. This is called

(A) doctrine of *ultra vires*.
(B) doctrine of privity.
(C) doctrine of indoor management.
(D) None of the above

9. 'Inter Vivos' means
(A) between two living persons.
(B) between two persons.
(C) between two partners.
(D) a company and an employee.

10. In case of reciprocal performance
(A) only proposer will perform.
(B) only accepter will perform.
(C) both parties shall perform their part.
(D) None of the above

11. Voluntary transfer of goods with consideration is called
(A) ownership
(B) delivery
(C) gift
(D) sale

12. A person gives a proposal to another person and dies after few days before it is accepted. The offer is
(A) valid
(B) void
(C) voidable
(D) revoked

13. Mutual discharge of contract cannot be, by
(A) novation
(B) performance
(C) alteration
(D) breach

14. Ratification of a contract
(A) is always prospective
(B) can be retrospective
(C) Relates to only authorised acts of Agent
(D) can be done at any time

15. Select the odd one
(A) Mistake
(B) Fraud
(C) Misrepresentation
(D) Ignorance

16. Ramesh gets an appointment offer which requires him to accept within 10 days and join within 30days.He keeps quiet. The offer
(A) is still valid.
(B) revoked due to lapse of time.
(C) it is void offer.
(D) it is an illegal offer.

17. Who among the following is competent to contract?
(A) Alien enemy
(B) Convict
(C) Unregistered company
(D) None of the above

18. Acceptance by the best friend of the offeree, is
(A) not acceptance at all.
(B) valid.
(C) binding promise.
(D) None of the above

19. Which of the following will amount to discharge of contract by operation of law?

(A) Performance
(B) Alteration
(C) Insolvency
(D) Waiver by one party

20. Any relationship in the nature of a contract but not a clear contract is called

(A) quasi contract
(B) contingent contract
(C) illegal contract
(D) formal contract

21. Price fixed by Govt./Regulator is called

(A) displayed price
(B) catalogue price
(C) reasonable price
(D) administered price

22. When goods are not existing with the seller at the time of making the contract, they are called _____ goods.

(A) existing
(B) future
(C) under manufacturing
(D) unascertained

23. In normal sale by a shop , the title to goods is to the consumer is evidenced by

(A) cash memo
(B) invoice
(C) bill
(D) Any of the above

24. Agreement 'to sale' _____ agreement 'of sale'.

(A) precedes
(B) succeeds
(C) happens at the same time with
(D) are not related to

25. Doctrine of 'caveat emptor' means

(A) let the buyer be aware.
(B) seller is responsible for quality.
(C) seller guarantees the goods.
(D) None of the above

26. Implied conditions means

(A) condition as to title.
(B) condition as to description.
(C) condition as to sample.
(D) All of the above

27. 'Deliverable state' means

(A) actual delivery by the seller.
(B) cost of delivery by the seller.
(C) cost of delivery by the buyer.
(D) None of the above

28. In case of agreement of sale, the goods are

(A) future goods
(B) contingent goods
(C) existing goods
(D) unascertained goods

29. An agreement to sale becomes an agreement of sale by

(A) performance of seller.
(B) performance of buyer.
(C) respective preference of both buyer and seller.
(D) None of the above

30. Right to resale, withhold and lien is available to

(A) unpaid seller.
(B) seller who has been fully paid.
(C) seller who has not been paid within the agreed credit period.
(D) None of the above

31. In course of negotiation, a bill goes from one person to other. They are called

(A) transferee
(B) transferee in due course
(C) holders
(D) holders in due course

32. In case of cheque, the drawer is

(A) the account holder.
(B) in whose favour the cheque is issued.
(C) bank.
(D) None of the above

33. Which of the following parties can be a payee also?

(A) Drawer
(B) Drawee
(C) Debtors
(D) None of the above

34. Currency note is

(A) a clear promissory note.
(B) a bearer promissory note.
(C) not a promissory note, though having all the features of a promissory note.
(D) None of the above

35. In case of dishonor of cheque, the notice by the bank is given to the

(A) drawer
(B) drawee
(C) payee
(D) Any of the above

36. Which of the following instrument can not be made payable to bearer?

(A) Bill of Exchange
(B) Promissory Note
(C) Accommodation Bill
(D) Both (A) and (B)

37. A cheque is drawn on

(A) any person.
(B) any bank in the world.
(C) any specified bank.
(D) None of the above

38. In case of difference between bill of exchange and cheque, which of the following statements is wrong?

(A) Both have 3 parties.
(B) Both have dates.
(C) Both have definite payee.
(D) Both are to be accepted by the drawee.

39. Which statement, out of the following, is correct?

(A) Cheque can be drawn on any bank.
(B) Signature is not required in promissory note.
(C) Name of payee should be there in bill of exchange.
(D) No action can be taken if the cheque is dishonored.

40. A cheque has to be presented to the bank of the payee within — days of issue.

(A) 20
(B) 30
(C) 60
(D) 90

41. Informal communication with colleagues, is called

(A) gossip
(B) grapevine
(C) lateral
(D) none

42. Instruction from boss to subordinate is _____ communication.

(A) downward
(B) upward
(C) lateral
(D) None of the avove

43. Which among the following is not a feature of referencing?

(A) Original idea of the author
(B) Understanding of the topic
(C) Preparedness of the author
(D) Identifying the source

44. When a long cumbersome process is shown easily through graphical mode it is called

(A) power point presentation
(B) colour coding
(C) flow chart
(D) graphical presentation

45. Which report out of the following is uniform for all companies?

(A) Marketing Report
(B) Annual Financial Report
(C) HR Status Report
(D) Research Report

46. Which is not a psychological barrier to communication?

(A) Emotion
(B) Halo effect
(C) Information overload
(D) Proper medium of communication

47. In virtual organization which barrier to communication is not within the control of persons?

(A) Language
(B) Body language
(C) Network disturbance
(D) Volume of voice

48. Stage 1 of intercultural sensitivity is

(A) defence
(B) minimization
(C) denial
(D) acceptance

49. When a person believes his/her culture is superior to others, it is called

(A) egoism

(B) selfishness

(C) ethnocentrism

(D) None of the avove

50. When a manager communicates with his staff, the audience is considered to be

(A) friendly

(B) hostile

(C) apathetic

(D) None of the avove

FUNDAMENTALS OF FINANCIAL AND COST ACCOUNTING

Time Allowed: 1 hour *Full Marks: 100 (2×50)*

Choose the correct answer from the given four alternatives:

51. _____ is an activity which is concerned with recording and classifying financial data related to business operations in order of its occurrence.

(A) Book-keeping
(B) Accounting
(C) Posting
(D) Journalizing

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

(A) Legal Framework
(B) Business Framework
(C) Institutional Framework
(D) Regulatory Framework

53. Which of the following is not a concept of accounting?

(A) Dual aspect concept
(B) Periodicity concept
(C) Accounting cycle concept
(D) Matching concept

54. Annual maintenance fee of factory machine is an example of

(A) Capital expenditure
(B) Revenue expenditure
(C) Deferred revenue expenditure
(D) Prepared expenses

55. Goods purchased from Sonu but wrongly entered in the account of Simmu. The rectification of error with result in

(A) increase in net profit.
(B) decrease in net profit.
(C) change in total sundry creditors.
(D) no effect on net profit.

56. _____ is a representation of the inter-relationship between three important aspects of accounting namely, Assets, Liabilities and Equity.

(A) Chart of Accounts
(B) Accounting Equation
(C) Trial Balance
(D) Statement of Changes in Equity

57. On purchase of old furniture, ₹2,000 incurred on freight charges should be debited to

(A) Freight A/c
(B) Trading A/c
(C) Wages A/c
(D) Furniture A/c

58. Which of the following documents is not required for preparing the Bank Reconciliation Statement?

(A) Bank pass book
(B) Bank statement
(C) Trial Balance
(D) Cash book

59. Which of the following is not correct?
(A) Debit the receiver, credit the giver
(B) Debit what comes in, credit what goes out
(C) Debit all assets, credit all liabilities
(D) Debit all incomes, credit all expenses

60. Purchase Book records the transactions related to
(A) all types of purchases.
(B) all purchases of goods.
(C) all types of credit purchases.
(D) credit purchases of goods only.

61. Equipment sold on credit basis to Mr. Arora should be recorded in
(A) Sales day book
(B) Cash book
(C) General journal
(D) Bills receivable book

62. Which of the following asset is considered to be non-depreciating?
(A) Land
(B) Building
(C) Plant
(D) Fixtures

63. Prepaid insurance is, by nature, a
(A) Direct expense
(B) Nominal account
(C) Tangible asset
(D) Representative personal account

64. If original cost of a machine is ₹ 1,26,000 and rate of depreciation is 10% per annum, then the depreciation of the machine for 2nd year under Written Down Value Method will be
(A) ₹ 9,600
(B) ₹ 10,800
(C) ₹ 11,340
(D) ₹ 13,140

65. A sum of ₹ 2,50,000 was paid as compensation to an employee who was retrenched. It is a
(A) Revenue expenditure
(B) Deferred revenue expenditure
(C) Capital expenditure
(D) Appropriation of profits

66. Which one is used without a trade transaction but for mutual benefit?
(A) Trade Bill
(B) Mutual Bill
(C) Non-transaction Bill
(D) Accommodation Bill

67. D of Darjeeling sent 10,000 kg. of tea costing ₹ 200 per kg. to B of Bundi. D incurred: Freight ₹ 36,000 and Transit Insurance ₹ 24,000. During transit, 200 kg. of tea were lost due to theft. The value of loss to be recorded in Consignment Account is

(A) ₹ 40,000
(B) ₹ 40,480
(C) ₹ 40,720
~~(D)~~ ₹ 41,200

68. When consignor send goods to consignee he prepares and send a

(A) Debit note
(B) Account sales
~~(C)~~ Proforma invoice
(D) Sales invoice

69. Which of the following accounts is debited by the consignee on receipts of goods from consignor?

(A) Purchase Account
~~(B)~~ Goods Account
(C) Consignment Account
(D) None of the above

70. A, joint venture with B, purchased goods costing ₹ 5,00,000. B sold 80% of the goods for ₹ 6,25,000. Balance of goods were taken over by B at cost less 20%. The profit on joint venture will be

~~(A)~~ ₹ 2,05,000
(B) ₹ 2,25,000
(C) ₹ 2,00,000
(D) ₹ 1,25,000

71. Joint Venture account is of the nature of

(A) Personal Account
(B) Real Account
~~(C)~~ Nominal Account
(D) Suspense Account

72. A Bill of Exchange worth ₹ 9,00,000 was discounted by Tanuj with his banker for ₹ 8,73,000. At maturity the bill was dishonoured, and noting charges of ₹ 1,200 was incurred. How much amount will the bank deduct from Tanuj's bank balance at the time of such dishonour?

(A) ₹ 8,73,000
(B) ₹ 8,74,200
(C) ₹ 9,00,000
~~(D)~~ ₹ 9,01,200

73. D of Delhi sends out certain goods to K of Kolkata at cost plus 25%. ½ (50%) of the goods received by K is sold at ₹ 3,52,000 at 10% above Invoice Price. The Invoice Value of goods send out is _____.

(A) ₹ 6,33,600
(B) ₹ 7,04,000
(C) ₹ 3,20,000
~~(D)~~ ₹ 6,40,000

74. If Opening Capital, Drawings and Closing Capital are ₹ 14,00,000, 3,00,000 and ₹ 18,00,000 respectively, then the profit for the year would be

(A) ₹3,00,000
(B) ₹4,00,000
~~(C)~~ ₹7,00,000
(D) ₹1,00,000

75. At the end of the accounting year the balance of Nominal accounts are transferred to

(A) Trading Account only.

(B) Profit and Loss Account only.

(C) Trading and Profit & Loss Account.

(D) Balance Sheet.

76. Under the Permanence Approach of Marshalling,

(A) most liquid assets are reflected first in the Balance Sheet.

(B) fixed assets comes before the current assets in the Balance Sheet.

(C) fixed assets comes after the current assets in the Balance Sheet.

(D) non-current liabilities comes after the current liabilities in the Balance Sheet.

77. The Manufacturing account is prepared to

(A) ascertain gross profit.

(B) ascertain the cost of goods manufactured.

(C) ascertain profit or loss on the goods manufactured.

(D) ascertain the cost of goods sold.

78. Fixed assets are disclosed in the Balance Sheet at

(A) Original cost.

(B) Market value.

(C) Original cost or Market Value, whichever is lower.

(D) Original cost less Depreciation till date.

79. Ascertain the value of Closing inventory, given that: Opening inventory ₹2,00,000; Sales ₹10,00,000; Purchases ₹8,00,000; Wages ₹40,000; Gross Profit rate 25% on Sales.

(A) ₹2,50,000

(B) ₹2,90,000

(C) ₹3,00,000

(D) ₹3,20,000

80. Which of the following is not a component of the financial statements of a sole proprietorship?

(A) Profit & Loss Account

(B) Balance Sheet

(C) Trading Account

(D) Receipts and Payments Account

81. Legacy receipt by a non-profit organisation is treated as

(A) Capital receipt

(B) Revenue receipt

(C) Capital loss

(D) Revenue loss

82. Capital Fund of a non-profit organisation is also known as

(A) Equity

(B) Accumulated Fund

(C) Finance Reserve

(D) Cash Fund

83. The books of Ganga Welfare Trust show subscriptions received during the year 2024-25 was ₹1,11,250 and advance subscriptions on 31-03-2025 was ₹15,000 . If outstanding subscription on 31.03.2025 was ₹11,250, then the subscription to be credited in the Income and Expenditure Account would be

(A) ₹1,25,000
(B) ₹1,22,500
(C) ₹1,11,250
(D) ₹1,07,500

84. Which of the following items are shown in the Income and Expenditure Account?

(A) Both items of capital and revenue nature
(B) Only items of capital nature
(C) Only items of revenue nature which are received during the period of accounts
(D) Only items of revenue nature pertaining to the period of accounts

85. Which of the following is/are true regarding Receipts & Payments Account?

(A) It is a summary of the Cash Book.
(B) It is a Nominal account by nature.
(C) It consists of transactions of revenue nature only.
(D) All of the above

86. Costs are often measured in terms of a product, a service to a hotel guest or a sales territory. These are known as _____.

(A) Cost driver
(B) Cost centre
(C) Cost unit
(D) Cost object

87. In India, which of the following formulates the Cost Accounting Standards(CAS)?

(A) The Institute of Cost Accountants of India
(B) Cost Accounting Standards Board
(C) The Institute of Chartered Accountants of India
(D) Council of Cost Accounting Standards

88. Which method of costing is appropriate for colleges?

(A) Operating Costing
(B) Job Costing
(C) Multiple Costing
(D) Contract Costing

89. The process of assigning a whole item of cost, or of revenue, to a single cost unit, centre, account or time period is referred to as

(A) Apportionment
(B) Adjustment
(C) Allocation
(D) Assignment

90. _____ are also called irrecoverable costs.

(A) Opportunity costs
(B) Sunk costs
(C) Imputed costs
(D) Relevant costs

91. Indirect materials cost is a part of

(A) Prime cost

(B) Chargeable expenses

(C) Raw material consumed

(D) Works overheads

92. In which year was cost audit introduced under the Indian Companies Act?

(A) 1958

(B) 1968

(C) 1978

(D) 1988

93. From the following data of a factory, ascertain the amount of Prime Cost:

Direct materials: ₹1,20,000; Direct labour: ₹20,000; Factory overheads: 35,000; Chargeable expenses: 50% of Direct labour.

(A) ₹1,80,000

(B) ₹1,85,000

(C) ₹1,55,000

(D) ₹1,50,000

94. Which of the following is an example of cost driver?

(A) Tonne-Km

(B) Passenger-miles

(C) Set-up hours

(D) Per bed per day

95. Which of the following is the classification of costs 'by nature of production or operation process'?

(A) Job cost, Batch cost, Contract cost, Process cost and Joint cost.

(B) Normal cost and Abnormal cost.

(C) Fixed cost, Variable cost and Semi-variable cost.

(D) Direct cost and Indirect cost.

96. Identify the correct sequence of costs appearing in a Cost Sheet drafted under Absorption costing technique:

(i) Cost of Goods Sold, (ii) Works cost, (iii) Cost of Production, (iv) Prime cost

(A) (iv), (iii), (ii), (i)

(B) (iv), (ii), (i), (iii)

(C) (iv), (i), (ii), (iii)

(D) (iv), (ii), (iii), (i)

97. Determine the amount of purchase of raw materials from the given particulars:

Raw materials consumed: ₹1,27,200; Opening stock of raw materials: ₹14,400 ; Closing stock of raw materials: ₹21,600.

(A) ₹91,200

(B) ₹1,63,200

(C) ₹1,20,000

(D) ₹1,34,400

98. CAS 14 deals with

(A) Cost of Utilities

(B) Quality Control

(C) Pollution Control Cost

(D) Overburden Removal Cost

99. Consider the following statements:

Statement I: Budgets are financial and/ or quantitative statements prepared and approved prior to a defined period of time.

Statement II: Budgets are formal quantifications of the plans of management.

(A) Only Statement I is true.

(B) Only Statement II is true.

(C) Both statements are true.

(D) Both statements are false.

100. _____ costing differentiates between fixed cost and variable cost.

(A) Marginal

(B) Uniform

(C) Absorption

(D) Standard