

**PSC Laboratory Technical
Assistant - Accounting And
Auditing - VHSE Examination
Previous Year Question Paper**

***Exam Name: Laboratory Technical Assistant -
Accounting And Auditing - VHSE***

Date of Test : 13.02.2015

Question Paper Code: 030/2015

Medium of Questions: English



30/2015

Maximum : 100 marks

Time : 1 hour and 15 minutes

1. Capital Account is :
(A) Asset account (B) Expense account
(C) Liability account (D) Income account
2. Promissory note is :
(A) An undertaking (B) A order
(C) A request (D) A declaration
3. Chairman and Managing Director of State Bank of India (2013-2014) :
(A) A.K. Saxena (B) Arundhati Bhattacharya
(C) D.K. Mehrotra (D) D. Sarkar
4. If shares are issued to promoters in consideration of their services instead of cash _____ will be debited.
(A) Promoter's account (B) Goodwill account
(C) Share capital account (D) Cash account
5. 'SEZ' stands for :
(A) Special Economic Zone (B) Special Efficient Zone
(C) Special Electronic Zone (D) Special Export Zone
6. Venture capitalists are also known as :
(A) Risk free investors (B) Angel investors
(C) Debenture holders (D) Share holders
7. Lame Duck is a _____ speculator.
(A) Bull (B) Bear
(C) Stag (D) Deer
8. The act of transferring share holding to electronic form from physical certificate is called :
(A) Rematerialisation (B) Book building
(C) Dematerialisation (D) Materialisation

9. World Consumer Rights Day is celebrated on :
(A) March 4 (B) December 10
(C) March 15 (D) December 24
10. Financial leverage is beneficial to :
(A) Preference share holders (B) Equity share holders
(C) Debenture holders (D) Long term loan providers
11. _____ account is usually opened by businessmen.
(A) Savings Bank Account (B) Fixed Deposit Account
(C) Recurring Deposit Account (D) Current Account
12. Bill of entry is a document used in :
(A) Internal trade (B) Import trade
(C) Export trade (D) None of these
13. The process of perceiving all documents to an audit is called :
(A) Audit filing (B) Pre-arrangement
(C) Documentation (D) None of these
14. Contingent liability is :
(A) A liability which may or may not arise
(B) Liability which is so certain
(C) Liability for the next accounting period
(D) Liability for the audit period
15. Journal proper is used for recording :
(A) Credit sales only
(B) Transaction which cannot be recorded in any other subsidiary books
(C) Purchase returns and Sales returns
(D) All cash transactions
16. Income tax is collected by :
(A) State Government (B) Central Government
(C) Both State and Central Government (D) Businessman

17. Following is an example of factory overhead :
- (A) Salary of general manager (B) Salary of supervisor
(C) Office rent (D) Audit fee
18. Factory overhead during the period Rs. 1,00,000 machine hours worked 25,000 hours. Determine machine hour rate :
- (A) Rs. 4 (B) Rs. 6
(C) Rs. 5 (D) Rs. 10
19. Who is the present controller and Auditor General of India?
- (A) Vinod Rai (B) Ranga Rajan
(C) Shashi Kant Sharma (D) Soma Rajan
20. Price strategy usually followed in electronic goods :
- (A) Skimming price (B) Penetrating price
(C) Constant price (D) None of these
21. _____ is the most visible element of marketing mix.
- (A) Price (B) Promotion
(C) Product (D) Place
22. _____ is a type of plan which is a combination of all types of plans.
- (A) Policy (B) Procedure
(C) Rule (D) Programme
23. Which accounting standard deals with Goodwill?
- (A) Accounting Standard 11 (B) Accounting Standard 10
(C) Accounting Standard 6 (D) Accounting Standard 9
24. Cash Book Acts as :
- (A) Journal (B) Both Journal and Ledger
(C) Ledger (D) Statement
25. If Bank Reconciliation statement starts with cash book balance (positive) and ends with a negative balance it indicates :
- (A) Overdraft as per passbook (B) Deposit as per passbook
(C) Neither a deposit nor an overdraft (D) Correct balance

26. _____ are the owners of the company.
- (A) Equity share holders (B) Preference share holders
(C) Debenture holders (D) Customers
27. If partnership deed contains no provision regarding payment of interest on partner's loan, an interest of _____ can be allowed.
- (A) 7% (B) 6%
(C) 12% (D) 9%
28. If outstanding expenses are given inside the trial balance it will appear in :
- (A) Profit and Loss account
(B) Both Profit and Loss account and Balance sheet
(C) Balance sheet only
(D) Neither in profit and loss account nor Balance sheet
29. Preliminary expenses not written off will appear in the balance sheet on asset side as it is a :
- (A) Credit balance (B) Current liability
(C) Current asset (D) Fictitious asset
30. GAAP stands for :
- (A) Globally Accepted Accounting Principle
(B) Generally Accepted Accounting Principle
(C) General Accounting and Auditing Principle
(D) Global Accounting and Audit Principle
31. Another name for Authorized capital :
- (A) Nominal capital (B) Paid up capital
(C) Subscribed capital (D) Reserve capital
32. In computerized accounting Ctrl + N stands for :
- (A) Main area (B) Task bar
(C) Company info (D) Calculator
33. Test checking means :
- (A) Sample checking (B) Detailed checking
(C) Checking the first few items (D) Substitute checking

34. The ownership of audit working papers rests with :
(A) Auditor (B) Client
(C) Board of Directors (D) Legal advisor
35. Find odd one out :
(A) Tally 7.3 (B) Tally ERP 9
(C) Tally 6.3 (D) Tally 7.2
36. Salary of M.P. is taxable under :
(A) Agricultural income (B) Salary
(C) Casual income (D) Income from other sources
37. Income tax is computed on :
(A) Capital income (B) Revenue income
(C) Gross total income (D) Total income
38. Single Rate used for absorption of overhead for the whole factory is called :
(A) Blanket Rate (B) Common Rate
(C) Standard Rate (D) Multiple Rate
39. Another name for application of overhead is :
(A) Absorption (B) Allocation
(C) Distribution (D) Apportionment
40. Vouching refers to :
(A) Careful examination of the accuracy of all transactions
(B) Continuous checking
(C) Random checking
(D) Support an entry in the books of account with documentary evidence
41. An audit report prepared by an Auditor when he is not satisfied with the true and fair view of the state of affairs of the company is :
(A) Clean Report (B) Qualified Report
(C) Interim Report (D) Final Report

42. Previous Year means :
- (A) Accounting Year
 - (B) Financial Year
 - (C) Calendar Year
 - (D) Financial Year immediately preceding the Assessment Year
43. Audit Report is prepared :
- (A) During Audit
 - (B) Before Audit begins
 - (C) After Audit work done
 - (D) Only at the request of the client
44. Income Tax was introduced in India :
- (A) 1860
 - (B) 1960
 - (C) 1918
 - (D) 1885
45. That part of uncalled capital which can be called up by the Board of Directors at any time other than winding up is called :
- (A) Reserve Capital
 - (B) Unreserved Capital
 - (C) Capital Reserve
 - (D) Calls-in-arrear
46. If a company is making a profit of Rs. 1,00,000 on a capital investment of Rs. 10,00,000 and the normal return expected by the similar business is 15%, then the company is :
- (A) Under Capitalized
 - (B) Fairly Capitalized
 - (C) Over Capitalized
 - (D) Neither over nor under capitalized
47. The Action Plan containing the details of the conduct of a specific Audit is called :
- (A) Audit File
 - (B) Audit Programme
 - (C) Audit Report
 - (D) Working Papers
48. Name of the contract/bond to be executed by a company in the form of an account in order to fulfill the obligation under the scheme of buy back :
- (A) Indemnity
 - (B) Sub Contract
 - (C) Statutory Reserve
 - (D) Escrow
49. Meaning of the Latin word 'audire' is :
- (A) To Tell
 - (B) To Hear
 - (C) To Punish
 - (D) To Watch

50. Overhead represents :
- | | |
|-----------------|-------------------|
| (A) Direct Cost | (B) Indirect Cost |
| (C) Both | (D) None of these |
51. _____ is the ratio of number of workers leaving an organization during a given period to average number of workers during the same period.
- | | |
|------------------------|-------------------------|
| (A) Labour Turn Over | (B) Labour Retrenchment |
| (C) Labour Replacement | (D) Labour Separation |
52. Under Halsey Plan of wage payment bonus is given @ _____ of time saved.
- | | |
|---------|-----------------------|
| (A) 40% | (B) $33\frac{1}{3}\%$ |
| (C) 50% | (D) $66\frac{2}{3}\%$ |
53. _____ is arranging well in advance and co-ordinating the audit work of a client.
- | | |
|----------------------|---------------------|
| (A) Audit Principle | (B) Audit Programme |
| (C) Audit Assignment | (D) Audit Planning |
54. Who is the present (2013–2014) chairman of SEBI?
- | | |
|----------------|-----------------|
| (A) U.K. Sinha | (B) C.B. Bhavé |
| (C) D.R. Mehta | (D) G.N. Bajpai |
55. An auditor should certify in which words :
- | |
|--|
| (A) That the balance sheet exhibits a true and fair view of the state of affairs of the business |
| (B) That errors and frauds do exist and properly detected |
| (C) That assets and liabilities have been verified correctly |
| (D) That recurrence of errors and frauds in well presented |
56. A Hindu deity is treated as _____ person for income tax purposes.
- | | |
|-----------------------|-----------------------------------|
| (A) An individual | (B) A firm |
| (C) A local authority | (D) An artificial judicial person |
57. Which among the following is an example for casual income under Income Tax Act?
- | | |
|-------------------------|--------------------------|
| (A) Agricultural Income | (B) Winning a lottery |
| (C) Salary | (D) Profit from business |

58. _____ is the basis of apportionment of factory rent.
- | | |
|-------------------------|-------------------|
| (A) Number of rooms | (B) Floor area |
| (C) Number of employees | (D) None of these |
59. An individual assessee can be :
- | | |
|------------------|-------------------|
| (A) Non resident | (B) Resident |
| (C) Both | (D) None of these |
60. SEOs is a part of :
- | | |
|----------------------|---------------------|
| (A) NIM | (B) NSE |
| (C) Both NSE and NIM | (D) Operating cycle |
61. Bonus shares are also called :
- | | |
|------------------|--------------------|
| (A) Sweat equity | (B) ESOP |
| (C) Right shares | (D) Stock Dividend |
62. What will be the EOQ in respect of the following?
- Annual usage - 200 units
- Cost of placing an order - Rs. 9
- Price of materials per unit - Rs. 20
- Cost of storage - 10%
- | | |
|------------|------------|
| (A) Rs. 80 | (B) Rs. 90 |
| (C) Rs. 60 | (D) Rs. 75 |
63. An entry which has both aspects in one account is called :
- | | |
|------------------|---------------------|
| (A) Contra entry | (B) Adjusting entry |
| (C) Double entry | (D) Closing entry |
64. After dissolution of partnership firm there will be :
- | | |
|---------------------------------|--------------------------------------|
| (A) Balance in cash account | (B) New balance sheet |
| (C) Nil balance in all accounts | (D) Balance in capital accounts only |
65. Proprietor withdraws cash for personal use. To effect this transaction _____ account is credited.
- | | |
|--------------------------|----------------------|
| (A) Capital account | (B) Drawings account |
| (C) Proprietor's account | (D) Cash account |

66. In mechanised industry _____ rate is the most suitable.
- (A) Dual Hour Rate (B) Machine Hour Rate
(C) Variable Hour Rate (D) Labour Hour Rate
67. _____ is an example of semi variable cost.
- (A) Telephone charges (B) Carriage
(C) Insurance (D) Factory Rent
68. _____ level represents a stock level which indicates an emergency positions.
- (A) Re-order level (B) Danger level
(C) Minimum level (D) Maximum level
69. If shares issued at premium are forfeited before premium amount is received in entry for forfeiture share premium account should be :
- (A) Debited
(B) Credited
(C) Not to be considered
(D) Transferred to share holders account
70. Cost accounting is a technique and _____ of ascertaining cost.
- (A) Art (B) Practice
(C) Process (D) Science
71. In _____ method of pricing material issues closing stock wilt reflect current price.
- (A) LIFO (B) FIFO
(C) HIFO (D) NIFO
72. Miss. Suma, an Indian citizen leaves to Japan for a job on October 10th 2013. What is her residential status for the assessment year 2013-14 if she leaves India for the first time?
- (A) Resident (B) Non resident
(C) Neither resident nor residual (D) Both
73. Book building in India was introduced on the recommendations of :
- (A) Vaghul committee (B) Malegum committee
(C) Pattel committee (D) Labba committee

74. Insider Trading means :
- Proper Trading of securities through stock exchange
 - Trading securities through primary securities market
 - Trading in securities on the basis of unpublished sensitive information
 - Trading of securities inside a particular country
75. _____ time represents the difference between records as per time keeping and time booking.
- Idle time
 - Normal time
 - Over time
 - Average time
76. Huge amount spent on advertising is an example for :
- Capital expenditure
 - Deferred revenue expenditure
 - Revenue expenditure
 - None of these
77. Control forces events to conform to :
- Actual performance
 - Standards
 - Future activities
 - Past activities
78. Another name informal communication :
- Grapevine
 - Gang plank
 - Scalar chain communication
 - None of these
79. Commercial paper is an instrument traded in _____ market.
- Capital market
 - Commodities market
 - Money market
 - Government Treasury
80. Which concept of GAAP forms the basis of classification of items as Capital and Revenue?
- Cost Concept
 - Going Concern Concept
 - Business Entity Concept
 - Money Measurement Concept
81. The place which is known as the "Third Pole" has the world's highest helipad. Which is that place?
- Ladakh
 - Siachin
 - Kanchen Junga
 - Darjeeling
82. Which of the following is a Mangrove forest plant?
- Babul
 - Pine
 - Sandalwood
 - Sundari

83. Which food crop in India is sown in October-November and reaped in April?
- (A) Wheat (B) Rice
(C) Tea (D) Cotton
84. The state through which the tropic of cancer doesn't pass?
- (A) W. Bengal (B) Madhya Pradesh
(C) Bihar (D) Gujarat
85. The Governor general who approved the proposal for English education by Lord Macaulay :
- (A) Lord William Bentick (B) Lord Mount Batten
(C) Lord Curzan (D) Lord Canning
86. The call "Dilli Chalo" was given by :
- (A) Dr. Rajendra Prasad (B) Subhash Chandra Bose
(C) Lala Rajapat Rai (D) Mahatma Gandhi
87. The only Biological Park in Kerala :
- (A) Papara Wild life reserve (B) Aralam farm
(C) Agasthya forest (D) Parambikkulam
88. A rain shadow area in Kerala :
- (A) Punalur (B) Thekkady
(C) Chinnar (D) Silent valley
89. In which river system is Bhuthathankettu Dam?
- (A) Chaliar (B) Periyar
(C) Manimala (D) Meenachil
90. In which District is Thunchan memorial?
- (A) Kannur (B) Wayanadu
(C) Malappuram (D) Kozhikodu
91. Vaikunda Swami is associated with :
- (A) Channar Revolt (B) Anchu Thengu Revolt
(C) Temple entry proclamation (D) Arya Vaidhya Samajam

92. The volunteer captain of Guruvayoor sathyagraha :
 (A) K. Kelappan (B) Mannath Padmanabhan
 (C) P. Krishnan Pillai (D) A.K. Gopalan
93. The famous autobiography 'Kannirum Kinavum' is written by :
 (A) V.T. Bhattathiripadu (B) Ayyankali
 (C) Dr. Palpu (D) Vakkom Moulavi
94. Kuriakose Elias Chavara was beatified in :
 (A) 1987 (B) 1988
 (C) 1986 (D) 1985
95. The Villu Vandi Yathra is related to :
 (A) Sahodaran Ayyappan (B) Chattampi Swamikal
 (C) Kumara Gurudevan (D) Ayyankali
96. The boundary line between India and Pakistan :
 (A) Durant line (B) Radcliff line
 (C) 17th parallel (D) 38th parallel
97. What is Chipko movement associated with :
 (A) Eradication of illiteracy (B) Protection of trees and environment
 (C) Development of Cottage industries (D) Health education of village people
98. The first wicket keeper who had taken 500 catches in test cricket :
 (A) Sachin Tendulkar (B) Dravid
 (C) Mark Baucher (D) Kemer Roach
99. The FIFA cup final of 2014 was played at :
 (A) Maracana (B) Mineirao
 (C) Do Arruda (D) Castelao
100. The author of the Mask of Africa :
 (A) Alice munro (B) Alan Bollard
 (C) Irene Bokavo (D) V.S. Naipaul