

**PSC Vocational Teacher In
Accountancy And Auditing - VHSE
Examination
Previous Year Question Paper**

***Exam Name: Vocational Teacher In Accountancy
And Auditing - VHSE***

Date of Test : 06.01.2016

Question Paper Code: 003/2016

Medium of Questions: English



003/2016

Maximum : 100 marks

Time : 1 hour and 15 minutes

1. Charging low price in the international market and high price in the home market is called :
(A) Discriminating (B) Dumping
(C) Rigging (D) Penetrating
2. The assets bought for long term use are termed as _____ assets.
(A) Floating (B) Current
(C) Tangible (D) Fixed
3. Notary Public is a _____ appointed by the Government.
(A) Legal Practitioner (B) Registrar
(C) Clerk (D) Manager
4. Subscription received in advance during the year is :
(A) Asset (B) Surplus
(C) Liability (D) Income
5. Exim Bank was established in the year :
(A) 1956 (B) 1983
(C) 1991 (D) 1982
6. Who among the following is popularly known as Father of Co-Operative movement?
(A) Jawaharlal Nehru (B) Robert Owen
(C) Plato (D) Mahatma Gandhi
7. A bank Draft is drawn by :
(A) Customer (B) Trader
(C) Bank (D) RBI
8. Which of the Following is the Capital Market Regulator?
(A) SEBI (B) RBI
(C) NABARD (D) BSE

9. According to Basel II, The capital adequacy ratio for Banks is :
- (A) 8% (B) 10%
(C) 25% (D) 15%
10. Interest on Drawings is Credited to :
- (A) Capital (B) Profit and Loss Account
(C) Drawings Account (D) Goodwill
11. Price Discrimination is possible in which of the following market situation?
- (A) Perfect Competition (B) Pure Competition
(C) Monopoly (D) Oligopoly
12. Sales Revenue is Rs. 8,00,000 and P/V Ratio is 40%. Then the amount of Contribution will be :
- (A) 400000 (B) 320000
(C) 600000 (D) 200000
13. The Consumer Protection Act Was passed in which year?
- (A) 1956 (B) 1948
(C) 1981 (D) 1986
14. Which of the following Companies Act was passed in India recently?
- (A) Companies Act 2014 (B) Companies Act 2015
(C) Companies Act 2013 (D) Companies Act 1956
15. A single legislation to replace various Indirect Tax Legislations is the following :
- (A) GST (B) VAT
(C) MAT (D) KVAT
16. IFCI was started as a specialized Financial institution in India in the Year :
- (A) 1956 (B) 1947
(C) 1991 (D) 1948

17. Average clause in a General insurance contract discourages :
(A) Under insurance (B) Over insurance
(C) Un insurance (D) Tax evasion
18. Opening balance of debtors is Rs. 30,000, Cash received from debtors is Rs. 6,000, Goods sold to debtors is Rs. 40,000, Goods returned by debtors is 1000. What is the closing balance?
(A) Rs. 76,000 (B) Rs. 60,000
(C) Rs. 71,000 (D) Rs. 63,000
19. Selling price per Unit is Rs. 12, Variable cost per unit is Rs. 5, Fixed expenses Rs. 1,40,000. What will be the BEP?
(A) 20000 units (B) 25000 units
(C) 28000 units (D) 24000 units
20. Narasimham Committee Report on Financial sector Reforms was Tabled in Parliament in which of the following years?
(A) 1992 (B) 1995
(C) 1991 (D) 1989
21. Total sales of an organization is Rs. 5,00,000 and Margin of safety is Rs. 2,00,000. Calculate Break Even sales :
(A) Rs. 7,00,000 (B) Rs. 3,50,000
(C) Rs. 2,00,000 (D) Rs. 3,00,000
22. Wages paid for installing an asset is to be debited to ———— Account.
(A) Asset (B) Trading
(C) Profit and Loss (D) Wages
23. In Responsibility Accounting, each area of activity is treated as a :
(A) Profit Centre (B) Cost Centre
(C) Revenue Centre (D) Investment Centre
24. When Imputed costs are deducted from Accounting profit, we will get :
(A) Net Profit (B) Gross Profit
(C) Economic Profit (D) Explicit Cost

25. If a Company Issued Rs. 5,00,000 worth of Equity and Rs. 15,00,000 worth of Debt Capital, Its Capitalization is said to be :
- (A) Over capitalized (B) High Geared
(C) Low Geared (D) Under Capitalized
26. The Life Insurance corporation of India was incorporated in which year?
- (A) 1947 (B) 1948
(C) 1950 (D) 1956
27. _____ enables Indian investors to make investments in foreign companies.
- (A) ADR (B) GDR
(C) IDR (D) OPTION
28. The rate at which The RBI provides refinance to Commercial Banks is :
- (A) Repo (B) Reverse Repo
(C) CRR (D) SLR
29. Section 80 D of Indian Income tax Act deals with :
- (A) Medical treatment of spouse (B) Investment in Government Bonds
(C) Interest on Housing loan (D) Medical Insurance Premium
30. Transfer of shares to legal heirs on death of shareholder is called :
- (A) Nomination (B) Assignment
(C) Transmission (D) Endorsement
31. Liquidation is not required in :
- (A) Merger (B) Internal Reconstruction
(C) Acquisition (D) Amalgamation
32. Method of doing an activity is called :
- (A) Technology (B) Model
(C) Performance (D) Execution
33. _____ replaces Central Planning Commission.
- (A) GST (B) IFRS
(C) MAT (D) NITI AYOOG

34. The Malayalam Novel 'OHARI' is authored by :
(A) K.L. Mohanavarma (B) M. T. Vasudevan Nair
(C) M. Mukundan (D) C. Radhakrishnan
35. On winding up, the Statement of affairs is prepared by :
(A) Registrar (B) Liquidator
(C) Company (D) Court
36. Writing off intangible Asset is called :
(A) Amortization (B) Depreciation
(C) Revaluation (D) Elimination
37. Under _____ method of stores issue, the issue price reflects the current market price.
(A) FIFO (B) LIFO
(C) HIFO (D) Average
38. _____ clause is included in contracts to makeup the increase in the cost of materials, labour or other expenses.
(A) Escalation (B) Bonus
(C) Addition (D) Cancellation
39. Maslow's Need hierarchy Theory is based on :
(A) Organisational Needs (B) Market Needs
(C) Human Needs (D) Government Needs
40. In the case of New Products _____ Method of pricing is most suitable.
(A) Cost Plus (B) Monopoly
(C) Mark up (D) Penetration
41. Arbitraging is _____ Activity.
(A) Unfair (B) Punishable
(C) Legal (D) Unlawful
42. Which of the following is not an offence under Income Tax act?
(A) Tax Evasion (B) Income concealment
(C) Tax avoidance (D) Over charging Depreciation

43. NIFTY is based on the value of scrips Listed in :
(A) National Stock Exchange (B) OTCEI
(C) Bombay Stock Exchange (D) Cochin Stock Exchange
44. Fire Insurance Contract is a contract of :
(A) Assurance (B) Indemnity
(C) Loss (D) Wager
45. Mr. A entered in to a Contract with Mr. B for the sale of a building for Rs. 20 Lakhs. Before the execution date, the building collapsed due to earth quake. Then, the contract is :
(A) Valid (B) Enforceable
(C) Voidable (D) Void
46. Nephew of Mr. X is missing. He gave a public promise that any one who can find the missing nephew and informing him will be paid an amount of Rs. 10,000. Mr. Y the servant of Mr. X, without knowing the promise, fetch the boy and handed over to Mr. X. Then, Mr. X refuses to pay the promised amount. In this case which of the following statement is correct?
(A) Mr. Y is not entitled to get the amount
(B) Mr. Y is entitled to get the amount
(C) Mr. Y can sue and get the amount
(D) Nephew is to pay the amount
47. MBP stands for :
(A) Member Broker Plans (B) Management backed Project
(C) Multy Banking Partner (D) Maximum Borrowing Power
48. Errors in totaling and balancing is an example of :
(A) Error of Ommission (B) Error of Commission
(C) Compensating Errors (D) Error of Principle
49. SAP stands for :
(A) Standard Auditing Practices (B) Standard Accounting Practices
(C) Sectional Accounting Practices (D) Sectional Auditing Practices
50. Recording transactions in the ledger is called :
(A) Book-keeping (B) Accounting
(C) Posting (D) Balancing

51. Which of the following is a direct expense?
- (A) Rent (B) Salaries
(C) Interest (D) Wages
52. Unpaid salaries account is a _____ Account.
- (A) Personal (B) Real
(C) Nominal (D) None of these
53. Assets which loose their volume due to usage is called _____ Assets.
- (A) Depleting (B) Intangible
(C) Fictitious (D) Floating
54. When two persons make identical offer to each other, without having knowledge of each other's offer, then it is case of :
- (A) General Offer (B) Specific Offer
(C) Counter Offer (D) Cross Offer
55. Consent is free when it is caused by :
- (A) Coercion (B) Fraud
(C) Undue influence (D) Free will
56. Mr. P agrees to pay Rs. 5,000 to Mr. S if it rains and Mr. S promise to pay Rs. 5,000 to Mr. P if it does not rain, this agreement is an example of :
- (A) Voidable (B) Contingent Contract
(C) Wagering Agreement (D) Quasi contract
57. General Offer can be accepted by :
- (A) Any person (B) The promise only
(C) The promise or his agent (D) None of these
58. General Lien can be exercised by :
- (A) Agent (B) Unpaid Seller
(C) Finder of Lost Goods (D) Banker
59. Audit conducted by the employees of the organization is called :
- (A) Interim Audit (B) Internal Audit
(C) Vouching (D) Local Audit

60. The first general meeting of a company is called :
(A) Statutory meeting (B) Annual general meeting
(C) Extra ordinary general meeting (D) Board meeting
61. _____ Company is a company created by a special Act in Parliament.
(A) Government (B) Registered
(C) Chartered (D) Statutory
62. IPO stands for :
(A) Initial Public Offer (B) International Public Offer
(C) Indian Public Offer (D) Initial Private Offer
63. The Excess money collected over the face value of shares shall be credited to :
(A) Reserve capital (B) Security Premium
(C) Capital Reserve (D) Calls in advance
64. The share capital account is debited with _____ while forfeiting shares.
(A) Calls in arrears (B) Called up capital
(C) Paid up capital (D) Issued capital
65. Security Premium cannot be used for :
(A) Writing off preliminary expenses
(B) Issuing Bonus Shares
(C) Writing off discount on issue of shares
(D) Redeem Preference Shares
66. A Qualified Report is issued by the Auditor when he is :
(A) Dissatisfied with the Audit (B) Satisfied with the Audit
(C) Paid his remuneration (D) A qualified auditor
67. Annual audit is otherwise known as :
(A) Internal Audit (B) Interim Audit
(C) Partial Audit (D) Periodical Audit

68. Which of the following is a Social Network?
(A) Chrome (B) Twitter
(C) Fire fox (D) Internet Explorer
69. List of detailed instructions that direct a computer is called :
(A) Execution (B) Control
(C) Programme (D) Storage
70. The acronym CRT stands for :
(A) Computer Radio Technology (B) Cathode Ray Tube
(C) Colour Ray Tube (D) Computer Ray Tube
71. The validity of a cheque is _____ from the date of its issue.
(A) 9 months (B) 6 months
(C) 12 months (D) 3 months
72. The market where securities are issued for the first time is called _____ market.
(A) Primary (B) Secondary
(C) Local (D) Grey
73. The process of converting the physical form of shares in to electronic form is called :
(A) Rematerialisation (B) Dematerialisation
(C) Coding (D) Decoding
74. Bombay Stock Exchange was established in the year :
(A) 1785 (B) 1795
(C) 1875 (D) 1865
75. The first Co-Operative Act was passed in India in the year :
(A) 1904 (B) 1901
(C) 1961 (D) 1912
76. Trial Balance will detect :
(A) Errors of Principle (B) Compensating Errors
(C) Partial omission (D) Complete omission

77. Double entry system of Accounting was propounded by :
(A) Luca Pacioli (B) Chankya
(C) Peter Drucker (D) Confucios
78. 20% profit on sales price means _____ on cost.
(A) 33% (B) 25%
(C) 15% (D) 30 %
79. Process costing method is used for :
(A) Transport services (B) Printing Press
(C) Textile units (D) Soap making
80. Ratio of Net income to Number equity shares is known as :
(A) Net Profit Ratio (B) Current Ratio
(C) Earnings per share (D) Dividend per share
81. Who among the following was called The Jhansi Rani of Travancore by Mahatma Gandhi?
(A) Ammu Swaminathan (B) Akkamma Cheriyan
(C) Aruna Asif Ali (D) Captain Lakshmi
82. The Travancore State Congress was formed in the year :
(A) 1938 (B) 1937
(C) 1936 (D) 1939
83. One among the co-founders of Legue of Opressed People was :
(A) Poyikayil Yohannan (B) Ayyankali
(C) Chembaka Raman Pillai (D) Vaikom Abdul Khadar Maulavi
84. The Kerala Kaumadi news paper was started by :
(A) Dr.Palpu (B) G.K. Pillai
(C) C. Kesavan (D) C.V. Kunji Raman
85. The first President of Nair Service Society was :
(A) K. Kelappan (B) Mannath Padmanabhan
(C) G.K Pillai (D) C. Krishna Pillai

86. A.B Selam was a famous :
(A) Muslim leader (B) Jew leader
(C) Christian leader (D) Nair leader
87. The Pattini March from Kannur to Madras in 1936 was led by :
(A) E.M.S. Nambuthiripad (B) P. Krishnapillai
(C) A.K. Gopalan (D) G. Sankaran Nair
88. Swathanthrya Gatha was written by :
(A) G. Sankarakuruppu (B) Vallathol
(C) Ulloor (D) Kumaranasan
89. The Channar Agitation achieved its objectives in the year :
(A) July 1859 (B) November 1859
(C) September 1859 (D) December 1859
90. The Church Mission Society was founded in 1821 by :
(A) Arnos Pathiri (B) Ringle Tab
(C) Benchamin Baily (D) Hermen Gundert
91. Literary criticism in Malayalam Literature was initiated by :
(A) Joseph Mundassery (B) M.P. Paul
(C) P.K. Narayanapillai (D) Raja Raja Varma
92. To which of the following political parties does Tejashwi Prasad belong?
(A) Bharathiya Janatha Party
(B) Rashtriya Janatha Dal
(C) Samajwadi Party
(D) Biju Janatha Dal
93. Which Among the following state is known as the Denmark of India?
(A) Punjab (B) Hariyana
(C) Bihar (D) Himachal Pradesh

94. Orange Book is the Official Book of which of the following Countries?
(A) Netherland (B) France
(C) China (D) Portuguese
95. The first Opposition leader of the Kerala Legislative Assembly was :
(A) C.H. Muhammed koya (B) R. Sankar
(C) Pattom A. Thanupillai (D) P.T. Chacko
96. The National Food Security Act 2013 became law on :
(A) September 9, 2013 (B) September 17, 2013
(C) September 12, 2013 (D) September 22, 2013
97. Floyd Mayweather Jr, the famous Boxing Player belongs to which Country :
(A) Cuba
(B) West Indies
(C) Canada
(D) United States of America
98. The Anglo Indian Nominee to the 16th Loksabha from Kerala is :
(A) Richard Hay (B) George Baker
(C) Ludy Louis (D) Edward Edezhath
99. By which constitutional Amendment in 1986 was the State of Mizoram created :
(A) 63rd Amendment (B) 57th Amendment
(C) 53rd Amendment (D) 66th Amendment
100. Mahakavi Vallathol established Kerala Kalamandalam at Cheruthuruthy in :
(A) 1925 (B) 1930
(C) 1932 (D) 1934