

ROY'S INSTITUTE OF COMPETITIVE EXAMINATION

The West Bengal Central School Service Commission

**2nd SLST 2025
COMMERCE**

[CLASSES : XI - XII]

1. The working papers which auditor prepares for audit of the financial statements are owned by
 - (A) the Client
 - (B) the Auditor**
 - (C) the Government
 - (D) both the Client and the Auditor
2. What is the primary objective of an independent financial audit?
 - (A) To detect all frauds and errors in financial statements
 - (B) To provide a guarantee of future profitability
 - (C) To express an opinion on the true and fair view of financial statements**
 - (D) To prepare financial statements for the management
3. Which of the following statements are true?
 - (i) Foreign trade involves export and import of goods and services within a country.
 - (ii) Industry involves functions performed by producer of goods and services for creation of utility.
 - (iii) The economic objectives of business include production and satisfaction of want, earning of profit, innovation and creation of customers.
 - (iv) Industrial Development Bank of India was established as a commercial bank.
 - (A) (i) and (ii)
 - (B) (ii) and (iii)**
 - (C) (iii) and (iv)
 - (D) (i) and (iv)
4. Bin Card is a record of _____ only.
 - (A) Quantity**
 - (B) Cost
 - (C) Value
 - (D) Expense

Disclaimer : Every effort has been made to ensure that the answer keys provided herein are accurate to the best of our understanding. These are for reference purpose only and should not be considered as the official answers. The purpose is to help the examinees to analyse their performance in competitive examinations.

5. An Annuity where the payments continue forever is called
 (A) Annuity immediate
 (B) Annuity due
(C) Perpetuity
 (D) Deferred Annuity
6. Which of the following is not a characteristic of process costing?
 (A) Costs are accumulated by process.
 (B) Suitable for mass production
 (C) Each process has a separate work-in-progress.
(D) Cost is traced to each individual unit produced.
7. Which of the following is not a part of the Accounting Standard setting process in India?
 (A) Identification of emerging issues
 (B) Constitution of Study Group
(C) Getting assent from the Parliament
 (D) Issuance of Exposure Draft
8. In accrual basis of accounting, revenue gets recognised when
 (A) cash is received.
(B) it is earned, regardless of when cash is received.
 (C) accounting period ends.
 (D) invoice is sent.
9. The Law of Increasing Returns operate because
 (A) with the increase in the scale in some proportion, output increases in the same proportion.
 (B) total product continues to increase at a diminishing rate until it reaches its maximum point.
 (C) output increases in smaller proportions with an increase in all inputs.
(D) in the beginning, the quantity of fixed factors is abundant relative to the quantity of variable factors of production.
10. Which of the following is not included in the gross total income computation?
 (A) Income from illegal business
(B) Exempted Income
 (C) Income which is deductible under Chapter VI-A
 (D) Salary income from part-time job
11. X, Y and Z share profit and losses in 5:3:2. X retires and Goodwill is valued at ₹90,000. What is the amount of goodwill to be credited to X if Y and Z continue sharing profit in 3:2 ratio?
(A) ₹45,000
 (B) ₹27,000
 (C) ₹18,000
 (D) ₹90,000

12. Which of the following is not a way of managing surplus manpower?
(A) Downsizing
(B) Labour turnover
(C) Lay-off
(D) Early retirement
13. Adjustment entries are passed to
(A) correct errors in ledger accounts.
(B) abide by the accounting principles.
(C) close temporary ledger accounts.
(D) prepare the Trial Balance.
14. Which of the following pair of goods is an example of substitutes?
(A) Shirt and Trousers
(B) Pen and Paper
(C) Tea and Coffee
(D) Milk and Sugar
15. Which of the following is an example of overhead?
(A) Raw materials
(B) Electricity bill of the factory
(C) Wages to workers
(D) Direct materials
16. Which ratio measures the proportion of total assets financed by borrowed capital?
(A) Debt-equity ratio
(B) Quick ratio
(C) Asset Turnover ratio
(D) Return on Assets
17. The portion of total deposits that a commercial bank has to keep with the RBI in the form of cash reserves is called
(A) Bank rate
(B) Repo rate
(C) CRR
(D) SLR
18. Taxable event in case of GST is
(A) Sale of goods and services
(B) Manufacturing
(C) Importation and exportation
(D) Supply of goods and service

19. If current assets are ₹2,40,000 and current liabilities are ₹1,60,000, what is the current ratio?
 (A) 1.2
 (B) 1.33
(C) 1.5
 (D) 2
20. Which of these is not an internal element of business environment?
 (A) Organizational culture
 (B) Management style
(C) Change in technology
 (D) Mission and Vision
21. FIFO method is suitable in times of _____.
(A) Rising prices
 (B) Falling prices
 (C) Fluctuating prices
 (D) Stable prices
22. How are dividends received by non-financial enterprises classified in the Cash Flow Statement?
 (A) Operating Activities
(B) Investing Activities
 (C) Financing Activities
 (D) Exceptional Items
23. In an internal check system relating to payroll accounting of a big company, the audit work is performed by
 (A) Employees
 (B) Auditors
(C) Staff of Auditors
 (D) Management
24. The continuous fall in prices is called
 (A) Inflation
(B) Deflation
 (C) Reflation
 (D) Stagflation
25. A credit sale by Mr. B of ₹40,000 to Mr. A was wrongly recorded as cash sale. The rectification entry will be—
 (A) Debit: Sales A/c ₹40,000;
 Credit: Cash A/c ₹40,000
(B) Debit: Mr. A A/c ₹40,000;
 Credit: Cash A/c ₹40,000
 (C) Debit: Mr. A A/c ₹40,000;
 Credit: Suspense A/c ₹40,000
 (D) Debit: Suspense A/c ₹40,000;
 Credit: Cash A/c ₹40,000

26. Calculate the prime cost from the following information:

Direct material purchased: ₹20,000

Direct material consumed: ₹30,000

Direct labour: ₹40,000

Direct expenses: ₹10,000

Manufacturing overheads: ₹20,000

(A) ₹50,000

(B) ₹70,000

(C) ₹80,000

(D) ₹1,00,000

27. Amazon Inc. is an example of _____ business model.

(A) C2B

(B) C2C

(C) B2C

(D) B2G

28. Who propounded the fourteen principles of management?

(A) P. F. Drucker

(B) Luther Gulick

(C) Frederick Winslow Taylor

(D) Henri Fayol

29. A detailed set of instructions given to the assistants in Audit team is known as

(A) Audit Plan

(B) Audit Programme

(C) Audit Working Papers

(D) Audit Procedure

30. Selling price per unit of product X is ₹500, variable cost per unit is ₹300 and fixed cost is ₹2,00,000. How many units of product X must be sold to earn a profit of ₹50,000?

(A) 2000 units

(B) 1050 units

(C) 1300 units

(D) 1250 units

31. If the price of commodity P brings about a change in the quantity demanded of commodity Q, the type of elasticity is called

(A) price elasticity of demand.

(B) income elasticity of demand.

(C) price elasticity of supply.

(D) cross elasticity of demand.

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32. Which cost increases proportionately with the increase in production?
(A) Fixed cost
(B) Variable cost
(C) Semi-variable cost
(D) Marginal cost
33. Audit Reports are of
(A) Two types
(B) Three types
(C) Four types
(D) Five types
34. Which of the following is not a social responsibility of business?
(A) Economic responsibility
(B) Legal responsibility
(C) Ethical responsibility
(D) Profit maximization
35. Assessment Year under the Income Tax Act can be a period of
(A) less than 12 months.
(B) 12 months or less than 12 months.
(C) 12 months.
(D) 12 months or more than 12 months.
36. Mita's Trial Balance as at March 31, 2025 contains the following information:
12% Bank loan (since July 1, 2023) ₹4,00,000; Interest paid ₹40,000. What will be total amount of Interest debited to Profit and Loss A/c for the year 2024-25?
(A) ₹4,40,000
(B) ₹8,000
(C) ₹40,000
(D) ₹48,000
37. A budget which is prepared in such a way so as to give the budgeted cost for any level of activity is a _____.
(A) Master Budget
(B) Fixed Budget
(C) Functional Budget
(D) Flexible Budget
38. Self-appraisal involves
(A) demanding higher salaries.
(B) transfer to a convenient position or location.
(C) assessing one's own job performance for betterment.
(D) accepting feedback from the stakeholders.

39. To encourage investment in the economy, the RBI may
(A) decrease bank rate.
(B) increase bank rate.
(C) sell securities in the open market.
(D) increase SLR.
40. Which of the following is a capital market instrument?
(A) Preference Shares
(B) Treasury Bills
(C) Commercial Papers
(D) Certificate of Deposits
41. GST is a
(A) Consumption tax
(B) Indirect tax
(C) tax on supply of services only
(D) Both (A) and (B)
42. Product, Price, Place and _____ are the four P's of marketing mix.
(A) Plant
(B) Planet
(C) People
(D) Promotion
43. Find the range for the following wages of 10 workers:
₹ 80, ₹ 60, ₹ 75, ₹ 85, ₹ 70, ₹ 78, ₹ 68, ₹ 90, ₹ 82, ₹ 65
(A) ₹ 20
(B) ₹ 30
(C) ₹ 2
(D) ₹ 3
44. If a principal amount of ₹10,000 is invested at a compound rate of interest @10% per annum, the amount received after 2 years will be
(A) ₹ 11,000
(B) ₹ 12,000
(C) ₹ 12,100
(D) ₹ 12,200
45. A business has assets worth ₹1,00,000, liabilities of ₹40,000 and owner's equity ₹60,000. The owner invests additional ₹10,000 cash and purchased inventory worth ₹7,000 on credit. What would be the new owner's equity?
(A) ₹70,000
(B) ₹63,000
(C) ₹60,000
(D) ₹43,000

46. The graphical representation of Mode is typically achieved using
(A) Histogram
(B) Ogive
(C) Frequency Polygon
(D) Scatter Plot
47. Which of the following reports is issued by an auditor who is unable to express an opinion on the fairness of a company's financial statements due to insufficient appropriate audit evidence?
(A) Disclaimer of Opinion Report
(B) Adverse Report
(C) Qualified Report
(D) Reserved Report
48. If the 5th and 12th terms of an Arithmetic Progression (A.P.) are 28 and 70 respectively, find the 8th term of the A.P. series
(A) 34
(B) 46
(C) 52
(D) 58
49. Which of the following would not appear in the Trading Account of a manufacturing concern?
(A) Opening Inventories
(B) Purchases
(C) Carriage Outwards
(D) Freight Inwards
50. Which of the following is not a cause of resistance to change?
(A) Fear and suspicion of the unknown
(B) Proper training and education
(C) Lack of self-confidence
(D) Finding change to be incompatible to one's personal interest
51. Which of the following is an internal source of finance?
(A) Debentures
(B) Retained earnings
(C) Equity shares
(D) Overdrafts
52. The presence of extreme observations does not affect
(A) Arithmetic Mean
(B) Median
(C) Mode
(D) Any of the above

53. Which of the following is outside the purview of GST?
- (A) Petrol**
- (B) Lottery ticket
- (C) Cigarette
- (D) Mobile recharge
54. Continuous audit is by nature
- (A) Interim Audit
- (B) Management Audit
- (C) Regular Audit**
- (D) Year-end Audit
55. The accounting treatment of interest under Hire Purchase includes
- (A) adding interest to the cash price.
- (B) deducting interest from down payment.
- (C) capitalizing interest in asset value.
- (D) charging interest to Profit & Loss A/c.**
56. Which of the following is not an absolute measure of dispersion?
- (A) Range
- (B) Standard Deviation
- (C) Mean Deviation
- (D) Coefficient of Variation (C.V.)**
57. Production function can be defined as the relationship between
- (A) the quantity of inputs needed to produce a given level of output.**
- (B) market price and quantity supplied.
- (C) total product and the number of units of variable input.
- (D) the fixed and variable amount of inputs used for production.

58. Match the following:

Business environment		Drivers	
(a) Micro business environment		(i) Religion, caste system, living standards	
(b) Macro business environment		(ii) Suppliers, customers, competitors	
(c) Physical environment		(iii) Geographical location, climate, coastline	
(d) Social environment		(iv) Demographic, economic, cultural factors	

	(a)	(b)	(c)	(d)
(A)	(ii)	(iv)	(iii)	(i)
(B)	(i)	(ii)	(iii)	(iv)
(C)	(iv)	(iii)	(ii)	(i)
(D)	(ii)	(i)	(iv)	(iii)

59. Five Star Sports Club will fall under which category of Person u/s 2(31) of Income Tax Act?

- (A) Firm
- (B) Artificial Juridical Person
- (C) Association of Persons**
- (D) Local Authority

60. Which of the following accounting principle is not an 'Accounting Concept'?

- (A) Entity
- (B) Periodicity
- (C) Going Concern
- (D) Conservatism**

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