

[Examrace: Downloaded from examrace.com \[https://www.examrace.com/\]](https://www.examrace.com/)

[For solved question bank visit doorsteptutor.com](https://www.doorsteptutor.com)

[\[https://www.doorsteptutor.com\]](https://www.doorsteptutor.com) and for free video lectures visit [Examrace](https://youtube.com/c/Examrace/)
[YouTube Channel \[https://youtube.com/c/Examrace/\]](https://youtube.com/c/Examrace/)

NET, IAS, State-SET (KSET, WBSET, MPSET, etc.), GATE, CUET, Olympiads etc.: Commerce MCQs (Practice_Test 15 of 99)

Glide to success with Doorsteptutor material for competitive exams : [get questions, notes, tests, video lectures and more \[https://www.doorsteptutor.com/\]](https://www.doorsteptutor.com/) - for all subjects of your exam.

1.
 - **Assertion (A)** : Rules of Constructive Notice and Articles of Association are known to everyone who deals with the company.
 - **Reason (R)** : After registration of the company, Memorandum and Articles of Association become public documents.
 - a. Both A and R are individually true and R is the correct explanation of A
 - b. Both A and R are individually true but R is not the correct explanation of A
 - c. A is true but R is false
 - d. A is false but R is true
2.
 - **Assertion (A)** : Doctrine of Indoor Management does not apply to forgery.
 - **Reason (R)** : Company Law recognizes ultra virus or illegal acts.
 - a. Both A and R are individually true and R is the correct explanation of A
 - b. Both A and R are individually true but R is not the correct explanation of A
 - c. A is true but R is false
 - d. A is false but R is true
 - **Assertion (A)** : A Director of a company in his individual capacity can exercise powers conferred on him by the Companies Act, Memorandum and the Articles of Association of the company.
 - **Reason (R)** : The Directors have the power to enter into contract on behalf of the company with other parties.
 - a. Both A and R are individually true and R is the correct explanation of A
 - b. Both A and R are individually true but R is not the correct explanation of A
 - c. A is true but R is false
 - d. A is false but R is true
3.
 - **Assertion (A)** : Capital expenditure is incurred for the purpose of acquiring fixed asset.
 - **Reason (R)** : Capital expenditure item is shown in the asset side of the Balance Sheet.

- a. Both A and R are individually true and R is the correct explanation of A
 - b. Both A and R are individually true but R is not the correct explanation of A
 - c. A is true but R is false
 - d. A is false but R is true
- **Assertion (A)** : Staff officers are assigned an 'authority of ideas' and line officers an authority to command.
- **Reason (R)** : Functional authority is not restricted to managers of a particular type of department.
 - a. Both A and R are individually true and R is the correct explanation of A
 - b. Both A and R are individually true but R is not the correct explanation of A
 - c. A is true but R is false
 - d. A is false but R is true
- 4. According to the Companies Act, account books of a company are to be preserved for the preceding
 - a. six years
 - b. eight years
 - c. five years
 - d. nine years
- 5. Cost of goods purchased for resale is an example of
 - a. capital expenditure
 - b. revenue expenditure
 - c. deferred revenue expenditure
 - d. None of the above
- 6. One of the important weaknesses of the decentralized structure is
 - a. unsuitability in a fast-changing environment
 - b. difficulty in pinpointing responsibilities
 - c. difficulty in coordinating common functions
 - d. difficulty in promoting innovations
- 7. Which of the following is/are included in income and expenditure account?
 - a. Accrued expenses
 - b. Credit purchases
 - c. Prepaid expenses
 - d. Opening cash balance
- Select the correct answer using the codes given below
 - a. 1 only

11. Within how much period a copy of the Profit and Loss Account and Balance Sheet of Company are to be filed with the Registrar?
- 14 days of Annual Meeting of the Company
 - 21 days of Annual Meeting of the Company
 - 30 days of Annual Meeting of the Company
 - 45 days of Annual Meeting of the Company
12. Following particulars are given for a firm: Closing Stock- ₹ 45,000 Other Current Assets- ₹ 1,05,000 Current Liabilities- ₹ 70,000 Sales- ₹ 3,20,000 The Working Capital Turnover Ratio is
- 5: 1
 - 4: 1
 - 3: 1
 - 2: 1
13. Match List I with List II and select the correct answer:

List-I	List-II
<ol style="list-style-type: none"> VED Analysis Ratio Analysis Fund-flow Analysis Income and Expenditure Analysis 	<ol style="list-style-type: none"> Sources and uses of fund Inventory control Analysis and interpretation of financial statements Non-profit organization

Table Supporting: NET, IAS, State-SET (KSET, WBSET, MPSET, Etc.) , GATE, CUET, Olympiads Etc. : Commerce MCQs
(Practice_Test 15 of 99)

D

1423 1324

ABC 2314 2413

14. Management by objectives is implemented in an organization by stages. One such stage action planning includes
- assigning responsibilities for achieving objectives
 - choosing strategies appropriate to the objectives
 - allocating resources for achieving objectives
 - scheduling specific activities to achieve maximum resource utilization
- Identify horn the following combinations the correct sequence in which the, action planning stage& are implemented

a. 1,2, 3,4

b. 2,3, 4,1

c. 3,4, 1,2

d. 2,1, 3,4

15. The concept 'Management by Exception' implies

- a. Exceptional contributions by the top management
- b. achievement of objectives by participation of all concerned
- c. that the immediate superior has to deal with deviations only and not with details of the work assigned to the subordinate
- d. that the highest officer need not worry about the results if he/she has delegated his/her authority