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# **PPSC Competitive Exam for the Post of Accountant**

## **Question Paper Along with Answer Key**

**Date: 21<sup>st</sup> June, 2014**

**Time: 03: 00 PM to 05:00 PM**

**Total Number of Questions: 100**

**Q 1.**

**At present the Right to Education in India is a :**

Options:

- A) political right
- B) legal right
- C) fundamental right
- D) social right

Correct Option: Option "C"

**Q 2.**

**Which one of the following is NOT a fundamental right of the Indian Constitution?**

Options:

- A) Right to Equality
- B) Right against Exploitation
- C) Right to Constitutional remedies
- D) Right to Property

Correct Option: Option "D"

**Q 3.**

**Which Article of the Indian Constitution provides for Common Civil Code?**

Options:

- A) 48
- B) 44
- C) 46
- D) 50

Correct Option: Option "B"

**Q 4.**

**The Vice-President is the Ex-officio chairman of the :**

Options:

- A) Lok Sabha
- B) Planning Commission
- C) Rajya Sabha
- D) Election Commission

Correct Option: Option "C"

**Q 5.**

**The Constitution of India vests the residuary powers in:**

Options:

- A) the Union Government
- B) the States
- C) the Union and State governments
- D) none of the above

Correct Option: Option "A"

**Q 6.**

**The first state in India to issue shoot at sight orders for poachers is \_\_\_\_\_**

Options:

- A) Nagaland
- B) Madhya Pradesh
- C) Kerala
- D) Assam

Correct Option: Option "D"

**Q 7.**

**Former Indian Air Force Chief N K Browne has been appointed as India's next ambassador to \_\_\_\_\_**

Options:

- A) Pakistan
- B) Netherland
- C) Norway
- D) Australia

Correct Option: Option "C"

**Q 8.**

**The "Indian Super League" is related to \_\_\_\_?**

Options:

- A) Badminton
- B) Football
- C) Cricket
- D) Hockey

Correct Option: Option "B"

**Q 9.**

**Recently, which among the following leading confectionery manufacturers has been renamed as Mondelez India Foods Limited?**

Options:

- A) Cadbury India
- B) Nestle
- C) Nilgiris
- D) Mother Dairy

Correct Option: Option "A"

**Q 10.**

**The "Mont Blanc Tunnel" links which of the following two countries?**

Options:

- A) France and Germany
- B) France and Italy
- C) Germany and Switzerland
- D) Germany and Italy

Correct Option: Option "B"

**Q 11.**

**The lowest layer of the atmosphere is known as:**

Options:

- A) Stratosphere
- B) Ionosphere
- C) Troposphere
- D) Mesosphere

Correct Option: Option "C"

**Q 12.**

**Which comet appears after every 76 years?**

Options:

- A) Holme's
- B) Donati's
- C) Hailey's
- D) Alpha Centauri

Correct Option: Option "C"

**Q 13.**

**Blizzards are characteristic of \_\_\_\_\_ region.**

Options:

- A) equatorial
- B) tropical
- C) Antarctic
- D) temperate

Correct Option: Option "C"

**Q 14.**

**The gas accidentally released by Union Carbide pesticide plant (Bhopal gas tragedy) in 1984 was:**

Options:

- A) Methane
- B) Methyl isocyanate
- C) Sulphur dioxide
- D) Carbon monoxide

Correct Option: Option "B"

**Q 15.**

**Diamond is a form of:**

Options:

- A) nitrogen
- B) oxygen
- C) hydrogen
- D) carbon

Correct Option: Option "D"

**Q 16.**

**The water that does not produce good lather with soap is called:**

Options:

- A) heavy water
- B) soft water
- C) hard water
- D) polluted water

Correct Option: Option "A"

**Q 17.**

**The age of a tree can be determined by:**

Options:

- A) measuring its diameter
- B) measuring its height
- C) analyzing its sap
- D) counting the annual growth rings of its stem

Correct Option: Option "D"

**Q 18.**

**The chemical substance present in bones and teeth is:**

Options:

- A) Calcium phosphate
- B) Calcium borate
- C) Calcium sulphate
- D) Calcium chloride

Correct Option: Option "A"

**Q 19.**

**Sickle cell anemia is a:**

Options:

- A) genetic disorder
- B) virus disease
- C) bacteria disease
- D) disease due to vitamin deficiency

Correct Option: Option "A"

**Q 20.**

**The organ of the body which is mainly damaged in hepatitis is the:**

Options:

- A) kidney
- B) spleen
- C) liver
- D) lung

Correct Option: Option "C"

**Q 21.**

**Night blindness could be caused by the deficiency of:**

Options:

- A) Vitamin A
- B) Vitamin B
- C) Vitamin C
- D) Vitamin D

Correct Option: Option "A"

**Q 22.**

**Which of the following countries is the leading producer of uranium?**

Options:

- A) France
- B) Russia
- C) Canada
- D) India

Correct Option: Option "C"

**Q 23.**

**How many paths were prescribed by Buddha to attain Nirvana?**

Options:

- A) two
- B) the eightfold path
- C) nishkama karma
- D) the three jewels

Correct Option: Option "B"

**Q 24.**

**Which one of the following period has been called the 'Golden Age' in Indian history?**

Options:

- A) Chalukyas
- B) Pallavas
- C) Guptas
- D) Kushans

Correct Option: Option "C"

**Q 25.**

**Who was the last Mughal Emperor?**

Options:

- A) Dara Shikoh
- B) Bahadur Shah Zafar
- C) Aurangzeb
- D) Shah Alam

Correct Option: Option "B"

**Q 26.**

**During the Indian freedom struggle, who among the following formed the party called 'Forward bloc'?**

Options:

- A) M.N. Roy
- B) C. R. Das
- C) Subhash Chandra Bose
- D) Rash Behari Bose

Correct Option: Option "C"

**Q 27.**

**The First Five year Plan adopted the:**

Options:

- A) Lewis-Fei model
- B) Mahalanobis model
- C) Harrod Domar model
- D) Keynesian model

Correct Option: Option "C"

**Q 28.**

**Where is the Sikh Heritage complex developed?**

Options:

- A) Mansa
- B) Amritsar
- C) Ropar
- D) Anandpur Sahib

Correct Option: Option "D"

**Q 29.**

**Who is the first Punjabi poetess to get the Jananpith Award?**

Options:

- A) Amrita Shergil
- B) Amrita Pritam
- C) Dilip Kaur Tiwana
- D) Sharmila Panday

Correct Option: Option "B"

**Q 30.**

**Which is the state animal of Punjab?**

Options:

- A) Black Buck
- B) Buffalo
- C) Tiger
- D) Antelope

Correct Option: Option "A"



**Q 31.**

**Accounting does not record non- financial transactions because of**

Options:

- A) Entity Concept
- B) Accrual Concept
- C) Cost Concept
- D) Money Measurement Concept

Correct Option: Option "C"

**Q 32.**

**Workmen Compensation under Dispute is an example of**

Options:

- A) Contingent Liability
- B) Contingent Assets
- C) Current Liability
- D) Current Assets

Correct Option: Option "A"

**Q 33.**

**Which of the following is an example of Capital Expenditure:-**

Options:

- A) Insurance premium
- B) Taxes and Legal Expenses
- C) Discount allowed
- D) Custom duty on import of machinery

Correct Option: Option "D"

**Q 34.**

**When the total of Trial balance is not reconciled , the account opened at this juncture is :-**

Options:

- A) Trading Account
- B) Suspense Account
- C) Profit & Loss Account
- D) None of the options

Correct Option: Option "B"

**Q 35.**

**Present liability of uncertain amount , which can be measured reliably by using substantial degree of estimation, is termed as :-**

Options:

- A) Provision
- B) Liability
- C) Contingent Liability
- D) None of the options

Correct Option: Option "A"

**Q 36.**

**Bank Overdraft is shown as a :-**

Options:

- A) Current Liability
- B) Contingent Liability
- C) Unsecured Loan
- D) Provision

Correct Option: Option "A"

**Q 37.**

**Which of the following is true?**

Options:

- A) Bank Account is a Personal Account
- B) Stock of stationery Account is a Nominal Account
- C) Returns Inward Account is a Personal Account
- D) Outstanding rent Account is a Nominal Account

Correct Option: Option "A"

**Q 38.**

**Which of the following errors is an error of principle?**

Options:

- A) Total sales figure was taken as Rs. 19,373 instead of Rs. 19,733
- B) A discount of Rs. 30 allowed to Mr. A was not recorded in the discount allowed account
- C) Legal charges for acquisition of building for Rs. 500 was entered in the Legal Expenses Account
- D) Rs. 1,000 received from Mr. X was posted to the credit of Mr. M

Correct Option: Option "C"

**Q 39.**

**Depreciation amount of a fixed asset represents —**

Options:

- A) Historical cost less residual value
- B) Historical cost
- C) Historical cost less cost of disposal
- D) Book Value less scrap value

Correct Option: Option "A"

**Q 40.**

**Rent outstanding for the month of December'12 will appear on-**

Options:

- A) Debit side of Cash Book
- B) Credit side of Cash Book
- C) Either side
- D) Nowhere

Correct Option: Option "D"

**Q 41.**

**Which of the following assets is a fictitious asset**

Options:

- A) Goodwill A/c
- B) Prepaid Rent A/c
- C) Outstanding Salary A/c
- D) Preliminary expenses A/c

Correct Option: Option "D"

**Q 42.**

**What is transferred to Hirer under hire purchase system :**

Options:

- A) Ownership of assets
- B) Possession of asset
- C) Ownership and possession of asset
- D) None of the options

Correct Option: Option "B"

**Q 43.**

**Arrangement of Balance Sheet in a logical order is known as —**

Options:

- A) Dressing Balance Sheet
- B) Marshalling Balance Sheet
- C) Formatting Balance Sheet
- D) Make up of Balance Sheet

Correct Option: Option "B"

**Q 44.**

**Which of these is an example of accelerate method of depreciation**

Options:

- A) Written down value method
- B) Straight line method
- C) Sinking fund method
- D) Annuity method

Correct Option: Option "A"

**Q 45.**

**From the following details what will be the partners' commission? Net profit before charging partners' commission Rs.65,000. Partners' commission @ 11% after charging such commission**

Options:

- A) 6441
- B) 5431
- C) 7654
- D) 9876

Correct Option: Option "A"

**Q 46.**

**A firm has a policy of changing depreciation on Plant and Machinery @ 10% under WDV Method. If the book value of Plant and Machinery was Rs. 81,000 on 31.03.2013. Find the original cost of the plant if the same was purchased on 01.04.2011**

Options:

- A) Rs. 80000/-
- B) Rs. 100000/-
- C) Rs. 81000/-
- D) Rs. 120000/-

Correct Option: Option "B"

**Q 47.**

**A club paid subscription fees of Rs.1,400. Out of which Rs. 200 is prepaid. In such case**

Options:

- A) P&L A/C is debited with Rs. 1,400
- B) P&L A/C is debited with Rs. 1,200
- C) Rs. 200 is shown as current asset
- D) Both P&L A/C is debited with Rs. 1,200 and Rs. 200 is shown as current asset

Correct Option: Option "D"

**Q 48.**

**Hire Purchase is governed by the Hire Purchase Act :-**

Options:

- A) 1932
- B) 1972
- C) 1872
- D) 1956

Correct Option: Option "B"

**Q 49.**

**Single entry system of book-keeping system:**

Options:

- A) is best system
- B) is scientific system
- C) is incomplete system
- D) is most popular system.

Correct Option: Option "C"

**Q 50.**

**What is transferred to Hirer under Instalment Payment system :**

Options:

- A) Ownership of Assets
- B) Possession of Assets
- C) Ownership and Possession of assets
- D) None of the options

Correct Option: Option "C"

**Q 51.**

**If goods worth Rs. 1,750 returned to a supplier is wrongly entered in sales return book as ` 1,570 , then**

Options:

- A) Net Profit will decrease by Rs. 3,140
- B) Gross Profit will increase by Rs. 3,320
- C) Gross Profit will decrease by Rs. 3,500
- D) Gross Profit will decrease by Rs. 3,320

Correct Option: Option "D"

**Q 52.**

**Any donation received for a specific purpose is a**

Options:

- A) Liability
- B) Assets
- C) Revenue Receipts
- D) Capital Receipts

Correct Option: Option "D"

**Q 53.**

**Computers taken on hire by a business for a period of twelve months should be classified as**

Options:

- A) Current Asstets
- B) Intangible Assets
- C) deferred revenue expenditure
- D) Not an assets

Correct Option: Option "D"

**Q 54.**

**To find out the opening and closing capitals, statement of affairs are prepared:**

Options:

- A) One
- B) Two
- C) Four
- D) None of the options

Correct Option: Option "B"

**Q 55.**

**The Balance Sheet gives information regarding the**

Options:

- A) Results of operations for a particular period
- B) Financial position during a particular period
- C) Profit earning capacity for a particular period
- D) Financial position as on a particular date

Correct Option: Option "D"

**Q 56.**

**Which of the following would not be reported as an investing activity?**

Options:

- A) Selling a depreciable asset for cash at a loss.
- B) Purchasing a patent using cash.
- C) Purchasing land in exchange for stock.
- D) Purchasing shares of stock of another company using cash.

Correct Option: Option "C"

**Q 57.**

**Which statement regarding the indirect method is false?**

Options:

- A) Depreciation expense is added to net income.
- B) An increase in accounts receivable is added to net income.
- C) An increase in accounts payable is added to net income.
- D) An increase in merchandise inventory is subtracted from net income

Correct Option: Option "B"

**Q 58.**

**In a statement of cash flows (indirect method), depreciation expense should be presented as:**

Options:

- A) a cash flow from financing activities
- B) a cash flow from investing activities
- C) a deduction from net income
- D) an addition to net income

Correct Option: Option "D"

**Q 59.**

**Which of the following accounts is not part of working capital?**

Options:

- A) cash
- B) accounts receivable
- C) Inventory
- D) Investments

Correct Option: Option "D"

**Q 60.**

**Which of the following is the focus for the statement of cash flows?**

Options:

- A) cash
- B) cash and cash equivalents
- C) current assets
- D) working capital

Correct Option: Option "B"

**Q 61.**

**Financial planning starts with the preparation of:**

Options:

- A) Master Budget
- B) Cash Budget,
- C) Balance Sheet,
- D) None of the options

Correct Option: Option "D"

**Q 62.**

**Evolution of Financial Management :-**

Options:

- A) The Traditional Phase
- B) The Transitional Phase
- C) The Modern Phase.
- D) All of the options

Correct Option: Option "D"

**Q 63.**

**Accounting Ratios are important tools used by**

Options:

- A) Managers,
- B) Researchers,
- C) Investors,
- D) All of the options

Correct Option: Option "A"

**Q 64.**

**In Ratio Analysis, the term Capital Employed refers to:**

Options:

- A) Equity Share Capital
- B) Net Worth
- C) Shareholders Funds
- D) None of the options

Correct Option: Option "D"

**Q 65.**

**Dividend Payout Ratio is:**

Options:

- A)  $PAT \div Capital$
- B)  $DPS \div EPS$ ,
- C)  $Pref. Dividend \div PAT$ ,
- D)  $Pref. Dividend \div Equity Dividend$

Correct Option: Option "B"

**Q 66.**

**In Net Profit Ratio, the denominator is:**

Options:

- A) Net Purchases
- B) Net Sales
- C) Credit Sales,
- D) Cost of goods sold

Correct Option: Option "B"

**Q 67.**

**The term 'EVA' is used for:**

Options:

- A) Extra Value Analysis,
- B) Economic Value Added,
- C) Expected Value Analysis,
- D) Engineering Value Analysis.

Correct Option: Option "B"

**Q 68.**

**Return on Investment may be improved by:**

Options:

- A) Increasing Turnover
- B) Reducing Expenses
- C) Increasing Capital Utilization,
- D) All of the options

Correct Option: Option "D"

**Q 69.**

**Which of the following does not help to increase Current Ratio?**

Options:

- A) Issue of Debentures to buy Stock
- B) Issue of Debentures to pay Creditors,
- C) Sale of Investment to pay Creditors
- D) Avail Bank Overdraft to buy Machine.

Correct Option: Option "D"

**Q 70.**

**Ratio of Net Income to Number of Equity Shares known as:**

Options:

- A) Price Earnings Ratio
- B) Net Profit Ratio
- C) Earnings per Share,
- D) Dividend per Share.

Correct Option: Option "C"



**Q 71.**

**Trend Analysis helps comparing performance of a firm**

Options:

- A) With other firms
- B) Over a period of firm,
- C) With other industries,
- D) None of the options

Correct Option: Option "B"

**Q 72.**

**XYZ Ltd. has earned 8% Return on Total Assests of Rs. 50,00,000 and has a Net Profit Ratio of 5%. Find out the Sales of the firm.**

Options:

- A) Rs. 400,000
- B) Rs. 250,000
- C) Rs. 8,000,000
- D) Rs. 8,333,333.00

Correct Option: Option "C"

**Q 73.**

**Suppliers and Creditors of a firm are interested in**

Options:

- A) Profitability Position
- B) Liquidity Position
- C) Market Share Position
- D) Debt Position.

Correct Option: Option "B"

**Q 74.**

**Gross Profit Ratio for a firm remains same but the Net Profit Ratio is decreasing. The reason for such behaviour could be:**

Options:

- A) Increase in Costs of Goods Sold,
- B) If Increase in Expense
- C) Increase in Dividend,
- D) Decrease in Sales

Correct Option: Option "B"

**Q 75.**

**Debt to Total Assets of a firm is .2. The Debt to Equity would be:**

Options:

- A) 0.8
- B) 0.25
- C) 1
- D) 0.75

Correct Option: Option "B"

**Q 76.**

**XYZ Ltd. has a Debt Equity Ratio of 1.5 as compared to 1.3 Industry average. It means that the firm has:**

Options:

- A) Higher Liquidity
- B) Higher Financial Risk
- C) Higher Profitability
- D) Higher Capital Employed

Correct Option: Option "B"

**Q 77.**

**Ratio Analysis can be used to study liquidity, turnover, profitability, etc. of a firm. What does Debt-Equity Ratio help to study?**

Options:

- A) Solvency,
- B) Liquidity
- C) Profitability
- D) Turnover

Correct Option: Option "A"

**Q 78.**

**In Inventory Turnover calculation, what is taken in the numerator?**

Options:

- A) Sales
- B) Cost of Goods Sold
- C) Opening Stock
- D) Closing Stock

Correct Option: Option "B"

**Q 79.**

**Retained earnings statement depicts:**

Options:

- A) appropriation of profits
- B) estimates of profit
- C) estimates of costs
- D) None of the options

Correct Option: Option "A"

**Q 80.**

**Which of the following is true:-**

Options:

- A) Cash flow statement is based upon accrual basis of accounting
- B) Cash flow statement is useful for short term financial analysis.
- C) Cash flow statement is a substitute of Cash Account
- D) Cash from operations and funds from operations means the same thing .

Correct Option: Option "B"

**Q 81.**

**If for two observations arithmetic mean is 80 and harmonic mean is 5 then geometric mean of them is**

Options:

- A) 20
- B) 400
- C) 16
- D) None of the options

Correct Option: Option "A"

**Q 82.**

**For moderately skewed distribution A.M. = 110, Mode = 104, then median is:**

Options:

- A) 112
- B) 108
- C) 104
- D) None of the options

Correct Option: Option "B"

**Q 83.**

**First 10 odd counting numbers each occurring twice has arithmetic mean**

Options:

- A) 40
- B) 10
- C) 20
- D) None of the options

Correct Option: Option "B"

**Q 84.**

**If the mode, variance and coefficient of skewness of a frequency distribution are 100, 16 and 6 respectively then mean of the distribution is**

Options:

- A) 124
- B) 76
- C) 108
- D) None of the options

Correct Option: Option "A"

**Q 85.**

**If the mean of a binomial distribution is 5 and standard deviation 2 find the number of items in the distribution**

Options:

- A) 20
- B) 25
- C) 16
- D) 9

Correct Option: Option "B"

**Q 86.**

**Mean deviation of first 5 positive integers about median is:**

Options:

- A) 0
- B) 1.7
- C) 1.2
- D) None of the options

Correct Option: Option "C"

**Q 87.**

**Statistics is derived from**

Options:

- A) Latin word status
- B) Italian statista
- C) Both Latin word status and Italian statista
- D) None of the options

Correct Option: Option "A"

**Q 88.**

**Class mark is**

Options:

- A) A midpoint of
- B) Upper point of
- C) Lower class
- D) None class interval class interval

Correct Option: Option "A"

**Q 89.**

**Open end class interval is one**

Options:

- A) Which does not have upper limit
- B) Which does not have lower limit
- C) Which does not have upper and lower limit
- D) None of the options

Correct Option: Option "C"

**Q 90.**

**Median is**

Options:

- A) Average point
- B) Midpoint
- C) Most likely point
- D) Most remote point

Correct Option: Option "B"

**Q 91.**

**Variance of first 5 positive integers is**

Options:

- A) 3
- B) 2
- C) 1
- D) None of the options

Correct Option: Option "B"

**Q 92.**

**An auditor who accepts an audit but does not possess the industry expertise of the business entity should**

Options:

- A) engage experts
- B) obtain knowledge of matters that relate to the nature of entity's business
- C) inform management about it
- D) take help of other auditors

Correct Option: Option "B"

**Q 93.**

**An auditor obtains knowledge about a new client's business and its industry to**

Options:

- A) Make constructive suggestions concerning improvements to the client's internal control system
- B) Evaluate the appropriateness of audit evidence obtained
- C) Under stand the events and transactions that may have an effect on client's financial statements
- D) All of the options

Correct Option: Option "C"

**Q 94.**

**Concurrent audit is a part of**

Options:

- A) Internal check system
- B) Continuous audit
- C) Internal audit system
- D) None of the options

Correct Option: Option "C"

**Q 95.**

**In India, balance sheet audit is synonymous to**

Options:

- A) Annual audit
- B) Continuous audit
- C) Detailed audit
- D) Statutory audit

Correct Option: Option "A"

**Q 96.**

**.....the audit risk,..... the materiality and .....the audit effort**

Options:

- A) Lower, Higher, Lower
- B) Lower, Lower, Higher
- C) Higher, Lower, Lower
- D) Lower, Higher, Higher

Correct Option: Option "A"

**Q 97.**

**Which of the following methods of sample selection is least suitable for extrapolating results to the population?**

Options:

- A) Systematic sampling
- B) Random sampling
- C) Haphazard sampling
- D) None of the options

Correct Option: Option "C"

**Q 98.**

**For what minimum period should audit working papers be retained by audit firm?**

Options:

- A) For the time period the entity remains a client of the audit firm
- B) For a period of ten years
- C) For the period the audit firm is in existence
- D)

Correct Option: Option "C"

**Q 99.**

**Which of the following is not a revenue expense?**

Options:

- A) Cost of raising a loan
- B) Cost of accessories of motor vehicles spent at the time of purchase
- C) Expenses incurred for laying of sewers on land purchased
- D) Insurance premium paid at the time of registration of the ship

Correct Option: Option "B"

**Q 100.**

**If the book value of an asset stands at .....per cent of the original cost, a company need not provide depreciation on it.**

Options:

- A) two
- B) fifteen
- C) five
- D) ten

Correct Option: Option "C"



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