

## FLT002 ANSWERS AND EXPLANATIONS

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**1 Correct Answer:** (a) Secretary to the Department of Economic Affairs on behalf of the President

**Explanation:**

Under Article 267, the Contingency Fund of India is placed at the disposal of the **President**, administered by **Secretary, DEA**.

**2 Correct Answer:** (c) 1 and 4 only

**Explanation:**

Needs 2/3rd present & voting.

Not 6 months — valid for **1 year**, extendable

The laws **do not lapse** when resolution expires, generally after 6 months.

States can make laws but if it comes in contradiction with parliamentary law, central law will prevail.

**3 Correct Answer:** (b) Only three

1. All-India Services (Constitutional, Art. 312)
2. NHRC extra constitutional (Statutory: 1993 Act)
3. NITI Aayog extra constitutional (passed by resolution)
4. North Eastern Council extra constitutional (Statutory)

**4 15th Finance Commission criteria Correct Answer:** (b) 1, 2 and 4 only

Included:

- ✓ Income distance
- ✓ Demographic performance
- ✗ Fiscal discipline (dropped)
- ✓ Tax effort

**5 Objectives of Panchayati Raj**

All four are correct:

Democratic decentralisation

Social justice + economic development

Financial empowerment

Grassroots leadership strengthening

**Correct Answer:** (d) 1, 2, 3 and 4

## 6 73rd Amendment

Chairperson is **not always** indirectly elected → states decide  
Reconstituted Panchayat serves **remainder only**  
States may reserve seats for Backward Classes

**Correct Answer:** (b) 2 and 3 only

## 7 First Past The Post system

Constitution does **not** prescribe FPTP — the Representation of People Acts do  
Winner needs **plurality** (most votes), not >50%

**Correct Answer:** (d) Neither 1 nor 2

## 8 Federal features

Federal features include:

Dual polity  
Bicameralism  
Written Constitution

**Correct Answer:** (c) 1, 3 and 4 only

## 9 Q. Rights exclusive to citizens

Art. 15 (discrimination) → citizens only  
Art. 19 freedoms → citizens only  
Higher judiciary posts require citizenship  
Election to legislature requires citizenship

**Correct Answer:** (d) 1, 2, 3 and 4

**10. Correct Answer: (b) 1, 3 and 4 only**

**Explanation:**

**1. They were added by the 42nd Constitutional Amendment Act, 1976 — Correct**

- The **Fundamental Duties** were incorporated in **Part IV-A** of the Constitution by the **42nd Amendment Act, 1976** on the recommendation of the **Swaran Singh Committee**.
- Initially, there were **10 Fundamental Duties**; later, the **86th Amendment Act (2002)** added the 11th Duty (regarding education for children aged 6–14).

## 2. They are enforceable by law — Incorrect

- Fundamental Duties are **not directly enforceable** by law.
- However, the **Parliament can make laws to enforce them**, and if such a law is enacted, **its violation can be punished**.
- Example: The **Prevention of Insults to National Honour Act (1971)** enforces the duty to respect the National Flag and Anthem.

## 3. They apply only to citizens of India — Correct

- Article 51A explicitly mentions “**It shall be the duty of every citizen of India...**”, hence they are **not applicable to foreigners**.

## 4. The Parliament can prescribe penalties for their violation — Correct

- Article 51A itself doesn't specify penalties, but **Parliament has the power to make laws to enforce these duties and prescribe penalties**.
- This has been upheld in several cases (e.g., *AIIMS Students Union v. AIIMS, 2001*).

## 11. Nataraja Sculpture of Chola Period

Answer: (a) 1 and 2 only

Explanation:

- The **Nataraja sculpture** represents **Shiva as the cosmic dancer performing Ananda Tandava**, symbolizing the rhythm of the universe
  - The **circle of flames (Prabha Mandala)** around him represents the **cyclic process of creation, preservation, and destruction**
  - It was **cast in bronze**, not sandstone
- Thus, only 1 and 2 are correct.

## 12. Sangam Literature

Answer: (d) Tamil

Explanation:

- **Sangam literature** was written in **ancient Tamil**, the oldest Dravidian language.
- It was composed between **300 BCE and 300 CE** in the Tamil academies (Sangams) held at Madurai.
- Pali, Sanskrit, and Prakrit were used elsewhere, but Sangam texts are purely Tamil works like *Tolkappiyam*, *Ettuthogai*, and *Pattuppāṭṭu*.

### 13. Ashoka's Policy of Dhamma

Answer: (a) Rock Edict XIII

Explanation:

- **Rock Edict XIII** gives a **detailed account of Ashoka's Dhamma**, his remorse after the **Kalinga War**, and his efforts to spread **non-violence, tolerance, and compassion**.
- Other edicts (like Minor Rock Edict I and Pillar Edict VII) mention Dhamma but **not as explicitly** as Rock Edict XIII.

### 14. "Zawabit" in Delhi Sultanate

Answer: (b) Royal decrees issued by the Sultan

Explanation:

- "**Zawabit**" were **royal orders or secular laws** issued by the **Sultan** to supplement or modify the **Shariat (Islamic law)**.
- Example: Sultan **Alauddin Khalji** issued *zawabit* regarding market control, army reforms, and price regulation.
- Hence, they referred to **royal decrees**, not religious injunctions or revenue rules.

### 15. Newspapers and Founders

Answer: (b) 2 and 3 only

Explanation:

Newspaper	Founder	Remarks
The Kesari	Bal Gangadhar Tilak, not Lala Lajpat Rai	Marathi weekly promoting nationalism
The Hindoo Patriot	Harish Chandra Mukherjee	Exposed British misrule (Indigo Revolt)
Young India	Mahatma Gandhi	Weekly journal promoting non-violence and swaraj

Hence, **Pairs 2 and 3** are correctly matched.

## 16. Vernacular Press Act, 1878

Answer: (b) Lord Lytton

Explanation:

- The **Vernacular Press Act (1878)** was passed by **Lord Lytton** to **curb freedom of the Indian language press**, especially criticism of British policies.
- It targeted publications in Indian languages like Bengali and Urdu.
- Later repealed by **Lord Ripon** in 1882.

## 17. Permanent Settlement and Absentee Landlords

Answer: (a) Both A and R are true and R is the correct explanation of A

Explanation:

- The **Permanent Settlement (1793)** introduced by **Lord Cornwallis** made **zamindars hereditary owners of land** with a **fixed revenue** to pay.
- Since ownership was guaranteed irrespective of efficiency, many zamindars **lived in cities (absentee landlords)** and **neglected land management**.
- Hence, both A and R are true, and R correctly explains A.

## 18. Swadeshi Movement and Partition of Bengal (1905)

Answer: (b) Establishment of National Council of Education

Explanation:

- The **Swadeshi Movement (1905–1908)** arose after the **Partition of Bengal by Lord Curzon**.
- It promoted **self-reliance, indigenous industries, and national education**.
- The **National Council of Education (1906)** was established to provide **Indian-controlled education** outside colonial influence.
- Other options (like formation of INC or Curzon's resignation) are unrelated.

## 19. Simon Commission (1927)

Answer: (c) The British government ignored Indian political opinion

Explanation:

- The **Simon Commission** was set up in **1927** to review the working of the **Government of India Act, 1919**.
- It had **7 British members** and **no Indian member**, which was seen as an **insult to Indian political aspirations**.

- Hence, the **boycott slogan** “Simon Go Back” was raised across India.

## 20. Khilafat Movement (1919–1924)

**Answer: (c) Annie Besant**

**Explanation:**

- The **Khilafat Movement** was launched by **Ali Brothers (Shaukat and Mohammad Ali)**, supported by **Mahatma Gandhi** and **Maulana Abul Kalam Azad**, to defend the **Ottoman Caliphate** after World War I.
- **Annie Besant** was not part of this movement; she was involved in **Home Rule Movement (1916–17)**.
- Therefore, (c) is correct.

## 21.c – Current affairs based

## 22.c- Current affairs based

**Question 23:** Answer – (a) 3-1-2-4

Explanation – Gandhi’s trusteeship influenced early 20th-century strategies (3, pre-1926); Trade Unions Act formalized rights in 1926 (1); 1970s introduced compulsory arbitration (2); post-1991 led to 2019-2020 labour codes (4). This sequence traces ideological to legislative evolution.

**Question 24:** Answer – (b) Integrative bargaining under the Pluralist perspective

Explanation – The union’s push for reskilling and bonuses seeks mutual gains, exemplifying integrative bargaining. The Pluralist perspective accommodates competing interests (fixed-term vs. security) through negotiation, fitting the scenario’s deadlock resolution via IDA reference.

**Question 25:** Answer – (a) Promotion of voluntary and mutual negotiation between employers and employees instead of state-imposed adjudication

Explanation – The **Giri Approach**, propounded by **V.V. Giri**, emphasizes **voluntary negotiation and collective bargaining** over compulsory adjudication.

It advocates **minimal state intervention** and promotes **workers’ education** and **union responsibility**.

Disputes should be settled through **mutual understanding** rather than legal compulsion.

It aims to build **industrial democracy** based on cooperation and trust.

**Question 26:** Answer – (a) A-3, B-1, C-4, D-2

Explanation – Sociological Approach links social changes like urbanization to IR (3); Psychological focuses on perceptions and trust (1); Socio-Ethical stresses ethics and inclusion (4); Oxford centers bargaining for rule-making ( $r = f(b)$ ) (2). This aligns with distinct foundational insights.

**Question 27:** Answer – (b) 2, 3 and 4 only

Explanation – The Commission sought a **facilitative and reform-oriented** state role, not complete deregulation as implied in Statement 1.

It promoted **voluntary dispute resolution** and self-managed industrial peace.

**Skill development** was to be industry-led with state support for coordination.

In global forums, it urged a **balanced stance**—upholding worker rights alongside economic competitiveness.

**Question 28:** Answer: (b) 1 and 2 only

**Explanation –**

- India has **not ratified Conventions 87 and 98** due to service restrictions on unionization.
- It follows the ILO's **tripartite structure** of governments, employers, and workers.
- India is a **founding member** of the ILO (1919) but does **not** have permanent representation on its Governing Body.
- Ratification **creates an obligation** to amend laws but does **not itself change** them automatically.

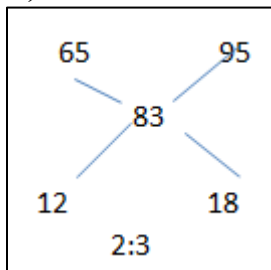
29) B 2km/h

Speed of boat downstream =  $42/6 = 7\text{km/h}$

speed of boat upstream =  $15/5 = 3\text{km/h}$

speed of stream =  $(7-3)/2 = 2\text{km/h}$

30) A 2:3



31) C  $a^n + b^n$  is always divisible by  $a+b$  if  $n = \text{odd}$

Hence  $29^{41} + 37^{41}$  is divisible by  $29+37 = 66$  WHICH IS ALSO DIVISIBLE BY 33 . Hence remainder =0

32) B  $384\text{m}^2$

Perimeter of square = 40 , Perimeter of rectangle = 80

$b = (2/3)l$  , hence,  $80 = 2(1 + 2/3 l)$

$l = 24$  ,  $b = 16$  hence area =  $384\text{m}^2$

33) A 10days

Let the total work = 100units

efficiency of A = 5 , B = 4

work done by A+B in 10 days = 90 units

C will do 10 unit work in 10 days , eff of C = 1

Time taken by A+B+C together to complete the work =  $100/10 = 10$  days

**34) B 32/11 km/h**

Let total distance =  $d$  km.

According to the question:

$$\text{Average speed} = \frac{\text{Total distance}}{\text{Total time}}$$
$$= \frac{d}{\frac{d}{2 \times 2} + \frac{d}{4 \times 4} + \frac{d}{4 \times 8}}$$
$$= \frac{d}{\frac{d \times 32}{8d + 2d + d}} = \frac{32}{11} \text{ km/h.}$$

**35) A Mathematics**

Math:  $84/90 = 93.3\%$  Science:  $45/50 = 90\%$  CS:  $23/25 = 92\%$  Eng:  $68/80 = 85\%$ .

Highest = Mathematics

**36) C-100%**

If CP = 100 then SP = 220

Now CP = 110 and SP = 220 (same) then Profit% = 100%

**37) (c) 10 : 9**

Brother = 12  $\Rightarrow$  Anushka (7:6)  $\Rightarrow$  14. After 6 years: 20 and 18  $\Rightarrow$  ratio = **10 : 9**.

**38) D 840**

LCM (6,7,8) = 168 , Largest three digit number = 999

159 is remainder when 999 is divided by 168 . So,  $999 - 159 = 840$

**39) B . 10m/s**

Speed of B =  $40/5 = 8$  m/s , B will take  $200/8 = 25$  sec to complete the race.

A will take  $25 - 5 = 20$  second to complete 200m . Hence speed of A =  $200/20 = 10$  m/s

**40. Which statement about IPv6 is incorrect?**

**Answer: (c) It uses a checksum field in its header**

**Explanation:**

- IPv6 uses **128-bit addresses** , supports **auto-configuration** , and eliminates **broadcasts** , replaced by multicasting
  - **Incorrect: IPv6 does not include a checksum field** in its header (unlike IPv4) to simplify processing and improve speed.
- Hence, option **(c)** is **incorrect**.

41. Convert binary 101011 to octal.

Answer: (a) 53

Step-by-step:

Binary: 101011 → group from right into 3 bits: **101** | **011**

- 101 = 5, 011 = 3  
⇒ Octal = **53**

42. The register that holds the address of the memory location to be accessed is:

Answer: (a) MAR (Memory Address Register)

Explanation:

- **MAR** stores the **address** of the memory location that the CPU wants to read or write.
- **MBR (Memory Buffer Register)** holds the **data** being transferred.
- **IR (Instruction Register)** holds the **current instruction**.
- **PC (Program Counter)** holds the **next instruction's address**.

43. The Bottom-Up approach is best reflected in which language?

Answer: (c) C++

Explanation:

- C++ follows the **Object-Oriented Programming (OOP)** paradigm which uses a **bottom-up** approach — building reusable **objects** first and then integrating them.
- **FORTRAN** and **C** use **top-down** procedural approaches.
- **Assembly** is low-level, not structured for either paradigm.

44. Spam emails primarily exploit:

Answer: (a) SMTP protocol

Explanation:

- **SMTP (Simple Mail Transfer Protocol)** is used to **send** emails — often exploited by spammers for bulk or fraudulent email delivery.
- **POP (Post Office Protocol)** and **IMAP** are for **receiving** emails.
- **HTTP** and **SNMP** are unrelated to email transmission.

45. Which of the following translates entire code before execution?

Answer: (b) Compiler

Explanation:

- A **compiler** translates the **entire program at once** into machine code before execution.
- An **interpreter** translates **line by line**.
- **Loader** loads executables into memory, **linker** links multiple object files.

46. A linker primarily:

Answer: (b) Combines object files into an executable

Explanation:

- The **linker** combines **object code** from different modules or libraries into one executable file.
- It resolves **external references and addresses**.
- **Assembler** converts assembly to machine code, not linker.

47. LaTeX is best described as:

Answer: (b) A document preparation system

Explanation:

- **LaTeX** is used for **typesetting scientific, technical, and mathematical documents**.
- It provides advanced control over formatting, equations, and citations.
- It is **not** a programming language or database system.

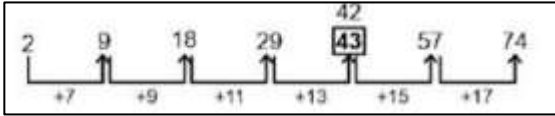
48. 1 Terabyte equals:

Answer: (b) 1024 GB

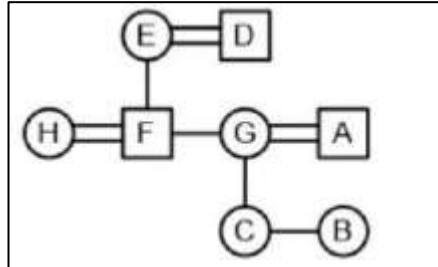
Explanation:

- Computer storage follows binary units:  
1 KB = 1024 bytes  
1 MB = 1024 KB  
1 GB = 1024 MB  
1 TB = 1024 GB

49. C  $246 \text{ A}(1) \text{ B}(2) \text{ C}(3) = 123 \times 2 = 246$



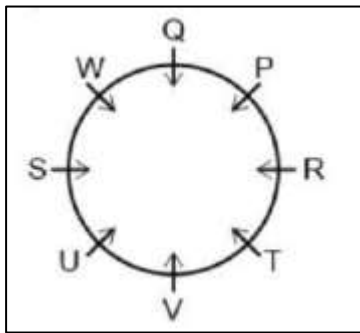
50. B 43



51. C Brother-in-law

52. A . 7 a.m. Saturday

The number of hours from 8:00 p.m. on Thursday to 8:00 a.m. on Monday is 84. In 84 hours the watch lost 12 minutes. But to show the correct time the watch has to lose 5 minutes. This would happen in  $\frac{5}{12} \times 84 = 35$  hours. 35 hours from 8:00 p.m. on Thursday is 7:00 a.m. on Saturday.

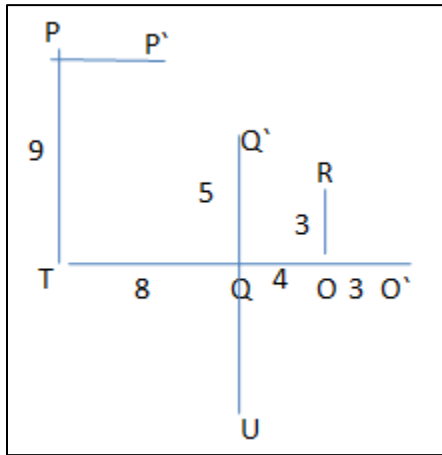


53.A

54. B

- I. Some wickets are not ball - Does not follow (As, some balls are bats and no bat is a wicket. So some wickets are not ball is not followed)
- II. All wickets being ball is a possibility - Follows (As, some balls are bats and no bat is a wicket. So all wickets being ball is a possibility is definitely followed) Hence, only conclusion II follows.

55. D. 15m west



**Question 56**

Answer: (B)

**Explanation:** The ID Act excludes persons employed mainly in managerial/administrative capacity or supervisory capacity drawing wages above a statutory threshold; apprentices may be considered depending on their role — the correct answer is 1 and 2.

**Question 57**

Answer: (A)

**Explanation:**

- **Statement 1 — Correct:**  
Section 27 of the *Trade Unions Act, 1926* clearly states that a registered Trade Union may be dissolved **in the manner provided by its rules**, which were part of the registration process.
- **Statement 2 — Correct:**  
Under **Section 27**, notice of dissolution must be **signed by at least seven members and by the Secretary**, and sent to the **Registrar within 14 days**.  
If this requirement is not fulfilled, the **Registrar can refuse to register** the dissolution.
- **Statement 3 — Correct:**  
As per **Section 27**, when the Registrar registers a notice of dissolution and issues a **certificate**, such certificate is **conclusive evidence** that the Trade Union has been duly dissolved.
- **Statement 4 — Incorrect:**  
The *appropriate government* has **no power under the Trade Unions Act** to dissolve or cancel the registration of a Trade Union on grounds of “public interest.”  
The government’s powers are limited and do **not extend** to the internal affairs or dissolution of registered Trade Unions.

### Question 58

Answer: (B)

**Explanation:** Section 45B of the ESI Act explicitly provides that contributions payable under the Act may be recovered as **arrears of land revenue**. The Act also authorises the Corporation to determine damages/penalties and pursue recovery by issuing certificates to Recovery Officers (see Sections 45A–45C and related provisions); prosecution and penalties are available where statutory conditions are met — hence (B) correctly captures the statutory scheme.

### Question 59

Answer: (A) 1 and 2 only

### Explanation:

Labour Courts adjudicate disputes on discharge, dismissal, retrenchment and other matters in the **Second Schedule**, and may also inquire into *unfair labour practices* where notified under the Fifth Schedule. However, **wages of apprentices** are governed by the **Apprentices Act, 1961**, and such persons are **not “workmen”** under Section 2(s) of the ID Act; therefore Item 3 does **not** fall within Labour Court jurisdiction.

### Question 60

Answer: (A)

**Explanation:** EDLI is Employees’ Deposit Linked Insurance scheme providing lump sum insurance on death of an employee in service, funded from employer contributions and EPF administration.

### Question 61

Answer: (B)

**Explanation:** Rejection of standing orders can be appealed to the appellate authority (often the appropriate government or tribunal) within the period prescribed; immediate civil court stays are not the statutory route.

### Question 62

Answer: (A)

**Explanation:** General funds may be applied for trade dispute conduct and welfare-related expenses; political fund has special restrictions and cannot be used for salaries from political funds, dividends or personal benefit.

### Question 63

Answer: (C)

### Explanation:

- **Statement 1 – Incorrect:**  
Certifying surgeons are **appointed by the State Government**, not the Central Government.  
(Section 10(1), Factories Act, 1948)
- **Statement 2 – Correct:**  
One of the primary duties of certifying surgeons is to **examine young persons** (adolescents) for **fitness**

to work in a factory and issue fitness certificates.

(Section 69(2))

- **Statement 3 – Correct:**

They are **prohibited from holding any direct or indirect interest** in any factory or in any process or business carried on therein, to ensure impartiality.

- **Statement 4 – Correct:**

They also perform **medical supervision over workers engaged in dangerous operations or hazardous processes** as prescribed under the Act and relevant rules.

#### Question 64

Answer: (A)

**Explanation:**

- **Statement 1** is correct: Adult workers earn annual leave with wages at the rate of 1 day for every 20 days worked in the previous calendar year (Section 79(1)(i)).
- **Statement 2** is correct: Child workers earn leave at 1 day for every 15 days worked (Section 79(1)(ii)).
- **Statement 3** is incorrect: The qualifying threshold is 240 days of work in the calendar year, not 180 days (Section 79(1)).
- **Statement 4** is incorrect: Maternity leave (up to 12 weeks for female workers) is deemed as days worked and thus included in the 240-day qualifying period (Explanation 1(b) to Section 79(1)), rather than excluded.

#### 65. The 'Dual Aspect' principle of accounting states that:

**Answer: (b) Every business transaction has two effects: a debit and a corresponding credit.**

**Explanation:**

The **Dual Aspect Principle** is the foundation of **double-entry bookkeeping**.

Every transaction has **two equal and opposite effects** — one **debit** and one **credit** — ensuring the **Accounting Equation (Assets = Liabilities + Capital)** always balances.

Example: Buying furniture for ₹10,000 (Furniture A/c Dr ₹10,000; Cash Cr ₹10,000).

#### 66. The CFO's decision to recognize a probable loss but not a probable gain relates to:

**Answer: (c) The Conservatism (Prudence) Principle**

**Explanation:**

According to the **Conservatism Principle**, accountants should **anticipate losses but not gains**.

It means recognizing **expenses and liabilities immediately** when probable, but **recognizing income only when it is realized**.

Here, the ₹8 lakh loss (liability) is provided for, but the ₹10 lakh gain is not recorded until confirmed.

**67. A company's Gross Profit Ratio calculation:**

**Answer: (a) 25%**

**Explanation:**

**Gross Profit = Net Sales – Cost of Goods Sold**

Net Sales = 8,40,000 – 40,000 = ₹8,00,000

Gross Profit = 8,00,000 – 6,00,000 = ₹2,00,000

Gross Profit Ratio =  $(2,00,000 \div 8,00,000) \times 100 = 25\%$

**68. Interest Coverage Ratio calculation:**

**Answer: (c) 6**

**Explanation:**

**Interest Coverage Ratio = EBIT ÷ Interest Expense**

= ₹4,50,000 ÷ ₹75,000 = **6 times**

It shows that the company can cover its interest expense **six times** from its earnings before interest and tax.

**69. Error not affecting Trial Balance:**

**Answer: (a) Posting ₹500 to Wages instead of Salaries**

**Explanation:**

This is an **Error of Principle**, not affecting the trial balance because **the debit and credit totals remain equal** — only the classification of accounts is wrong.

The other options affect the total balance agreement.

**70. FIFO Inventory Valuation – Closing Stock**

**Answer: (c) ₹7,300**

**Stepwise Explanation (FIFO method):**

- **Mar 1:** 200 units @ ₹20 = ₹4,000
- **Mar 5:** 300 units @ ₹22 = ₹6,600
- **Mar 10 (Sale of 400 units):**  
→ 200 @ ₹20 + 200 @ ₹22 = ₹8,400 issued
- **Mar 15:** +250 units @ ₹24 = ₹6,000
- **Mar 20 (Sale of 150 units):** 100 @ ₹22 + 50 @ ₹24 = ₹3,300 issued
- **Mar 30:** +100 units @ ₹25 = ₹2,500

**Remaining Stock:**

150 (₹24) + 100 (₹25) = ₹3,600 + ₹2,500 = **₹7,300**

## 71. LIFO Inventory Valuation – Closing Stock

Answer: (b) ₹6,900

Stepwise Explanation (LIFO method):

- **Mar 10 Sale (400 units):** Latest first → 300 @ ₹22 + 100 @ ₹20 = ₹8,200 issued
- **Mar 15 Purchases:** +250 @ ₹24
- **Mar 20 Sale (150 units):** 150 @ ₹24 = ₹3,600 issued
- **Mar 30 Purchases:** +100 @ ₹25

Remaining Stock:

100 @ ₹25 + 100 @ ₹20 = ₹2,500 + ₹2,000 = **₹6,900**

## 72. Misclassification of Delivery Van purchase

Answer: (c) Error of Principle

Explanation:

The accountant treated a **capital expenditure (asset)** as a **revenue expense (Repairs)**.

While totals in Trial Balance match, the classification violates accounting principles — hence, it's an **Error of Principle**, not a posting or arithmetic mistake.

## 73. Classification of two discovered mistakes

Answer: (c) Mistake 1 – Error of Commission; Mistake 2 – Error of Principle

Explanation:

- **Mistake 1:** Wrong personal account (Mr. Verma instead of Mr. Sharma) → **Error of Commission**.
- **Mistake 2:** Capital item recorded as revenue → **Error of Principle**.

Both don't affect the Trial Balance, but they distort classification and reporting accuracy.

## 74. Recording revenue before receiving cash

Answer: (d) Accrual Assumption

Explanation:

The **Accrual Assumption** states that **revenues and expenses are recognized when they are earned or incurred**, not when cash is received or paid.

Hence, recording the ₹5,00,000 as March income aligns with **Accrual Basis Accounting**.

## 75. Continuing FIFO for comparability

Answer: (a) Consistency Assumption

**Explanation:**

The **Consistency Assumption** ensures that a company uses the same accounting methods over time so that **financial statements remain comparable** year-to-year.

Changing to LIFO merely to reduce taxes would violate this assumption.

**76. Recording sales commission in the same year**

**Answer: (a) The Matching Principle**

**Explanation:**

The **Matching Principle** requires that **expenses be recorded in the same period as the revenues they help generate**.

Hence, the commission related to March sales must be shown as an expense for the same period, even if paid later.

**77. Recording small asset as an expense**

**Answer: (c) The Materiality Principle**

**Explanation:**

According to the **Materiality Principle**, insignificant amounts (like a ₹500 trash bin) may be **expensed immediately** instead of capitalized, since they don't materially affect financial results.

This simplifies accounting without misleading users of financial statements.

**78. Classification of Outstanding Rent Account**

**Answer: (b) Representative Personal Account**

**Explanation:**

An **Outstanding Rent Account** represents an **amount payable to the landlord** — a **personal obligation** in nature.

Such accounts represent persons indirectly (e.g., Outstanding Expenses, Prepaid Insurance), hence termed **Representative Personal Accounts**.

**Q-79. N=10**

$$\text{Mean of 10 students} = 68$$

$$\Sigma X = \text{Mean} * N$$

$$= 68 * 10 = 680$$

To calculate New Mean,

$$\text{New } N = 10 + 1 - 2 = 9$$

$$\text{New } \Sigma X = 680 - 40 - 39 + 72 = 673$$

$$\text{Mean} = 673 / 9 = 74.78$$

**Option a**

**Q-80** Standard Deviation = 6.5

$$N = 50$$

Standard Deviation increased by 5,

New Standard Deviation = 6.5

When every observation in a dataset is increased (or decreased) by the **same constant**, the **standard deviation does NOT change**, because dispersion from the mean remains the same.

**Option b**

**Q-81.** We are given:

40% of boys take Maths =  $P(\text{Boys with Maths}) = 0.40$

- 60% of girls take Maths =  $P(\text{Girls with Maths}) = 0.60$
- Class has 50% boys and 50% girls,  $P(G) = P(B) = 0.50$

Probability that a randomly selected student chose Maths:

$$\begin{aligned} P(\text{Maths}) &= 0.50 * 0.40 + 0.5 * 0.60 \\ &= 0.20 + 0.30 \\ &= 0.50 \end{aligned}$$

**Option a) 0.50**

**Q-82.** Total balls = 10 red + 10 blue = 20 balls

We draw 2 balls.

Total ways to choose 2 balls from 20:  ${}^{20}C_2 = (20 \times 19) / 2 = 190$

Favourable outcomes (1 red, 1 blue): Ways to choose 1 red from 10 =  ${}^{10}C_1 = 10$

Ways to choose 1 blue from 10 =  ${}^{10}C_1 = 10$

Total favourable =  $10 \times 10 = 100$

Probability =  $100 / 190 = 10/19$

**Correct answer: (a) 10/19**

**83. Audit in Depth means:**

**Answer: (b) Intensive audit of each and every item**

**Explanation:**

- **Audit in depth** refers to a **thorough and detailed examination** of a few transactions or items from **start to finish** through all accounting stages.
- It is not limited to surface-level checking — the auditor examines documents, vouchers, entries, and postings to ensure accuracy and authenticity.
- Hence, it involves **intensive audit**, not necessarily of all items but in great detail.

**84. The kind of audit conducted between two annual audits:**

**Answer: (b) Interim audit**

**Explanation:**

- An **Interim Audit** is conducted **between two annual audits**, usually covering part of the year's accounts.
- It helps management in **early detection of errors and frauds** and facilitates **early declaration of interim dividends**.
- **Internal audit** is continuous and management-controlled, while **final audit** is done at year-end.

**85. The audit made compulsory under statute:**

**Answer: (a) Statutory audit**

**Explanation:**

- A **Statutory Audit** is one that is **mandated by law** (statute).
- For example, under the **Companies Act, 2013**, every company must get its financial statements audited by a **qualified Chartered Accountant**.
- It ensures legal compliance and reliability of financial reporting.

**86. Valuation is the basis of:**

**Answer: (a) Verification**

**Explanation:**

- **Verification** involves confirming the **existence, ownership, and valuation** of assets and liabilities shown in the financial statements.
- **Valuation** determines the **monetary worth** of an asset or liability, which forms the **basis of proper verification** by the auditor.
- Without correct valuation, verification remains incomplete.

**87. The Pradhan Mantri Matru Vandana Yojana (PMMVY) primarily aims to:**

**Answer: (b) Offer wage compensation to pregnant and lactating women for wage loss during childbirth**

**Explanation:**

- **PMMVY** was launched in **2017** under the **Ministry of Women and Child Development**.
- It provides **₹5,000** in three installments to **pregnant and lactating women** for their **first living child**, compensating for **wage loss** during childbirth and postnatal care.
- The objective is to **improve health and nutrition** of mothers and infants.
- **Incorrect options:**
  - (a) Free delivery → covered under *Janani Suraksha Yojana (JSY)*.
  - (c) Nutritional kits → *Poshan Abhiyaan*.
  - (d) Girl education → *Beti Bachao Beti Padhao*.

**88. Under Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), eligible beneficiaries receive:**

**Answer: (b) Health insurance coverage of ₹5 lakh per family per year for secondary and tertiary care hospitalization**

**Explanation:**

- **AB-PMJAY** is the **world's largest government-funded health insurance scheme**, launched in **2018**.
- It provides **cashless treatment** up to **₹5 lakh per family per year** at **empanelled public and private hospitals** for **secondary and tertiary care**.
- Beneficiaries: poorest 40% of households (as per SECC 2011 data).
- Coverage: over **10.74 crore families** (approx. 50 crore people).
- **Incorrect options:**
  - (a) OPD not covered.
  - (c) No co-payment system.
  - (d) Maternity benefits fall under other schemes like PMMVY.

**89. The National Means-cum-Merit Scholarship Scheme (NMMSS) is intended to:**

**Answer: (a) Provide scholarships to meritorious students from economically weaker sections studying in Class VIII**

### Explanation:

- **NMMSS**, launched in **2008**, aims to **reduce dropouts** at the secondary level by offering **scholarships to Class VIII students** from **economically weaker sections**.
- Students receive **₹12,000 per annum (₹1,000 per month)** from **Class IX to XII**, provided they continue education in government or aided schools.
- Implemented by **Ministry of Education** (Department of School Education & Literacy).
- **Incorrect options:**
  - (b) Coaching → covered under *Nai Udaan, PM-YASASVI*.
  - (c) Only SC/ST → incorrect, it's for all EWS categories.
  - (d) Girl-specific → incorrect, gender-neutral scheme.

### 90. The Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM) aims to:

**Answer: (b) Organize rural poor, especially women, into Self-Help Groups and enable sustainable livelihoods through skill development and credit access**

### Explanation:

- **DAY-NRLM**, launched in **2011**, under the **Ministry of Rural Development**, seeks to **reduce poverty** by promoting **self-employment and skill development**.
- It focuses on **organizing women into Self-Help Groups (SHGs)** and linking them to **banks and markets** for sustainable income.
- Provides **credit access, skill training, and entrepreneurship support** to rural households.
- **Incorrect options:**
  - (a) No direct cash transfer.
  - (c) Food grains → *Public Distribution System (PDS)*.
  - (d) Pension → *PM-SYM, PMJJBY, PMSBY*.

### Q-91 Option d) Perfectly Inelastic, Vertical straight line

If quantity demanded does not change at all despite any change in price → consumers buy the same quantity at all prices. This means demand is perfectly inelastic.

Graphically, perfectly inelastic demand is a vertical straight line (quantity is fixed).

### Q-92 Option d) None of the above

Perfect knowledge among buyers and sellers is a feature of Perfect Competition.

### Q-93 Option c) Excess Demand

When market demand > market supply, buyers want to purchase more than what producers are offering. This situation is called Excess Demand

### Q-94 Option d) Wages to Employees

Fixed costs remain constant regardless of output, while variable costs change with the level of production.

- (a) Interest on loan → Fixed
- (b) Monthly rent → Fixed
- (c) Insurance premium → Fixed
- (d) Wages to employees → Variable (changes with output and hiring)

### Q-95 Option d) All of the above

**Statement 1: WPI does not represent the inflation in services.**

Correct. WPI includes **primary articles, fuel & power, and manufactured goods**.  
It does **not** cover services.

**Statement 2: CPI represents the inflation in goods and services.**

Correct. CPI includes items like: Housing; Transport; Education; Healthcare  
(all services)

**Statement 3: CPI and WPI represent the inflation of imported goods also.**

Correct. Imported goods enter through:

- Manufactured items (WPI)
- Retail goods (CPI)

So both indices capture imported inflation indirectly.

**Statement 4: CPI does not represent the inflation in capital and intermediate goods.**

Correct. CPI measures **retail inflation** for consumers. Consumers don't buy capital or intermediate goods.

**All four statements are correct.**

### Q-96 Correct Answer: (a) 1 only

Economic growth means real GDP (output adjusted for inflation) is increasing, i.e., positive growth. It does NOT guarantee:

- Higher growth rate than last year
- Employment generation
- Nominal GDP increase (in rare cases of deflation)

1. Real GDP will increase → YES.

This is literally what “economic growth” means in macroeconomics.

2. Nominal GDP will increase

Nominal GDP = Real GDP × Price level.

If price level falls sharply (deflation), nominal GDP can fall even when real GDP rises.  
So, not necessarily true.

3. Rate of growth of real GDP will increase

Economic growth DOES NOT mean growth rate is higher than last year.

Example: Last year growth = 8%

This year = 6% → still economic growth, but lower growth rate. So, not compulsory.

4. Increase in employment generation

Not compulsory.

India has experienced jobless growth many times.

Conclusion: Only Real GDP must increase.

**Q-97. Option d) All of the above**

**Seigniorage** = The profit earned by the government/central bank due to **money creation**.

### **1. Interest income on reserves kept with RBI for money creation**

Yes. When banks keep reserves with RBI, the RBI earns income from investing those funds.  
This is considered part of seigniorage.

### **2. Interest accruing from bank balances kept with central bank as interest-free balances (CRR)**

Yes. Banks are required to keep some balances as **CRR** (Cash Reserve Ratio) with RBI.  
RBI earns interest by investing those reserves, while banks earn nothing.

This is also treated as seigniorage.

### **3. Inflation tax**

Yes. When inflation rises:

- The real value of held money falls
- purchasing power transfers **from public to the government**

This loss to the public and gain to the issuer of currency is called **inflation tax**, treated as part of seigniorage.

All three are components of seigniorage.

**Q-98. Option b) 2 only**

**Money Multiplier formula**=  $1 / \text{Reserve Ratio}$

So, if **reserve requirement increases** → multiplier **falls**

If **reserve requirement decreases** → multiplier **rises**

Also, **money multiplier DOES NOT depend on the monetary base** directly. Increasing monetary base increases **money supply**, not the multiplier.

**1. It increases with increase in reserve requirements** → Wrong

Higher reserve ratio → banks lend less → money multiplier falls.

**2. It decreases with increase in reserve requirements** → Correct

Reserve requirement ↑ → multiplier ↓

**3. It increases with Monetary Base** → Wrong

Monetary base affects total money supply, **not the multiplier**.

**4. It decreases with Monetary Base** → Wrong

Multiplier is independent of monetary base.

**Q-99 Option a) 1 and 4 only**

**1. Price of its substitute increases** → People shift from substitute to this good → **Demand increases**

**2. Price of its complement increases** → Complement becomes expensive → demand for both falls → **Demand decreases**

**3. The good is an inferior good and income increases** → Higher income → consumers buy superior goods → **Demand decreases**

**4. Its own price falls** → Law of demand → lower price = higher quantity demanded → **Demand increases**

So the **correct** statements are: 1 and 4 only

**Q-100 Option c) All three**

**Explanation:** The **Washington Consensus** refers to a set of economic policy reforms promoted by institutions such as the **IMF**, **World Bank**, and the **US Treasury** during the 1980s-90s. Its core thrust was **market-oriented**, encouraging free trade, deregulation, and privatisation.

**(i) Globalisation —**

Globalisation implies:

- Free movement of goods, services, and capital
- Liberalisation of trade barriers
- Integration of economies

These are **direct outcomes** of Washington Consensus reforms.

**(ii) Neo-liberalism —**

Neo-liberalism advocates:

- Minimal government intervention
- Free markets
- Privatisation

These policies are **directly embedded** in the Washington Consensus. This is the **closest conceptual synonym**.

**(iii) Market fundamentalism —**

Market fundamentalism is the belief that:

- Markets are always efficient
- Market solutions are superior to state intervention

This is the **ideological foundation** behind Washington Consensus, promoting market forces over state control.

**101. .... is a condition in which there is a possibility of an adverse deviation from a desired outcome that is expected or hoped for.**

**Answer: (c) Risk**

**Explanation:**

- **Risk** is the **possibility of an adverse deviation** from a desired or expected outcome.
- It implies **uncertainty regarding the occurrence of a loss** or an undesired event.
- While *uncertainty* refers to the lack of knowledge about future events, *risk* is **measurable** and **quantifiable**.

**Example:**

Expecting ₹1,00,000 profit but possibly earning less due to market changes = **risk**.

**102. Relative variation of actual loss from expected loss is called —**

**Answer: (b) Objective Risk**

**Explanation:**

- **Objective risk** is statistically measurable — it represents the **degree of variation between actual loss and expected loss**.
- It is based on **data, probability, and frequency of losses**.
- **Subjective risk**, on the other hand, is psychological — it depends on **personal perception or fear** of risk.

**Formula:**

$$\text{Objective Risk} = \frac{\text{Standard Deviation of Losses}}{\text{Expected Loss}}$$

**103. Risks which can be measured using numerical scale are known as —**

**Answer: (a) Quantifiable Risk**

**Explanation:**

- **Quantifiable risks** are those where **probability of occurrence and potential loss** can be expressed in numerical terms.
- These are measurable using statistical tools like **probability distributions, expected value, and standard deviation**.
- Example: Probability of machinery breakdown, accident frequency, or insurance claim likelihood.

**In contrast:**

- **Non-quantifiable (uninsurable) risks** include emotional or psychological factors like loss of goodwill or reputation.

**104. The hybridization of carbon in ethylene (C<sub>2</sub>H<sub>4</sub>) molecule is:**

**Answer: (b) sp<sup>2</sup>**

**Explanation:**

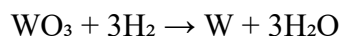
- In **ethylene (C<sub>2</sub>H<sub>4</sub>)**, each carbon forms **three sigma (σ) bonds** — two with hydrogen atoms and one with another carbon atom — and **one pi (π) bond** between the carbons.
- To form three σ bonds, the carbon atom undergoes **sp<sup>2</sup> hybridization** (one s and two p orbitals mix).
- The unhybridized p orbital forms the π bond.

**105. The gas used as a reducing agent in the extraction of tungsten from its oxide is:**

**Answer: (a) Hydrogen**

**Explanation:**

- Tungsten is extracted from **tungsten trioxide (WO<sub>3</sub>)** by reduction with **hydrogen gas** at high temperature:



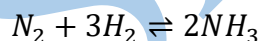
- Hydrogen acts as a **clean reducing agent**, producing only **water vapour** as a byproduct.
- Carbon or CO are not used as they form tungsten carbide impurities.

**106. According to Le Chatelier's Principle, an increase in pressure favors:**

**Answer: (c) The reaction producing fewer moles of gas**

**Explanation:**

- **Le Chatelier's Principle** states that if pressure is increased, equilibrium shifts towards the side with **fewer gas molecules** to counter the change.
- Example:



Increase in pressure → equilibrium shifts right → favors ammonia formation.

**107. The dimensional formula of Planck's constant (h) is:**

**Answer: (a) [ML<sup>2</sup>T<sup>-1</sup>]**

**Explanation:**

- From **E = hv**,

$$[h] = [E][T] = [ML^2T^{-2}][T] = [ML^2T^{-1}]$$

- Hence, **Planck's constant** has the dimensional formula **[ML<sup>2</sup>T<sup>-1</sup>]**.

**108. The work function of a metal surface is the:**

**Answer: (a) Minimum energy required to remove an electron from the surface**

**Explanation:**

- **Work function ( $\Phi$ )** is the **minimum energy** needed to **liberate an electron** from a metal surface.
- Measured in **electron volts (eV)** or **joules (J)**.
- Related equation:

$$E = h\nu = \Phi + \text{Kinetic Energy of electron}$$

**109. The SI unit of magnetic flux is:**

**Answer: (b) Weber**

**Explanation:**

- **Magnetic flux ( $\Phi_B$ )** measures the total magnetic field passing through a surface.
- SI unit: **Weber (Wb)**.

$$1 \text{ Weber} = 1 \text{ Tesla} \times 1 \text{ m}^2$$

- Related units: Tesla (magnetic field strength), Henry (inductance), Coulomb (charge).

**110. The functional unit of kidney is:**

**Answer: (b) Nephron**

**Explanation:**

- Each kidney contains about **1 million nephrons**.
- **Nephron** is responsible for **filtration, reabsorption, and secretion**, forming urine.
- Major parts: **Glomerulus, Bowman's capsule, Loop of Henle, and Collecting duct**.

**111. The process by which white blood cells engulf bacteria is known as:**

**Answer: (b) Phagocytosis**

**Explanation:**

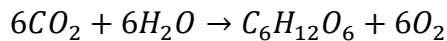
- **Phagocytosis** means “cell eating”.
- **White blood cells (phagocytes)** engulf and digest harmful microbes or dead cells.
- Steps: Engulfing → Vesicle formation → Digestion by enzymes.
- **Pinocytosis** is “cell drinking” (liquids), not solids.

**112. The site of photosynthesis in a plant cell is:**

**Answer: (c) Chloroplast**

**Explanation:**

- **Chloroplasts** are the **organelles responsible for photosynthesis**.
- They contain **chlorophyll**, the green pigment that absorbs sunlight.
- Reaction:



(Occurs in **grana** and **stroma** of the chloroplast.)

**113. According to the passage, leadership is primarily about:**

**Answer: (c) Impact and service**

**Explanation:**

- The passage emphasizes that **true leadership is about creating positive impact and serving others**, not authority or control.
- Leadership through **influence, empathy, and contribution** defines its real essence.
- Hence, options related to *power* or *rules* are incorrect.

**114. The phrase “move people not through authority, but through example and empathy” implies that leaders should:**

**Answer: (b) Inspire others through behavior and understanding**

**Explanation:**

- This line suggests that effective leaders **lead by example** and **connect emotionally** with people.
- They motivate others not by commands, but by **personal conduct and empathy**.
- Thus, the correct choice is about *inspiration through understanding*, not control or detachment.

**115. The tone of the passage can best be described as:**

**Answer: (a) Persuasive**

**Explanation:**

- The passage aims to **convince readers** about a particular idea of leadership—one based on service and empathy.

- The language is **motivational and reasoned**, not sarcastic or pessimistic.
- Hence, *persuasive* is the most suitable descriptor.

**116. Improve the sentence:**

*He is senior than me by two years.*

**Answer: (a) senior to**

**Explanation:**

- Words like **senior, junior, superior, inferior, elder, preferable** are followed by **“to,”** not **“than.”**
- Correct usage: **He is senior to me by two years.**

**117. Improve the sentence:**

*She insisted to go to the fair with her friends.*

**Answer: (b) on going**

**Explanation:**

- The verb **“insist”** is always followed by **“on + gerund (-ing form)”**.
- Correct usage: **She insisted on going to the fair with her friends.**

**118. Choose the correct improved form:**

*Hardly had I reached the station when the train left.*

**Answer: (d) No improvement**

**Explanation:**

- The sentence is **already correct** in both structure and tense.
- **“Hardly... when”** is the proper correlative conjunction pair (not **“than”** or **“before”**).
- Hence, **no improvement** is required.

**119. (Cloze Test)**

*The teacher advised the students to be ( ) in their studies.*

**Answer: (b) punctual**

**Explanation:**

- The context suggests a **positive quality** related to discipline or regularity.
- **“Punctual”** fits best, meaning **being on time and regular in studies**.
- Other options (irregular, careless, inattentive) have negative meanings.

120. She reminded them that success (\_\_\_\_) on consistent effort and determination.

Answer: (a) depends

Explanation:

- The correct collocation is “**depends on**” — expressing reliance or condition.
- Hence: **Success depends on consistent effort and determination.**

VYASALIAS