

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

ACCOUNTANCY (40 x 1 = 40 marks)

- GAAPs are:
 - Generally Accepted Accounting Policies
 - Generally Accepted Accounting Principles
 - Generally Accepted Accounting Provisions
 - None of these
- Accounting equation is formed based on the accounting principle of.....
 - Dual aspect
 - Consistency
 - Going concern
 - Accrual
- Real account deals with
 - Individual persons
 - Expenses and losses
 - Assets
 - Incomes and gains
- If the total of the debit side of an account exceeds the total of its credit side, it means:
 - Credit balance
 - Debit balance
 - NIL balance
 - Debit and credit balance
- The amount brought into the business by the proprietor should be credited to:
 - Cash account
 - Drawings account
 - Capital account
 - Suspense account
- A cash book with discount, cash and bank column is called.....

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

- (A) Simple cash book
 - (B) Double column cash book
 - (C) Three column cash book
 - (D) Petty cash book
7. A bank statement is a copy of
- (A) Cash column of the cash book
 - (B) Bank column of the cash book
 - (C) A customer's account in the bank's book
 - (D) Cheques are issued by the business
8. A bank reconciliation statement is prepared to know the causes for the differences between:
- (A) The balance as per cash column of the cash book and the bank column of the cash book
 - (B) The balance as per cash column of the cash book and the bank statement
 - (C) The balance as per bank column of the cash book and the bank statement
 - (D) The balance as per petty cash book and the cash book
9. medium term loan for augmenting working capital:
- (A) Capital expenditures
 - (B) Revenue expenditures
 - (C) Revenue receipts
 - (D) Capital receipts
10. Carriage inwards will be shown
- (A) In the trading account
 - (B) In the profit and loss account
 - (C) On the liabilities side
 - (D) On the assets side
11. Which one of the following is not the main objective of accounting?
- (A) Systematic recording of transactions
 - (B) Ascertainment of the profitability of the business
 - (C) Ascertainment of the financial position of the business
 - (D) Solving tax disputes with tax authorities

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
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12. The process of transferring the debit and credit items from journal to the ledger accounts is called
- (A) Casting
 - (B) Posting
 - (C) Journalising
 - (D) Balancing
13. After the preparation of ledger, the next step is the preparation of.....
- (A) Trading account
 - (B) Trial balance
 - (C) Journal
 - (D) Profit and loss account
14. Which one is matched correctly?
- (A) Imprest system-Petty cash book
 - (B) Credit transactions-Cash book
 - (C) Credit transactions-Sales book
 - (D) Asset purchased for cash – Purchase book
15. Balance sheet is
- (A) An account
 - (B) A statement
 - (C) Neither (a) nor (b)
 - (D) None of the above
16. Net profit is
- (A) Debited to capital account
 - (B) Credited to capital account
 - (C) Debited to Drawings account
 - (D) Credited to Drawings account
17. Cost of acquisition of land and building is an example of
- (A) Capital expenditure
 - (B) Capital receipt
 - (C) Revenue expenditure
 - (D) Revenue receipts

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

18. expenses do not form part of cost of goods
- (A) Indirect
 - (B) Direct
 - (C) Assets
 - (D) Liabilities
19. Main objective of preparing ledger is to.....
- (A) Ascertain the financial position
 - (B) Ascertain the profit or loss
 - (C) Ascertain the profit or loss and the financial position
 - (D) Know the balance of each ledger account
20. Purchases book is used to record
- (A) All purchases of goods
 - (B) All credit purchases of assets
 - (C) All credit purchases of goods
 - (D) All purchases of assets
21. Error of principle arises when
- (A) There is complete omission of a transaction
 - (B) There is partial omission of a transaction
 - (C) Distinction is not made between capital and revenue items
 - (D) There are wrong postings and wrong castings
22. Capital stock is an item of
- (A) Fixed asset
 - (B) Current asset
 - (C) Fictitious asset
 - (D) Intangible asset
23. If there is no existing provision for doubtful debts, provision created for doubtful debts is
- (A) Debited to bad debts
 - (B) Debited to sundry debtors account
 - (C) Credited to bad debts account
 - (D) Debited to profit and loss account

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

24. In Luca Pacioli an Italian developed double entry book keeping system
(A) 1494
(B) 1944
(C) 1894
(D) 1794

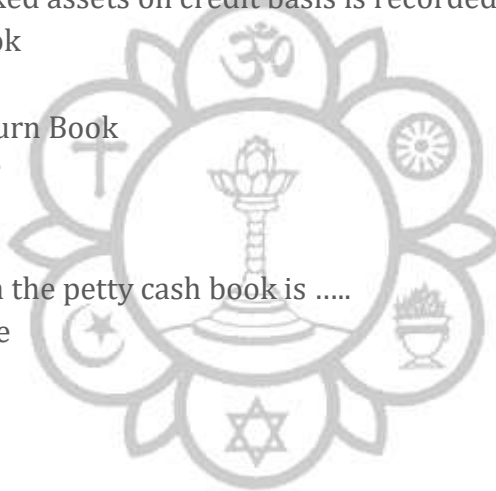
25. A list contains balances of accounts to know whether the debit and credit balances are matched is
(A) Journal
(B) Day book
(C) Trail balance
(D) Balance sheet

26. Purchase of fixed assets on credit basis is recorded in
(A) Purchases book
(B) Sales Book
(C) Purchase Return Book
(D) Journal Paper

27. The balance in the petty cash book is
(A) An expense
(B) A profit
(C) An asset
(D) A liability

28. Which of the following errors will not affect the trial balance?
(A) Wrong balancing of the account
(B) Posting an amount in the wrong account but on the correct side
(C) Wrong totaling of the amount
(D) Carried forward wrong amount in the ledger account

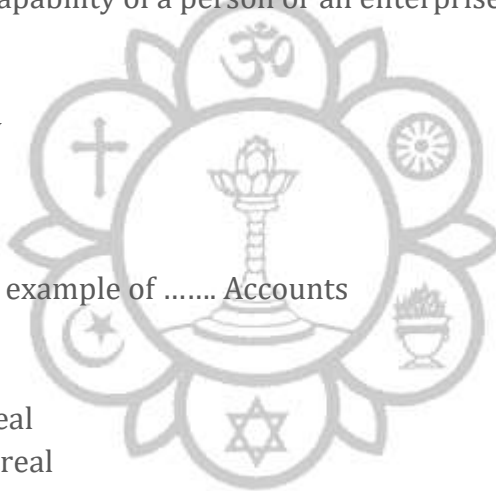
29. Depreciation is caused by
(A) Lapse of time
(B) Usage
(C) Obsolescence
(D) All (A),(B) and (C)



CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

30. Bank overdraft should be shown
- (A) In the trading account
 - (B) Profit and loss account
 - (C) On the liabilities side
 - (D) On the assets side
31. is the amount incurred in order to produce and sell the goods and services
- (A) Creditor
 - (B) Debtor
 - (C) Stock
 - (D) Expense
32. is the incapability of a person or an enterprise to pay the debts.
- (A) Asset
 - (B) Liability
 - (C) Insolvency
 - (D) Sales
33. Goodwill is an example of Accounts
- (A) Real
 - (B) Nominal
 - (C) Tangible real
 - (D) Intangible real
34. Total of debit > Total of credit =
- (A) Debit balance
 - (B) Credit balance
 - (C) NIL balance
 - (D) Trail balance
35. The accounts you would find in a sales ledger are those of
- (A) Incomes and expenses
 - (B) Trade payables
 - (C) Trade receivables
 - (D) Assets



CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

36. The amount of depreciation goes on decreasing year after year in proportion to the unexpired life of the
- (A) Time
 - (B) Assets
 - (C) Maintenance
 - (D) Factors
37. The net loss which arises in a business is an example of ...
- (A) Revenue loss
 - (B) Capital loss
 - (C) Neither of the two
 - (D) None
38. Sales account has credit balance and sales returns has
- (A) Debit balance
 - (B) Journal
 - (C) Credit balance
 - (D) Sales
39. CDM expands.....
- (A) Cash Deposit Machine
 - (B) Credit Debts Method
 - (C) Commerce Document Mode
 - (D) None
40. Total of debit = Total of credit = ?
- (A) Debit balance
 - (B) Credit balance
 - (C) NIL balance
 - (D) To balance b/d

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

COMMERCE (40 x 1 = 40 marks)

1. Activities undertaken with the object of earning money are called as
A. Economic activities B. Monetary activities
C. Non-monetary activities D. Financial activities
2. Small shops which deal in a particular line of products are called as
A. Market traders B. Single line stores
C. Super market D. Street stalls
3. The features of sole proprietorship are
A. Limited liability B. Maintenance of secrecy
C. Common seal D. Quick decisions
4. The members in the Joint Hindu Family are called
A. Kartha B. co-parceners
C. generation D. partners
5. Hindrance of knowledge is removed by
A. Transport B. Advertising
C. Warehouse D. Insurance
6. On the basis of size, industries may be classified as follows. Out of the given, which is not correct?
A. Macro industries B. Micro industries
C. Small industries D. Medium industries
7. Movement of goods and services, intellectual property, human assets, technology and so on among the countries.
A. International trade B. International business
C. Entrepot trade D. Internal trade
8. Which of the following is not a function of insurance ?
A. Lending funds B. Risk sharing
C. Capital formation D. Protection of life
9. Table A of the companies Act is a
A. Model Minutes Book B. Model form of Balance Sheet
C. Model of AOA D. Model of MOA
10. Centralised control in MNC's implies control exercised by
A. Branches B. Subsidiaries
C. Headquarters D. Parliament
11. Ethics is important for
A. Top Management B. Middle level Management
C. Non-managerial employees D. All of them

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

12. The minimum number of members to start a co-operative is
- A. 10 B. 15 C. 20 D. 25
13. The classification of companies on the basis of incorporation are
- (i) Chartered companies (ii) Public companies
(iii) Statutory companies (iv) Private companies
- A. (i) and (ii) B. (i) and (iii)
C. (ii) and (iv) D. (i) and (iv)
14. An organisation carrying out activities to move goods from the producer to consumers is
- A. Transport B. Logistics
C. Channels D. Marketing
15. A Co-operative fails because of
- A. Unlimited Membership B. Cash Trading
C. Mismanagement D. Loss making
16. Activities undertaken out of love and affection or with social service motive are termed as :
- A. Economic activities B. Monetary activities
C. Non-economic activities D. Financial activities
17. Which one of the following is correctly matched?
- A. Income tax - Indirect tax
B. Internal traded - Within the boundaries of a nation
C. SGST - Direct tax
D. Export trade - Home trade
18. A partner neither contribute capital, nor he is entitled to manage the business is known as
- A. Active Partner B. Dormant Partner
C. Nominal Partner D. Secret Partner
19. The primary objective of the state enterprise is to
- A. Earn profit B. Provide employment
C. Serve the People D. All the above
20. Buying and selling of goods through electronic network is known as
- A. E-commerce B. Internet
C. Website D. Trade
21. Which one is internal source of finance?
- A. Retained earnings B. Shares
C. Debentures D. Public deposits

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

22. A Government company purchases shares in the name of
- A. Prime minister
B. President
C. Chief Justice of India
D. State Chief Minister
23. The terms used in insurance are
- (i) Nomination
(ii) Fixed Deposit
(iii) Indent
(iv) Surrender value
- A. (i) and (ii)
B. (i) and (iv)
C. (iii) and (iv)
D. (ii) and (iii)
24. The partnership deed is also called
- A. Articles of Association
B. Articles of Partnership
C. Partnership Act
D. Partnership
25. A warehouse holds goods as a centre
- A. Marketing
B. Storing
C. Distribution
D. Selling
26. The main benefit of logistics is
- A. productivity
B. cost minimisation
C. profitability
D. storage
27. Hindrance of risk is removed by
- A. Transport
B. Insurance
C. Warehouse
D. Advertisement
28. Investment limit of micro enterprise under manufacturing sector does not exceed lakhs.
- A. 10
B. 20
C. 25
D. 50
29. Day market is called as
- A. Angadi
B. Market
C. Nalangadi
D. Allangadi
30. In which form, the owner, establisher and manager is only one?
- A. Joint enterprise
B. Govt Company
C. Co-operative society
D. Sole proprietor
31. The following are the disadvantages of a sole trader
- (i) Limited capital
(ii) Unlimited liability
(iii) Easy formation
(iv) Small capital
- A. (i) and (iii)
B. (i) and (ii)

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

ECONOMICS (40 X 1 = 40 MARKS)

1. Utility is a ----- concept

- A). Objective
- B). Subjective
- C). Mathematical
- D). Derivative

2. The indifference are -----

- A). Vertical
- B). Horizontal
- C). Positive sloped
- D). Negatively sloped

3. Product obtained from additional factors of production is terms as -----

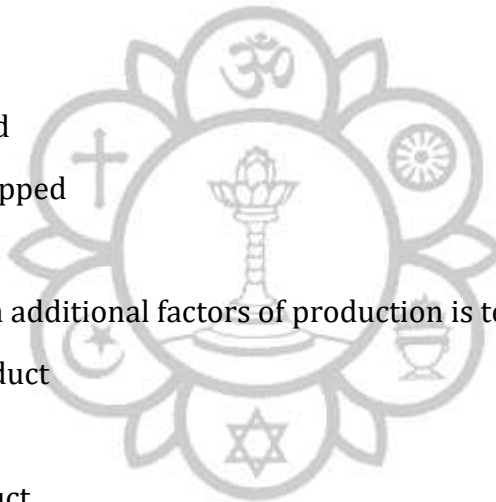
- A). Marginal product
- B). Total Product
- C). Average Product
- D). Annual product

4. Saved amount is called -----

- A). Capital
- B). Income
- C). Production
- D). Output

5. Wage is an example for ----- cost of the production

- A). Fixed



CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

- B).Variable
- C).Marginal
- D).Opportunity

6. The main aim of the firm -----

- A) Product maximization
- B). Profit Maximization
- C). Saving maximization
- D). Investment maximization

7. Petrol and gold is the example of ----- market.

- A).Local
- B).Provincial
- C).National
- D).International

8.The marginal productivity theory was developed by -----

- A).Clark
- B).Wickseed
- C).Walras
- D).All

9. HDI was constructed based on -----

- A).Life expectancy index
- B).Education index
- C).GDP per capita
- D). All the above

10. Which is considered as the basic unit for rural areas?

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

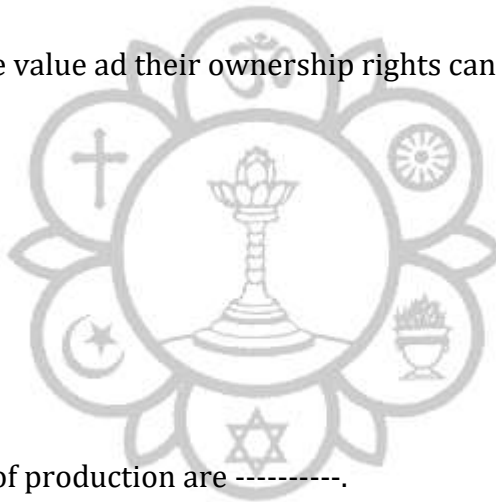
- A).Panchayat
- B).Village
- C).Town
- D).Municipality

11. Total revenue is equal to total output sold multiplied by -----

- A). Price
- B).Total cost
- C). Marginal revenue
- D). Maginal cost

12.----- have exchange value ad their ownership rights can be established and exchanged.

- A).Goods
- B).Services
- C).Markets
- D).Revenue



13. The primary factors of production are -----.

- A). Labour and organization
- B). Labour and capital
- C). Land and capital
- D). Land and labour

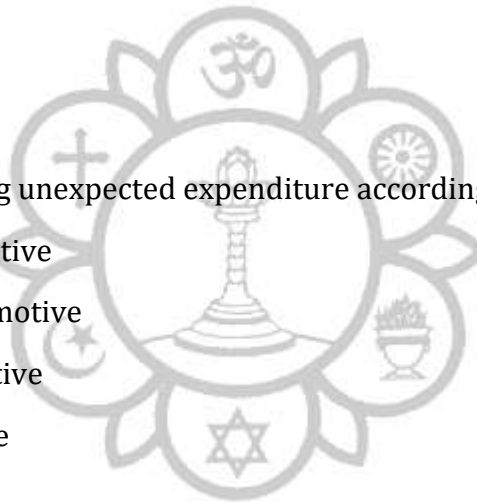
14. Cost refer to -----

- A). Price
- B). Value
- C). Fixed cost
- D) Cost of production

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
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15. There is no opportunity cost in -----
- A). Floating cost
 - B). Prime cost
 - C). Sunk Cost
 - D). Social cost
16. Which of the following is the way of privatisation?
- A). Disinvestment
 - B). Denationalization
 - C). Franchising
 - D). All the above
17. The concept of meeting unexpected expenditure according to Keynes is -----
- A). Transaction motive
 - B) Precautionary motive
 - C). Speculative motive
 - D). Personal motive
18. The construction of demand line or supply line is the result of using -----
- A). Matrices
 - B). Calculus
 - C). Algebra
 - D). Analytical geometry
19. The basic problem studied in Economics is -----
- A). Unlimited want
 - B). Unlimited means
 - C). Scarcity



CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

D). Strategy to meet all our wants

20. The process of reasoning from particular to general is -----

- A). Deductive method
- B). Inductive method
- C). Positive Economics
- D). Normative Economics

21. Ordinal utility can be measured by -----

- A). Ranking
- B). Numbering
- C). Wording
- D). None of these

22. Formula for calculating AP is -----

- A.) $\Delta TP / N$
- B) $\Delta TP / \Delta N$
- C) TP / MP
- D) TP / N

23. Cost functions are derived from ----- function.

- A). Production
- B). Investment
- C). Demand
- D). Consumption

24. Identify the formula of estimating average cost -----

- A). AVC / Q
- B). TC / Q
- C). TVC / Q
- D) AFC / Q

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

25. In which of the following is not a type of market structure price will be very high?

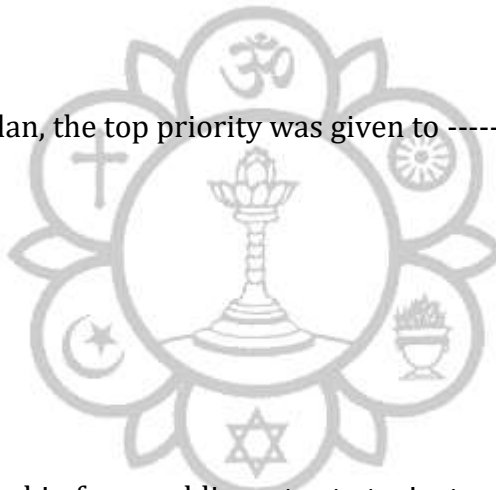
- A). Perfect competition
- B). Monopoly
- C). Duopoly
- D). Oligopoly

26. In economics, distribution of income is among the -----

- A). Factors of production
- B). Individual
- C) Firms
- D) Traders

27. In the first five year plan, the top priority was given to ----- sector.

- A. service
- B. industrial
- C. agriculture
- D. bank



28. The transfer of ownership from public sector to private sector is known as -----

- A). Globalization
- B) Liberalization
- C). Privatization
- D) Nationalization

29. Micro Economics is concerned with -----

- A). The economy as a whole
- B). Different sectors of an economy
- C). The study of individual economic unit behavior
- D). The interactions with in the entire economy

30. Choice is always constrained or limited by the ----- of our resources.

- A). Scarcity

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
Multiple Choice Questions | Number of questions: 120 | Max Marks: 120 | Time: 120 Minutes

- B).Supply
- C).Demand
- D). Abundance

31. Increase in demand is caused by -----

- A). Increase in tax
- B). Higher subsidy
- C). Increase in interest rate
- D) .Decline in population

32. If average product is decreasing, then marginal product -----.

- A). Must be greater than average product
- B). Must be less than average product
- C).Must be increasing
- D). Both A &B

33. Money cost is also known as -----cost.

- A). Explicit
- B). Implicit
- C). Social
- D). Real

34. The cost per unit of output is denoted by -----cost.

- A). Average B) Marginal
- C). Variable D) Total

35. Equilibrium condition of a firm is -----

- A) $MC=MR$
- B). $MC>MR$
- C). $MC<MR$

CMMC-2020

STD XI – ACCOUNTANCY, COMMERCE, ECONOMICS | T.N. STATE BOARD
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D). $MR=Price$

36. Theory of distribution is popularly known as -----

- A). Theory of product pricing
- B). Theory of factor pricing
- C). Theory of wages
- D). Theory of interest

37. Function with single independent variable is -----

- A). Multivariate function
- B). Bivariate function
- C). Univariate function
- D). Polynomial function

38. Which theory is generally included micro economics?

- A). Price Theory
- B) Income Theory
- B). Employment theory
- D). Trade theory

39. When marginal utility reaches zero, the total utility will be -----

- A). Minimum
- B). Maximum
- C). Zero
- D). Negative

40. Under perfect competition, the shape of demand curve of firm is -----

- A). vertical
- B) horizontal
- C). negatively sloped
- D) positively sloped

CMMC-2020

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