1. Free cash flow is the difference between :

   (i) NOPAT – Gross Investment

   (ii) NOPAT – Capital Charge

   (iii) Gross Cash Flow – Net Investment

   (iv) NOPAT – Net Investment + Depreciation

   (A) (i) (B) (ii)

   (C) (iii) (D) (iv)

   (E) Answer not known

2. Risk free return – 8%

   Beta of Security – 1.25

   Market return – 12%

   What is the cost of Equity under Capital Asset Pricing Model?

   (A) 12 % (B) 13 %

   (C) 14 % (D) 15 %

   (E) Answer not known

3. To increase the given present value, the discount rate should be adjusted:-

   (i) Downward

   (ii) Upward

   (iii) Discount rate does not influence present value

   (iv) Any of the above

   (A) (i) only (B) (ii) only

   (C) (iii) only (D) (iv) only

   (E) Answer not known

4. ____________ is a bond in which the bond holder has the right to sell the instrument back to the issuer at a specified price on designated dates.

(i) Puttable bond

(ii) Saleable bond

(iii) Callable bond

(iv) Warrant

(A) (ii) only (B) (iii) only

(C) (iv) only (D) (i) only

(E) Answer not known

5. Which of the following method would you consider appropriate while valuing the Intangible assets?

(i) Multiple

(ii) Relative

(iii) Consistent

(iv) Exclusive

(A) (i) (B) (ii)

(C) (iii) (D) (iv)

(E) Answer not known

6. Which of the following statements is true about goodwill?

(i) Goodwill = Fair value of assets acquired less purchase consideration in an acquisition

(ii) Goodwill = Purchase consideration in an acquisition less fair value of assets acquired

(iii) Goodwill = Purchase consideration in an acquisition less book value of assets acquired

(iv) Goodwill = Fair value of assets acquired less book value of assets acquired

(A) (i) (B) (ii)

(C) (iii) (D) (iv)

(E) Answer not known

7. Following are the models which are generally used in valuation of Human Resources under Income approach:-

(i) Lev and Schwartz model

(ii) Flamholtz's Stochastic Rewards valuation model

(iii) Green field model

(iv) MM model

(A) (i) and (iii) (B) (ii) and (iv)

(C) (i) and (ii) (D) (ii) and (iii)

(E) Answer not known

8. Which approach stipulates that material should arrive the factory only as and when they are needed?

   (i) Kanban

   (ii) JIT (Just In Time)

   (iii) Distribution Logistics

   (iv) Economic order quantity

   (A) (i) (B) (ii)

   (C) (iii) (D) (iv)

   (E) Answer not known

9. Which of the following statements is correct?

   (i) FIFO matches the current costs with current revenue

   (ii) When the closing inventory is overstated, net income for the accounting period will be understated, other things remaining constant

   (iii) When the opening inventory is overstated, net income for the accounting period will be understated, other things remaining constant

   (A) (i) only (B) (i) and (iii)

   (C) (i) and (ii) (D) (iii) only

   (E) Answer not known

10. In which situation would a company likely have the need for business valuation?

(A) When deciding the appropriate price to pay in a takeover

(B) When buying stationery for office use

(C) When hiring new staff member

(D) When scheduling board meeting

(E) Answer not known

11. E.R.P. is a ———— covering functional areas of an enterprise like, logistics, production, finance and human resources

(A) Fully integrated business management system

(B) Non integrated business management system

(C) Accounting system

(D) Decentralised system

(E) Answer not known

12. C.R.M. in E.R.P. means

(A) Customer Regulation Management

(B) Customer Relationship Management

(C) Customer Requirement Management

(D) Customer Reporting Management

(E) Answer not known

13. R.B.A.C. in ERP is ————————, which is restricting others to control system.

(A) Role Based Adequate Control

(B) Role Based Accounting Control

(C) Role Based Access Control

(D) Role Based Automatic Control

(E) Answer not known

14. In ERP, issue of raw material from stores to production units done by ———————— module.

(A) Material Management (B) Production Planning

(C) Finance and Accounting (D) Controlling

(E) Answer not known

15. In ERP, asset accounting activity done by ———————— module.

(A) F A (B) P P

(C) P M (D) P S

(E) Answer not known

16. Life Insurance policy of Mr. Kumar (a sole proprietor) was matured and amount received for Rs. 1,00,000 was retained in the business will be treated as

(A) Closing capital

(B) Additional capital

(C) Drawings

(D) Loan account of Mr. Kumar

(E) Answer not known

17. Which of the following is not referred to as Non-Profit Organisation?

(A) Social Club

(B) Private Medical Organisations

(C) Trade Unions

(D) Charitable Trusts

(E) Answer not known

18. Which of the following amount appear in the Receipts and Payments account from the information given below:

Surplus on publication of brochure Rs. 45,000 as per income and expenditure account.

Additional Information :-

Advertisement charges for brochure yet to be received Rs. 5,500

(A) Rs. 50,500 as receipts

(B) Rs. 39,500 as receipts

(C) Rs. 50,500 as payments

(D) Rs. 39,500 as payments

(E) Answer not known

19. Choose the right matches given below

(1) Receipts and Payment a/c – Real a/c

(2) Income and expenditure a/c – Has opening balance

(3) Branch adjustment a/c – Nominal a/c

(A) (1) and (3) are correct

(B) (1) and (2) are correct

(C) (2) and (3) are correct

(D) All are correct

(E) Answer not known

20. Ram commenced business with Rs. 1,00,000 on 1.1.2020. On 31.12.2020, he has stock of Rs. 60,000. He draws Rs. 5,000 per month. His closing cash balance Rs. 20,000/-. What is his profit or loss for year 2020.

(A) Rs. 40,000/- loss
(B) Rs. 40,000/- profit
(C) Rs. 20,000/- profit
(D) Rs. 20,000/- loss
(E) Answer not known

21. When goods are returned by Madurai Branch on 28th March for Rs. 10,000 not yet received by head office as on 31st March then _________ a/c is debited and _________ a/c is credited.

(A) Goods in Branch a/c / Madurai Branch a/c
(B) Goods in Transit a/c / Closing stock a/c
(C) Goods in Transit a/c / Madurai Brach a/c
(D) Goods in Branch a/c / Closing stock a/c
(E) Answer not known

22. 'K' Ltd follows stock and debtors system for Branch accounts. Branch adjustment account is prepared for finding _________ and it is a _________ account.

(A) Gross profit, Nominal
(B) Gross profit, Real
(C) Net profit, Nominal
(D) Net profit, Real
(E) Answer not known

23. Under debtor system of preparing branch accounts, when goods are supplied by the head office and not received by branch, then accounting entry is made by debiting ________ and crediting ________.

(A) Branch a/c, Goods in transit

(B) Branch a/c closing stock a/c

(C) Goods in Transit, Branch a/c

(D) Branch a/c, Goods return a/c

(E) Answer not known

24. Raj Ltd with their Head Office at Calcutta invoiced goods to their Patna branch at 20% less than the list price which is cost plus 100% what is invoice price?

(A) 160% of cost price

(B) 120% of cost price

(C) 140% of cost price

(D) 150% of cost price

(E) Answer not known

25. Computer softwares are classified under ———— as per schedule III of companies act 2013

(A) Property, Plant and Equipment

(B) Other Intangible assets

(C) Investments

(D) Other Non current assets

(E) Answer not known

26. Advertise expenses are apportioned between departments on the basis of

(A) No of units sold

(B) Sales amount

(C) Cost of sales

(D) No of salesmen in each dept.

(E) Answer not known

27. Section _________ of the co-operative Societies Act 1912, contain the provisions of auditing and checking of accounts of co-operative societies.

(A) 17 (B) 18

(C) 19 (D) 20

(E) Answer not known

28. An auditor of co-operative society is appointed by the _________ of co-operative societies.

(A) Members (B) Registrar

(C) Chairman (D) State Government

(E) Answer not known

29. As per RBI norms every bank must recognise its income under _________ basis for income under non performing assets.

(A) Accrual (B) Cash

(C) Hybrid (D) Commercial

(E) Answer not known

30. The electricity company shall appropriate to ________ reserve from the revenues of each year of account a sum not less than ¼% and not more than ½% of the original cost of fixed assets unit it amounts to 5% of the original cost of fixed assets.

(A) Statutory Reserve
(B) Contingency Reserve
(C) Development Reserve
(D) Tariffs and Dividend Control Reserve
(E) Answer not known

31. Calls in advance is classified under

(A) Other current liability
(B) Loans and advances
(C) Long term borrowings
(D) Short term borrowings
(E) Answer not known

32. Acceptance, endorsement and other obligations are shown under the head ________ in the balance sheet of a Banking Company.

(A) Current Liabilities
(B) Contingent Liabilities
(C) Non-current Liabilities
(D) Other Liabilities
(E) Answer not known

33. 'Debenture Interest paid' by Non Investment Company is a

(A) Cash outflow from financing activity
(B) Cash outflow from investing activity
(C) Cash outflow from operating activity
(D) Cash inflow from financing activity
(E) Answer not known

34. Schedule III of Companies Act 2013 has three parts. Division III is applicable only to

(A) A company whose financial statements are prepared in accordance with AS

(B) Non banking financial companies

(C) Banking companies

(D) Insurance companies

(E) Answer not known

35. As per schedule III of balance sheet prescribed by companies act 2013, 'Deferred Tax liabilities' are to be shown under

(A) Current liabilities

(B) Short term provisions

(C) Non current liabilities

(D) Long term loans and advances

(E) Answer not known

36. As per Ind AS-2, where specific identification method is not applicable, the cost of inventories is valued by

(i) First in First out

(ii) Last in First out

(iii) Weighted average cost

(A) (i) and (ii) only

(B) (i) and (iii) only

(C) (ii) and (iii) only

(D) (i), (ii), (iii)

(E) Answer not known

37. Voluntary retirement scheme is a type of ——————— benefits.

(A) Long term
(B) Terminal
(C) Short term
(D) Profit sharing
(E) Answer not known

38. Ind AS-16 does not apply to

(i) Biological assets
(ii) Non-regenerative resources
(iii) Non-current assets held for sale

(A) (i) and (ii) only
(B) (i) and (iii) only
(C) (ii) and (iii) only
(D) (i), (ii) and (iii)
(E) Answer not known

39. Which of the following are not excluded from cost of inventory?

(A) Selling cost
(B) Administrative cost
(C) Abnormal loss
(D) Carriage inward and freight
(E) Answer not known

40. A dealer has purchased 1000 cars costing Rs. 2,80,000 each on deferred payment basis as Rs. 25,000 per month per car to be paid in 12 equal instalments.

What is cost of inventory as per Ind AS-2 when closing stock is 20 cars?

(A) 28,00,000
(B) 75,00,000
(C) 60,00,000
(D) 56,00,000
(E) Answer not known

41. ABC college, an institution managed by a trust has received a grant for Rs. 1 crore from an Government agency for funding a project. As an auditor, evaluate the following statements and state whether true or false.

(i) Study the grant letter to understand the conditions relating to grant

(ii) Examine the bank statement and trace the receipt of grant therein

(iii) Examine whether fund account has been shown as asset in the balance sheet

(A) True, True, False
(B) False, True, False
(C) False, True, True
(D) False, False, True
(E) Answer not known

42. Who is appointing statutory auditor for regional rural banks?

(A) CAG (Controller of Auditor General of India)
(B) Bank with the approval of Central Government
(C) RBI (Reserve Bank of India)
(D) Board of Directors of bank
(E) Answer not known

43. Match the following with respect to appointment of auditors:

	Auditor of		Appointed by
(a)	Nationalised bank	1.	Registrar
(b)	Co-operative society	2.	Shareholders
(c)	Trusts	3.	RBI
(d)	Banking companies	4.	Board of trustees

	(a)	(b)	(c)	(d)
(A)	3	1	4	2
(B)	3	2	4	1
(C)	1	4	2	3
(D)	1	2	4	3

(E) Answer not known

44. In which audit the following special steps are involved?

(1) Fees condonation by appropriate authority to be considered for reconciliation between receivable fees and received

(2) Verification of interest from deposit certificates

(3) Grants received with the relevant papers of grant

(A) Audit of co-operatives

(B) Audit of trust

(C) Audit of educational institutions

(D) Audit of hospitals

(E) Answer not known

45. The appointment of first auditor of a multi-state co-operative society is made by

(A) Central Registrar
(B) Board of Society
(C) Members of Society
(D) Central Government
(E) Answer not known

46. Installed capacity is determined based on which factors?

(1) Manufacturers technical specifications
(2) Number of shifts
(3) Normal time lost in batch change over

(A) (1) and (2) only
(B) (2) and (3) only
(C) (3) and (1) only
(D) (1), (2), (3)
(E) Answer not known

47. Which of the following form is used for filing a cost audit report with the government?

(A) CRA-1
(B) CRA-4
(C) CRA-3
(D) CRA-2
(E) Answer not known

48. Item appearing only in cost records is

(A) Profit on sale of assets
(B) Interest received
(C) Loss on sale of assets
(D) National interest on capital
(E) Answer not known

49. Which industries are non regulated sectors as per cost audit?

(1) Turbo jets and turbo propellers

(2) Fertilisers

(3) Sugar and industrial alcohol

(4) Arms and ammunitions and explosives

(5) Iron and steel

(A) (2), (3), (5) only

(B) (3), (4), (5) only

(C) (4), (5), (1) only

(D) (2), (1), (3) only

(E) Answer not known

50. State which of the following statements are True/False

(1) An unqualified report by the auditor will not contain any qualification or reservation

(2) In case of qualified report the auditor is able to form an opinion on the matter but it is in conflict with the view given by the financial statements

(A) (1) True (2) False

(B) (1) and (2) are False

(C) (1) False (2) True

(D) (1) and (2) True

(E) Answer not known

51. From the following particulars identify the key Audit Matters

(1) Assessment of impairement

(2) Provision for losses and contingencies

(3) Valuation of financial instruments

(4) Matters relating to revenue recognition

(5) Very small issues

(A) (1), (2) and (3) are key audit matters

(B) (3), (4) and (5) are key audit matters

(C) (1), (2), (3) and (4) are key audit matters

(D) All of the above are key audit matters

(E) Answer not known

52. If an auditor, having formed an opinion on the financial statements thinks it necessary to draw users attention to a matter, he can do so by way of clear additional communication in the auditor's report by including

(A) Other matter paragraph

(B) Emphasis of matter paragraph

(C) Opinion paragraph

(D) Responsibilities for the financial statements paragraph

(E) Answer not known

53. Which is related with the work of the internal audit function that can be used by the external auditor?

(A) Substantive procedures involving limited judgment

(B) Risk management

(C) Audit trial

(D) Internal control

(E) Answer not known

54. Who is responsible for maintaining effective internal financial controls?

(A) Statutory auditor

(B) Audit committee

(C) Management

(D) Share holders

(E) Answer not known

55. Arrange the steps involved in a risk based internal audit process plan?

(1) Derive residual risk rating

(2) Derive frequency of audit

(3) Assess control environment

(4) Develop audit plan

(A) (1), (3), (2), (4)

(B) (3), (2), (4), (1)

(C) (3), (1), (2), (4)

(D) (3), (2), (1), (4)

(E) Answer not known

56. In order to evaluate the internal control of Y and M Ltd., a team member of the auditors used a method according to which, no of questions relating to internal control of the company were required to be answered by the employees of the company. After obtaining the answers there was a discussion relating to those answers between team members of the auditor and employees of the company for a clear picture. State the method of evaluation of internal control used here

(A) Narrative record

(B) Check list

(C) Internal control questionnaire

(D) Flow chart

(E) Answer not known

57. Choose the objectives of audit of local bodies

(a) Reporting on the fairness of the content and presentation of financial statements

(b) Reporting upon the strength and weaknesses of systems of financial control

(c) Reporting on the adherence to legal and administrative requirement

(d) Reporting upon whether value is being fully received an money spend and

(e) Detection and prevention of error, fraud and misuse of resources

(A) (a), (b), (c) only

(B) (b), (d) and (e) only

(C) (a), (b), (c), (d) and (e)

(D) (a), (b), (c) and (e) only

(E) Answer not known

58. Which of the following are the key elements of internal audit report that the interval auditor shall issue

(i) An overview of the objective, scope and approach of the audit assignment

(ii) The fact that an internal audit has been conducted in accordance with the standards of internal audit

(iii) An executive summary of key observations covering all important aspects and specific to the scope of assignment

(iv) Summary of the corrective actions required for each observation

(A) (i), (ii), (iii) only

(B) (i), (ii) and (iv) only

(C) (i), (iii) and (iv) only

(D) (i), (ii), (iii) and (iv)

(E) Answer not known

59. You are the audit senior. One of the important task a head for you to confirm the ownership of the properties. Which of the following would provide the most persuasive evidence of the ownership?

(A) To conduct a physical inspection of all the properties located at different areas

(B) To ask the management registration documents of these properties and inspect and verify them

(C) The check whether all the properties are recorded properly in the fixed assets register and depreciation has been calculated correctly

(D) Enquire with the management, if these properties are insured and review the insurance documentation

(E) Answer not known

60. For obtaining audit evidence, the following are the methods generally used

(i) Inspection

(ii) Observation

(iii) Inquiry and confirmation

(iv) Computation and analytical review

(A) (i), (ii), (iii) and (iv) true

(B) (i,), (iii) true

(C) (iii) and (iv) true

(D) (ii) and (iii) true

(E) Answer not known

61. A company auditor receives external confirmation from an entity to whom company has sold goods. The said amount is properly classified in financial statements of company. Which of the following statement is not true is this regard?

(A) It shows that said trade receivable exists

(B) It shows that said trade receivable is properly valued

(C) It shows that company has a right to said trade receivable

(D) It shows that amount of said trade receivable has been recorded in proper account

(E) Answer not known

62. Which is essential characteristics of a good audit report?

(1) Brevity

(2) Firmness

(3) Partiality

(4) Subjectivity

(A) (1) and (3) only

(B) (2) and (3) only

(C) (3) and (4) only

(D) (1) and (2) only

(E) Answer not known

63. As per SA 701 – communicating key audit matters in the independent auditors report, which among the following areas auditor should not take into account to determine “Key audit matter”

(A) The effect an audit of significant transactions that took place in the financial year

(B) Areas of high risk as assessed and reported by management expert

(C) Significant auditor judgment relating to areas in the financials that involved significant management judgement

(D) All of the above

(E) Answer not known

64. Which of the following is not an advantage of audit?

(A) It provides high quality financial information

(B) It act as a moral check an employees

(C) In enhances risk of management bias

(D) It helps in safeguarding interest of shareholders

(E) Answer not known

65. The detailed set of instructions given to assistants in engagement team is known as

(A) Audit guidelines

(B) Audit plan

(C) Audit programme

(D) Audit procedures

(E) Answer not known

66. As regards team's assessment that risk of material misstatements is low, which of the following statements is odd one relating to documentation of risks?

(A) Discussion amongst engagement team members and detail of significant decisions reached has to be documented

(B) Detail of risk assessment procedures have to be documented

(C) Details about how understanding of each component of internal control was obtained has to be documented

(D) Precise calculating of risk of material misstatements has to be documented

(E) Answer not known

67. On audit consideration of number and location of branches, requirement of financial reporting framework and expected time of completion are relevant factors primarily for which of the following :

(A) Developing audit plan

(B) Establishing overall audit strategy

(C) Designing audit programme

(D) Designing risk assessment procedure

(E) Answer not known

68. There is no requirement for Audit working papers' while conducting an audit and they only result in loss of time

The statement is

(A) Correct

(B) Incorrect

(C) Incomplete

(D) Misleading

(E) Answer not known

69. Consider the following statements in relation to limited assurance engagement and choose right answer

Statement I : It involves obtaining sufficient appropriate evidence to draw reasonable conclusions.

Statement II : Review of interim financial information of a company is an example of limited assurance engagement.

(A) Statement I is correct, statement II is incorrect

(B) Both statements I and II are correct

(C) Both statement I and II are incorrect

(D) Statement I is incorrect statement II is correct

(E) Answer not known

70. Which of the following are the right type of assurance engagement?

(1) Reasonable assurance engagement

(2) Limited assurance engagement

(3) Provides assurance regarding reasonability of assumptions forming basis of projections and related matters

(4) Provides assurance regarding design and operation of controls

(A) (1) only

(B) (2) and (3) only

(C) (1) and (2) only

(D) (1), (2), (3), (4)

(E) Answer not known

71. A person including a factor, broker, commission agent, arhatia or any other who carries on the business of supply or receipt of goods or services or both on behalf of another is known as ___________ as the GST Act 2017.

(A) Taxable person

(B) Common postal

(C) Supplier

(D) Agent

(E) Answer not known

72. Supply of goods and services or both including digital products over digital or electronic networks may be termed as ___________ as per and GST Act 2017.

(A) Electronic operator

(B) Electronic commerce

(C) Electronic supply

(D) Electronic goods

(E) Answer not known

73. Meaning and scope of supply under GST Act.

(1) The services by an employee to the employer

(2) Services by court (or) tribunal established under any law for the time being in force

(3) Supply should be goods (or) services (or) both

(4) Supply for consideration and should be in course (or) furtherance of business

(A) (3), (4) correct

(B) (1), (2) correct

(C) (1), (3) correct

(D) (2), (4) correct

(E) Answer not known

74. M/s X Ltd, supplied taxable goods from the factory after manufacture in the month of Oct 2023 for sale to a distributor, for Rs. 8,00,000. M/s X Ltd has suppressed this transaction. However he deposited the GST @ 12% on these goods on 10.01.2023 against show cause notice issued U/S 74, (when there is a fraud) of the CGST Act, 2017 by the Central Tax Officer and passed the order accordingly. Whether distributor namely recipient of these goods is eligible to take Input Tax Credit.

(A) ITC Not allowed

(B) ITC allowed

(C) ITC allowed Feb 2023

(D) Partially allowed

(E) Answer not known

75. ___________ comprising two (or) more supplies one of which is a principal supply, shall be treated as a supply of such principal supply.

(A) Composite supply
(B) Mixed supply
(C) Bundled supply
(D) None of the above
(E) Answer not known

76. Mr. Kapil, Chennai based comedian, hosted a comedy Show at Singapore on birth day of Sharukhan living in Mumbai. What is place of supply?

(A) Chennai
(B) Mumbai
(C) Singapore
(D) Delhi
(E) Answer not known

77. From the following select which one is incorrect in the context of Aggregate Turnover includes the aggregate value of

(A) All taxable supplies
(B) RCM supplies [For inward Supplies]
(C) All exempt supplies
(D) Export of goods/or services
(E) Answer not known

78. A gift pack comprising of Chocolates, Candies, Sweets and Balloons is a type of ___________ supply.

(A) Composite supply
(B) Mixed supply
(C) Gift pack supply
(D) Regular supply
(E) Answer not known

79. Quantum of penalty for under reported income Sec 270A(7)?

(A) 150% of the amount of tax payable on under reported income

(B) 50% of the amount of tax payable on under reported income

(C) 75% of the amount of tax payable on under reported income

(D) 100% of the amount of tax payable on under reported income

(E) Answer not known

80. Under the Customs Act, 1962, the rule making power is delegated to

(A) Central Board of Indirect Taxes and Customs (CBIC)

(B) Central Government

(C) State Government

(D) Partly to Central Government and partly to State Government

(E) Answer not known

81. Ms. P (New Delhi) Boards at New Delhi – Kolkatta flight to attend a business meeting at Kolkatta. She buys lunch in flight. The food items were located into the aircraft @ New Delhi. The Airlines is registered in New Delhi and Kolkatta. Determine place of supply for food.

(A) New Delhi

(B) Kolkatta

(C) Aircraft

(D) Not a supply

(E) Answer not known

82. Suppose a 3% Rs. 1000 bond had 5 years left to maturity when it was purchased for Rs. 800. The prevailing interest (on other investment vehicles) was about 8%. Further assume that current prevailing interest rates are about 9%. Why should investors buy a 5 year old bond yielding 8% when they can buy a newly issued 9% bond?

(A) 11.4 %
(B) 6.4 %
(C) 9.4 %
(D) 10.4 %
(E) Answer not known

83. Which of the following is correct for destroyed goods under Sec. 23 of Customs Act, 1962?

(A) It is applicable only in case of total loss of goods even if the same can be recovered
(B) The importer is not required to pay duty on such goods
(C) The provisions are also applicable even if goods are destroyed after warehousing
(D) The importer need not prove the loss to the proper officer
(E) Answer not known

84. Find out TDS/TCS applicability of E-Commerce Operator :

Top fashions, a designer cloth dealer and registered in the State of West Bengal, effected supply through "Quick Deal" an E-Commerce Operator. Net value of taxable Intra-State Supplies effected for the month of October 2023 was Rs. 1,50,000

(A) TCS, CGST Rs. 750; SGST Rs. 750

(B) TDS, CGST Rs. 750; SGST Rs. 750

(C) TCS, IGST Rs. 1,500

(D) TDS, IGST Rs. 1,500

(E) Answer not known

85. Mr. Vijay imported sewing machines from Japan to Tamil Nadu and the value of such goods imported is Rs. 10,00,000. Applicable Basic customs duty on such goods is 10% and social welfare surcharge is 10% of basic customs duty. Compute value for payment of IGST?

(A) Rs. 10,00,000

(B) Rs. 11,00,000

(C) Rs. 11,10,000

(D) Rs. 12,00,000

(E) Answer not known

86. Find out Non-applicability of TDS under Section 193

(i) On National Development Bonds

(ii) On 7-year National Savings Certificates

(iii) If Debentures are issued by listed businesses

(iv) If interest exceeds Rs. 10,000 in case of 8% Saving (taxable) bonds

(A) (i), (ii) correct

(B) (iii), (iv) correct

(C) (i), (iv) correct

(D) (iii), (ii) correct

(E) Answer not known

87. As per the new definition for MSME. Under MSME 2020 (w.e.f. 1.7.2020), the criteria of investment and turnover in respect of small enterprises under manufacturing category is

(A) Net investment Rs. 50 cr. and Net turnover Rs. 100 cr.

(B) Net investment Rs. 10 cr. and Net turnover Rs. 50 cr.

(C) Net investment Rs. 1 cr. and Net turnover Rs. 5 cr.

(D) Net investment Rs. 20 cr. and Net turnover Rs. 200 cr.

(E) Answer not known

88. For the Assessment Year 24-25, the Calcutta Co-operative society derives total income from the following sources :

		Rs.
(a)	Income from processing with aid of Power	10,000
(b)	Income from collective disposal of labour of its members	15,000
(c)	Interest from another co-operative society	30,000
(d)	Income from House Property	80,000
(e)	Income from other business sources	61,000

Determine taxable income

(A) Rs. 1,96,000

(B) Rs. 1,01,000

(C) Rs. 95,000

(D) Rs. 1,66,000

(E) Answer not known

89. Mr. X a resident Indian, wins Rs. 10,000 in a lottery, which of the Statement is true?

(A) Tax is deductible U/S 194B @ 30%

(B) Tax is deductible U/S 194B @ 30.9%

(C) No Tax is deductible at source

(D) Tax is deductible U/S 194A @ 10%

(E) Answer not known

90. What is the maximum amount of exemption under compensatory field area allowance when assessee opt for old tax regime?

(A) Rs. 3,900 P.A.

(B) Rs. 3,900 P.M.

(C) Rs. 2,600 P.A.

(D) Rs. 2,600 P.M.

(E) Answer not known

91. Examine the applicability of the provisions for tax deduction at source U/S 194 DA in the following cases. Mr. Y, a resident, is due to receive ₹4.10 lakhs on LIC policy taken on 31.03.2012, for which sum assured is ₹ 3.70 lakhs and the annual premium is ₹30,100/-

(A) No tax is to be deducted U/S 194 DA

(B) 5% TDS is to be deducted U/S 194 DA

(C) 10% TDS is to be deducted U/S 194 DA

(D) 20% TDS is to be deducted U/S 194 DA

(E) Answer not known

92. JK Associates is an Association of persons [AoP] consisting of two members, J and K shares of the members are 60 % J and 40 % K. Income of AoP for the Previous year 2023-2024 is Rs. 10 lakhs. J and K have their own income, other than AoP income amounting to Rs, 1 Lakhs and 2.7 lakhs respectively. Rate of Tax applicable to ADP is

(A) 30 %
(B) 33.744 %
(C) 42.744 %
(D) No tax payable
(E) Answer not known

93. What are all the conditions to be satisfied in computing taxable income from activities connected with exploration of mineral oils U/S 44 BB?

(1) The assessee is a resident

(2) The assessee is a Non resident

(3) He must be Indian citizen

(4) He may be an Indian citizen or a foreign citizen

(5) He is engaged in the business of providing services and facilities in connection with exploration of mineral oils.

(A) (1), (4) and (5)
(B) (1), (3) and (5)
(C) (2), (4), (5)
(D) (2), (3) and (5)
(E) Answer not known

94. How much penalty shall be levied for charitable trust which is not filed income tax return with in due date?

(A) It shall be liable to pay Rs. 200 per day

(B) It shall be liable to pay a penalty of Rs. 100 per day during such failure continues

(C) It shall be liable to pay and penalty Rs. 5000 U/S 234 (F)

(D) It shall be liable to pay a penalty Rs. 1000 U/S 234 (F)

(E) Answer not known

95. Mr. Grits gifts cash Rs. 1,00,000 to his brother's wife Mrs. B. Mr. B gifts cash of Rs. 1,00,000 to Mrs. A. From cash gifted to her, Mrs. A invests in a fixed deposit, Income there from is Rs. 10,000. Aforesaid Rs. 10,000 will be included in the total income of

(A) Mr. A

(B) Mr. B

(C) Mrs. A

(D) Mrs. B

(E) Answer not known

96. Which condition is irrelevant for deemed to be resident in India.

(A) His total income, other than foreign sources exceeds Rs. 15 lakhs during previous year

(B) He is a citizen of India

(C) He is not satisfying any of the basic conditions given U/S 6(1)

(D) He is liable to tax in any other country (or) territory by reason of his domicile (or) residence

(E) Answer not known

97. Mr. Y, a resident, is due to receive Rs. 4.10 lakhs on 31.03.24 on LIC policy taken on 31.03.2012, for which the sum assured is Rs. 3.70 lakhs and the annual premium is Rs. 30,100 /-. Mention 194 Da TDS provision applicability.

(A) U/S 194 DA applicable

(B) U/S 194 DA not applicable

(C) Partly applicable

(D) Applicable to next year

(E) Answer not known

98. Section 192 A provides for deduction of tax @ ___________ % on premature taxable withdrawal from employees provident fund scheme.

(A) 5 %

(B) 15 %

(C) 10 %

(D) 20 %

(E) Answer not known

99. U/S 115 BBJ in respect of winnings from online games. Find out the following statements are true or false.

(1) U/S 115 BBJ taxable at flat rate of 30 % + surcharge if applicable + health and education cess @ 4 %.

(2) No expenditure or allowance can be allowed from such income.

(3) Deduction under chapter VI -A is not allowable from such income

(4) Adjustment of unexhastic basic exemption limit is permitted against such income

(A) (1) and (2) true (3) and (4) is false

(B) All are true

(C) (1), (2) and (3) are true (4) is false

(D) All are false

(E) Answer not known

100. If any person fails to get his accounts audited or to finish a report of such audit as required under the aforesaid provisions, the assessing officer may impose penalty. The penalty can be a sum equal to ___________ of the total sales, turnover or gross receipts, subject to a maximum of Rs. ————————.

(A) One and Half percent, Rs.2.5 lakhs

(B) One and Half percent, Rs.1.5 lakhs

(C) 2.5 %, Rs.1.5 lakhs

(D) 2.5 %, Rs. 2.5 lakhs

(E) Answer not known

101. They are various stakeholders include of vendors, employees, distributors, customer, stockholders and society. According to Norton and Kaplan which of these should be represented on the balanced score card

(A) All stakeholders are important and should be included

(B) All except society which is too general to be included

(C) Only employees, customers and stockholders

(D) Only those that are vital for achieving the company strategy

(E) Answer not known

102. What is the significance of return on invested capital for investors?

(i) It indicates company's sales volume

(ii) It measures the company's advertising effectiveness

(iii) It shows how well a company generates profit from equity.

(iv) It shows how well a company generates profit from the capital provided

(A) (i)

(B) (ii)

(C) (iii)

(D) (iv)

(E) Answer not known

103. Choose the odd one profitability of an entity is measured by

(1) in relation to sales

(2) in relation to valuation of firm

(3) in relation to purchase

(4) in relation to firms investment

(A) (1) (B) (2)

(C) (3) (D) (4)

(E) Answer not known

104. Which of the following is not a use of the PDCA cycle?

(A) Starting a new project aimed at improvement

(B) For continuous improvement

(C) At a project planning tool

(D) For intermittent improvement

(E) Answer not known

105. Which of the following could be a threat in SWOT analysis?

(A) Changes in technology

(B) Ineffective competitor

(C) Location of your business

(D) Lack of marketing expertise

(E) Answer not known

106. How often should a SWOT analysis be performed?

(A) Only when specific issue/need to be addressed

(B) Atleast once per year

(C) Only when the business start up

(D) Every 3-5 years

(E) Answer not known

107. Management Information System usually not serves managers interested in ___________ results.

(A) Weekly

(B) Monthly

(C) Yearly

(D) Day to day

(E) Answer not known

108. The core concepts of TQM are

(i) Quality control

(ii) Quality assurance

(iii) Quality design

(iv) Quality management

(A) (i), (ii) and (iii)

(B) (i), (ii) and (iv)

(C) (ii), (iii) and (iv)

(D) (i), (iii) and (iv)

(E) Answer not known

109. In TQM, the term 'quality' is viewed from the perspective of

(i) Supplier

(ii) Dealer

(iii) Customer

(iv) Manufacturer

(A) (i) (B) (ii)

(C) (iii) (D) (iv)

(E) Answer not known

110. Global Benchmarking is an extension of ————— to include benchmarking partners on a global scale.

(i) Product bench marking

(ii) Process bench marking

(iii) Internal bench marking

(iv) Strategic bench marking

(A) (i) (B) (ii)

(C) (iii) (D) (iv)

(E) Answer not known

111. Key performance Indicators and critical success factors are of crucial importance and are

(i) Supplementary to each other

(ii) Complementary to each other

(iii) Competing with each other

(iv) Indifferent and unrelated

(A) (i)

(B) (ii)

(C) (iii)

(D) (iv)

(E) Answer not known

112. Which of the following statement/s is/ are false?

(i) Key performance Indicators and critical success factors denote the same thing

(ii) Key performance Indicators are performance indicators that are critical to the success of business.

(iii) Key performance Indicators are parameters that do not measure whether the critical success factors are working.

(iv) One of the performance indicator for social performance is the number of environmental law suits

(A) (i), (ii) and (iv)

(B) (i) and (iii)

(C) (ii), (iii) and (iv)

(D) (i), (iii) and (iv)

(E) Answer not known

113. At the novice level of six sigma, the ———————— provides the most basic introduction to the principles and methodologies of the program.

(i) Yellow belt

(ii) Brown belt

(iii) White belt

(iv) Green belt

(A) (i) (B) (ii)

(C) (iii) (D) (iv)

(E) Answer not known

114. Components of supply chain management are:

(i) Production, Inventory, location

(ii) Production, Transportation, sales

(iii) Production, Inventory, Information

(iv) Production, Inventory, Location, Transportation and Information

(A) (i) (B) (ii)

(C) (iii) (D) (iv)

(E) Answer not known

115. Which of the following statement /s is / are false:

(i) In a supply chain, the links are the participating companies

(ii) Participating companies in a supply chain are referred to as the supporting companies.

(iii) Participating companies and supporting companies are distinct and do not form part of group.

(iv) The upstream side of the material flow is referred to as the customer

(A) (i) and (ii) only

(B) (i) and (iii) only

(C) (iii) and (iv) only

(D) (i), (ii) and (iv) only

(E) Answer not known

116. Cash receipts from future contracts, forward contracts except when the contracts are needed for trading purposes are classified as

(A) Operating activities

(B) Financing activities

(C) Investing activities

(D) Trading activities

(E) Answer not known

117. When ratio's are calculated from the financial statement of one year, it is called as

(A) Horizontal analyses

(B) Vertical analyses

(C) Static analyses

(D) Dynamic analyses

(E) Answer not known

118. Calculate EPS from the following Equity share capital (Rs.10 each) Rs. 10,00,000 9% preference share capital (Rs.100 each) Rs. 5,00,000 Tax Rate 50% Net profit before Tax Rs.4,00,000

(A) Rs. 1.05 per share
(B) Rs. 2.55 per share
(C) Rs. 1.25 per share
(D) Rs. 1.55 per share
(E) Answer not known

119. The Turnover Ratio helps the management to

(A) Managing Resources
(B) Managing a debt
(C) Evaluating performance
(D) Short term liquidity
(E) Answer not known

120. In the long run analysis of financial statements the stress is on the

(A) Stability and accounting potential of the concern
(B) Earning potential of the concern
(C) Working capital analysis
(D) Cash flow analysis
(E) Answer not known

121. When the concept of learning curve was discovered then its curve was named as ———————— curve by German Psychologist Dr.Hermann Ebbinghaus.

(A) Forgetting
(B) Experience
(C) Repetitive
(D) Steep
(E) Answer not known

122. Which one of the following is not a limitation of learning curve Analysis?

(1) Learning curve analysis is appropriate for Labour intensive industries

(2) The learning rate is assumed to be constant

(3) A learning model developed using historical data will produce inaccurate estimates of labour Time

(4) The analysis of cost to make the product will be affected by the learning curve effect

(A) (1) (B) (3)

(C) (4) (D) (2)

(E) Answer not known

123. Which of the following statements are True?

(1) Disruption of learning curve is possible if the members of the crew are changed

(2) The steeper the learning curve, the faster is the decrease income

(A) Both (1) and (2) are True

(B) Both (1) and (2) are False

(C) (1) True and (2) False

(D) (1) False and (2) True

(E) Answer not known

124. Transfer prices based on full cost are appropriate if top management treats the division like

(A) Cost centre
(B) Profit centre
(C) Responsibility centre
(D) Investment centre
(E) Answer not known

125. If labour cost and material cost are likely to go up by 10% and 5% respectively per unit, what is the percentage increase necessary is selling price to keep the P/V of 20% as before assuming that the ratio between material and labour is 3:2 and variable overheads is nil

(A) 5 %
(B) 7 %
(C) 6.2 %
(D) 9 %
(E) Answer not known

126. In cost plus pricing the mark up consists of

(A) Manufacturing cost
(B) Desired Return on Investment
(C) Selling and Administrative cost
(D) Total cost and Desired Return on Investment
(E) Answer not known

127. Market value as a transfer price has certain disadvantages

(1) The market price might be ____________ induced by adverse economic conditions.

(2) There might be ____________ external market, so that if the transferring division tried to sell more externally, it would have to reduce selling price.

Fill in the blanks

(A) (1) temporary (2) imperfect

(B) (1) temporary (2) fixed

(C) (1) permanent (2) perfect

(D) (1) temporary (2) perfect

(E) Answer not known

128. An increase in the share premium account is considered as

(a) Application of funds

(b) Source of funds

(c) No flow of funds envisaged

(A) (a) and (b) true

(B) (b) alone true

(C) (c) alone true

(D) (b) and (c) true

(E) Answer not known

129. As per the ____________ accounting standard submission of cash flow statements has been made mandatory w.e.f. 1.4.2001 for Listing companies and companies whose turnover exceeds Rs.50 crores in the accounting period

(A) AS-5

(B) AS-3

(C) AS-3 (Revised)

(D) AS-5 (Revised)

(E) Answer not known

130. State which of the statements are true

(1) Maintaining management accounts is a statutory requirement for all limited companies.

(2) All tools of management accounting are concerned with forecast of future

(A) (1) false and (2) true

(B) (1) true and (2) false

(C) Both (1) and (2) are true

(D) Both (1) and (2) are false

(E) Answer not known

131. Calculate volume variance under sales variances from the following

Product	Budget		Actual		Standard	
	Qty	Price Rs.	Qty	Price Rs.	Qty	Price Rs.
A	600	10	600	8	600	10
B	1000	4	800	5	800	4

(A) A – Nil and B – Rs.800 (Adverse)

(B) A – Rs.800 (Favourable) and B – Nil

(C) A – Rs.800 (Adverse) and B Nil

(D) A – Nil and B – Rs.800 (favourable)

(E) Answer not known

132. Calculate labour yield variance from the following :

Actual production – 90 units

Standard production – 100 units

Standard rate of wages – Rs.10 per unit

Standard Time – 2 hours per unit

(A) Rs.200 favourable (B) Rs.200 adverse

(C) Rs.100 favourable (D) Rs.100 adverse

(E) Answer not known

133. Sales volume variance possible causes are

(A) Unexpected competition

(B) Ineffective sales promotion

(C) High efficiency supervision and control of salesmen

(D) (A) and (B) only

(E) Answer not known

134. Calculate standard labour time for part no. Z 235 from following data :

(a) Standard batch size = 100 pieces

(b) Setting up time = 64 minutes

(c) Operating time (each piece)

Fixing on machine = 2 minutes

Cutting time = 10 minutes

Removing from machine = 3 minutes

Allow 10% of total operation time for inspecting during process.

(A) 1650 minutes
(B) 1714 minutes
(C) 1500 minutes
(D) 1564 minutes
(E) Answer not known

135. Which of the following are pre requisites of inter firm comparison?

(1) Adoption of uniform costing

(2) Responsible organisation

(3) Collection of relevant information

(4) Methods of collection

(A) (1), (2) and (3)
(B) (1), (2) and (4)
(C) (2), (3) and (4)
(D) All the above
(E) Answer not known

136. A Ltd maintains a margin of safety of 37.5% with an overall contributed to sales ratio of 40% its fixed cost amount to Rs.5,00,000 calculate total sales

(A) Rs.21,00,000 (B) Rs.25,00,000

(C) Rs.20,00,000 (D) Rs.20,50,000

(E) Answer not known

137. Find out production of product X is more profitable from Machine A or Machine B from following:

(a) Machine A can produces 100 units of X per hour

(b) Machine B can produces 150 units of X per hour

(c) Total machine hour available is 2500

Cost	Machine A	Machine B
Selling price	9	9
Marginal cost	5	6
Fixed cost	2	2

(A) Machine A

(B) Machine B

(C) Both machines are equally profitable

(D) Both machines are not profitable

(E) Answer not known

138. The Tech. company has fixed costs of Rs.4,00,000 and variable costs are 75% of the selling price. To realize profits of Rs.1,00,000 from sales of 5,00,000 units, the selling price per unit

(A) Must be Rs.1

(B) Must be Rs.4.80

(C) Must be Rs.4

(D) Must be Rs.6

(E) Answer not known

139. What is the opportunity cost of making a component part in a factory given no alternative use of the capacity?

(A) The variable manufacturing cost of component

(B) The total manufacturing cost of the component

(C) The total variable cost of the component

(D) Zero

(E) Answer not known

140. When volume is 3000 units, average cost is Rs.4 per unit. When volume is 4000 units, average cost is Rs.3.50 per unit. The breakeven point is 5000 units. Find the p/v ratio.

(A) 35.7 %

(B) 37.5 %

(C) 32.5 %

(D) 30 %

(E) Answer not known

141. Arbitrated transfer price for intra company transfer is fixed by the management in a situation when

(A) It wants to evaluate the performance of each division of the organisation

(B) When the market price is not available

(C) The product contains a secret ingredient not to be disclosed to the outsiders

(D) The outside supplier is reliable

(E) Answer not known

142. Which of the following statements are true?

(1) For library the best method of costing suitable is operating costing

(2) The industries which render services should make use of process costing

(A) (1) true (2) false

(B) (1) and (2) are true

(C) (1) and (2) are false

(D) (1) false (2) true

(E) Answer not known

143. ____________ refers to the opportunity cost of one unit of resource for the organisation

(A) Skimming price

(B) Penetrating price

(C) Shadow price

(D) Uniform price

(E) Answer not known

144. Calculate from the following data monthly fixed cost

	Production	Semi-variable cost
	Units	Rs.
March	1,000	10,000
April	2,000	12,000

(A) Rs.6,000
(B) Rs.7,000
(C) Rs.8,000
(D) Rs.9,000
(E) Answer not known

145. In case the trial price of the new product is fixed at too high level, the price so fixed is called

(A) Penetrating price
(B) Skimming price
(C) Shadow price
(D) Leader price
(E) Answer not known

146. Help line set up by the ministry of MSME GOI in 2010 to work as a single point facility for MSME is known as

(A) Udyamitra
(B) Udyami
(C) Udyog
(D) Shrum shift
(E) Answer not known

147. As per MSMED Act, 2006, " appointed day means the day following immediately after the expiry of period of ———— days from the day of acceptance or the day of deemed acceptance of any goods or any services by a buyer from the supplier "

(i) 10

(ii) 14

(iii) 15

(iv) 30

(A) (i)

(B) (ii)

(C) (iii)

(D) (iv)

(E) Answer not known

148. The collective name given to software which is used to infiltrate system which includes spyware, ransom ware, trojans risk etc is

(A) Man-in-the middle attacks

(B) Prishing

(C) Malware

(D) SQL injections

(E) Answer not known

149. OSBI stands for

(i) Operational Source Business Intelligence

(ii) Open source Business Innovation

(iii) Open source Business Intelligence

(iv) Operational Source Business Innovation

(A) (i)

(B) (ii)

(C) (iii)

(D) (iv)

(E) Answer not known

150. The act of imputing any person to lower down the dignity of the person by hacking his mail account and sending some mails using vulgar language to unknown persons is called

(i) Co-ercion

(ii) Defamation

(iii) Fraud

(iv) Cheating

(A) (i)

(B) (ii)

(C) (iii)

(D) (iv)

(E) Answer not known

151. Under the provisions of S. 54 of the factories Act, 1948, no adult worker shall be allowed or required to work in a factory for more than ———— in any day

(i) 7 hours

(ii) 8 hours

(iii) 9 hours

(iv) 10 hours

(A) (i)

(B) (ii)

(C) (iii)

(D) (iv)

(E) Answer not known

152. A child who has not completed his ———— year shall not be allowed or required to work in any factory

(i) 14^{th}

(ii) 15^{th}

(iii) 16^{th}

(iv) 17^{th}

(A) (i)

(B) (ii)

(C) (iii)

(D) (iv)

(E) Answer not known

153. If the amount of gratuity not paid and the collector shall recover the amount with interest from the employer. In such case as per sec ———the interest payable shall not exceed the amount of gratuity payable

(A) Sec 8 – provision 2

(B) Sec 9 – provision 2

(C) Sec 10 – provision 2

(D) Sec 11 – provision 2

(E) Answer not known

154. The amount of gratuity payable to an employee is taxable to the extent

(A) Of gratuity received

(B) Over and above the maximum gratuity prescribed by the Act

(C) Not at all taxable

(D) Over and above Rs. 1.00 crore

(E) Answer not known

155. According to sec. 2 (f) of EPF 1952 Act, an employee who, having been a member of fund, withdrew full amount of his accumulation after retirement or at the time he became entitled to become member, whose pay exceeds Rs. 15,000 per month, is known as

(A) Employee

(B) Exempted employee

(C) Excluded employee

(D) Member

(E) Answer not known

156. The contribution made under employee provident Act 1952 is exempted under the Income Tax Act ride ———— of IT Act

(A) 80 D (B) 80 C

(C) 80 G (D) 80 DD

(E) Answer not known

157. Sec 2 (19) of the Employees State Insurance Act 1948 states that are persons employed for wages in or in connection with the work for a factory or establishment are entitled to disablement benefit provided their remuneration does not exceed Rs. ———— per month

(A) Rs. 6,000 (B) Rs. 25,000

(C) Rs. 15,000 (D) Rs. 50,000

(E) Answer not known

158. Section 2 (22) of the employee state Insurance Act 1948 defines meaning of wages and prescribed the following exemptions

(A) Any contribution to any pension fund or provident fund paid by employer

(B) Any travelling allowance or value of any travelling concessions

(C) Any sum paid to defray special expenses and gratuity payable on discharge

(D) All the above

(E) Answer not known

159. Allocable surplus in relation to employer, being a company (other then banking company) is ———— percent of the available surplus in an accounting year as per sec. 2 (4) of payment of Bonus Act 1965

(A) 50%
(B) 75%
(C) 67%
(D) 40%
(E) Answer not known

160. State True or False :

As per sec. 2 (5) of the payment of Bonus Act 1965, Appropriate government means

(I) In relation to establishment under the Industrial Dispute Act 1947, the Central Government

(II) In relation to any other establishment, the respective state government

(A) Both (I) and (II) are true
(B) Both (I) and (II) are wrong
(C) (I) alone true
(D) (II) alone true
(E) Answer not known

161. A prospectus issued by any financial institution or bank for one or more issues of the securities or class of securities specified in that prospects, is known as

(A) Information memorandum
(B) Circulation of Information
(C) Shelf prospectus
(D) Advertisement
(E) Answer not known

162. SFIO in Companies Act , stands for

(A) Serious Fraud investigation office
(B) Serious Fault investigation office
(C) Serious fund inquiry office
(D) Selective fraud inquiry office
(E) Answer not known

163. A director who has stayed in India for a total period of not less than 182 days in the financial year is called __________ as per section 149(3) of the Act.

(A) Independent Director
(B) Functional Director
(C) Resident Director
(D) Board Director
(E) Answer not known

164. As per section 8 of the minimum wages Act 1948, the central Government shall appoint a Central Advisory Board for

(I) Advisory Central and State Government for fixation and revision of minimum wages.

(II) Coordinating the work Advisory Boards.

(A) Both (I) and (II) are wrong
(B) Both (I) and (II) are true
(C) (I) alone true
(D) (II) alone true
(E) Answer not known

165. Who among the following can be appointed to preside over the advisory Board constituted by Central Government as per Minimum Wages Act 1948?

(A) An independent person appointed by the Government

(B) Employer Representative

(C) Employee Representative

(D) A functionary from Government

(E) Answer not known

166. In which method of financing where by a firm sells its trade debts of a discount to a financial institution. It is sort of management of book debts, there is no Specific Act?

(1) Bills discounting

(2) Factoring

(3) Both of above

(A) (1)

(B) (1) and (2)

(C) (2)

(D) (3)

(E) Answer not known

167. When a firm advises its customers to mail their payments to special post office collection centers, the system is known as

(a) Concentration banking

(b) Lock box system

(c) Playing the float

(d) None of the above

(A) (c) (B) (d)

(C) (a) (D) (b)

(E) Answer not known

168. Spontaneous financing consists of :

(i) a line of credit

(ii) short term loan

(iii) accounts receivable

(iv) accounts payable

(A) (i) (B) (ii)

(C) (iii) (D) (iv)

(E) Answer not known

169. In risk-return trade off of Beta value is less than 1 then security as

(A) less risky than the market portfolio

(B) as risky as market portfolio

(C) more risk than the market portfolio

(D) both (B) and (C) above

(E) Answer not known

170. Under portfolio management common strategies applied by passive investors of fixed income portfolios are

(1) Bay and hold strategy

(2) Indexation strategy

(3) Immunization

(4) Bullet

(5) Ladder strategy

(A) (4) and (5), (1)

(B) (5), and (3), (2)

(C) (4) and (2), (1)

(D) (1) and (2), (3)

(E) Answer not known

171. Responses to risk includes

(a) Risk avoidance

(b) Risk reduction

(c) Risk transfer

(d) All of the above

(A) (a) (B) (b)

(C) (c) (D) (d)

(E) Answer not known

172. Risk of two securities having different expected return can be compared with

(A) standard deviation of securities

(B) variance of securities

(C) co-efficient of variation

(D) mean

(E) Answer not known

173. Find NPU from the following :

Year	Project A	Discount Rate at 10%
0	10,000	–
1	5,000	0.91
2	5,000	0.83
3	5,000	0.75

(A) Rs. 2,100/-

(B) Rs. 5,000/-

(C) Rs. 4,500/-

(D) Rs. 2,450/-

(E) Answer not known

174. Assertion [A] : Net present value method taxes the interest as a known factor.

Reason [R] : Internal rate of return takes the interest is a unknown factor.

(A) [A] is true but [R] is false

(B) Both [A], [R] are true, [R] is the correct explanation of [A]

(C) [A] is false, [R] is true

(D) Both [A], [R] are true, but [R] is not the correct explanation of [A]

(E) Answer not known

175. An EBIT-EPS indifference analysis chart is used for :

(i) Evaluating the effects of business risks on EPS.

(ii) Examining EPS results for alternative financial plans at varying EBIT levels.

(iii) Determining the impact of a change in sales on EBIT.

(iv) Showing the changes in EPS quality over time.

(A) (ii)

(B) (iv)

(C) (iii)

(D) (i)

(E) Answer not known

176. The act of buying security in one market having lower price and selling it in another market at higher price is known as

(A) swapping

(B) arbitrage

(C) trading on equity

(D) factoring

(E) Answer not known

177. According to __________ approach the investor arrives at the market price of an equity share by capitalising the set of expected dividends payment.

(A) cut off capital
(B) dividend price
(C) specific
(D) financial
(E) Answer not known

178. The formula to find cost of preference shares redeemed after n years. Issue has some floating cost.

(A) $\dfrac{Dp+(P+NP)/n}{(P+NP)2}$
(B) $\dfrac{DP+(P-NP)2}{(P+NP)/n}$
(C) $\dfrac{DP+(P-NP)/n}{(P+NP)/2}$
(D) $\dfrac{DP+(P+NP)/2}{(P+NP)/n}$
(E) Answer not known

179. A mutual fund that had a net asset value of Rs. 20 at the beginning of month made income and capital gain distribution of Rs. 2 and Rs. 2 per share respectively during the month and then ended the month with a net asset value of Rs.24. Calculate monthly returns?

(a) 0.4
(b) 0.32
(c) 0.31
(d) 0.8

(A) (c)
(B) (b)
(C) (a)
(D) (d)
(E) Answer not known

180. What is LIBOR's most commonly quoted rate?

(1) Three month, U.S. dollar rate

(2) Four month, U.S. dollar rate

(3) Four month, Euro (EUR)

(4) Three month, Euro (EUR)

(A) (2) (B) (1)

(C) (3) (D) (4)

(E) Answer not known

181. State which of the following statements are not true :

(i) Individual investors can deal with securities in secondary market only.

(ii) National Stock Exchange is a public sector organisation.

(iii) Capital market includes money market and Foreign Exchange market.

(iv) Primary objectives of SEBI include investor protection and Regulation of capital market in India.

(A) (i) and (ii) (B) (ii) and (iii)

(C) (i), (ii) and (iii) (D) (ii), (iii) and (iv)

(E) Answer not known

182. Short selling refers to :

(i) Buying and selling the same shares on same day

(ii) Selling shares without owning them

(iii) Selling small portion of large number of shares held

(iv) Continuous selling of shares in small lots

(A) (i) (B) (ii)

(C) (iii) (D) (iv)

(E) Answer not known

183. CAGR is helpful tool to analyse the annual growth of investments over a specified period of time. CAGR stands for

(A) Consolidated Annualized Growth Rate

(B) Capital Asset Growth Rate

(C) Compounded Annualized Given Rate

(D) Compounded Annual Growth Rate

(E) Answer not known

184. Gross profit ratio of a firm remains same but the Net profit ratio is declining. The reason for such behaviour could be

(i) increase in cost of goods sold

(ii) increase in other expenses

(iii) increase in dividend

(iv) decrease in sales

(A) (i) and (iv) (B) (ii) and (iii)

(C) (ii) (D) (i), (ii) and (iv)

(E) Answer not known

185. In fund flow statement 'Fund' denotes

(A) Cash only

(B) Current Asset only

(C) Current asset – Current liability

(D) Fixed asset – Current asset

(E) Answer not known

186. Capital Gearing ratio is the fraction of

(a) Preference share capital and debentures to equity share capital and reserve and surplus

(b) Equity Share Capital and Reserve and surplus to preference share capital and debentures

(c) Equity Share Capital to Total Assets

(d) Total Assets to Equity Share Capital

(A) (b) (B) (c)

(C) (a) (D) (d)

(E) Answer not known

187. Calculate the amount of money at the end of 3rd year when compounded annually. Initial amt = Rs. 1,000. Rate of interest = 10%.

(A) Rs. 1,210/- (B) Rs. 1,331/-

(C) Rs. 1,310/- (D) Rs. 1,300/-

(E) Answer not known

188. What is financial re-engineering?

(a) Financial reengineering means revisiting the capital structure of the company with a view to recommending the appropriate level of debt and equity.

(b) Financing through depreciation funds and retained earnings.

(c) Financing through secondary markets.

(A) (b) (B) (a)

(C) (c) (D) all the above

(E) Answer not known

189. Basic objective of financial management is

(A) maximisation of profit

(B) maximisation of shareholders wealth

(C) making financial discipline

(D) arranging of funds

(E) Answer not known

190. What are all risks related with investment?

(a) Political risk

(b) Regulatory risk

(c) Economic risk

(d) Dividend risk

(A) (d),(c) and (b)

(B) all of the above

(C) (a), (b) and (c)

(D) (a), (c) and (d)

(E) Answer not known

191. Choose the correct statement/s from the following :

(i) Value analysis approach is informal and unsystematic.

(ii) Value analysis approach deals with recoverable costs of production.

(iii) Valued analysis is focused on cost reduction while remaining indifferent to maintaining value.

(iv) The phases of Value Analysis start with identification of a project to undertake Value analysis.

(A) (i) and (ii)

(B) (iii) and (iv)

(C) (ii) and (iv)

(D) (i) and (iv)

(E) Answer not known

192. The below scenario is the example of ———— A company through its break through technology, automated its one portion of the manufacturing process using Robotics Industrial Automation Technology

(A) This is the example of Business process Re-Engineering

(B) Process Innovation

(C) Both (A) and (B) are correct

(D) Both (A) and (B) are wrong

(E) Answer not known

193. Choose the correct answer :

Activity Based Costing (ABC) is an alternative method of?

(A) Value Engineering
(B) Product cost centre allocation
(C) Overhead absorption
(D) Profit centre allocation
(E) Answer not known

194. What is formula for life cycle costing?

(A) Initial cost + interest cost + Depreciation – PV of residual value
(B) Initial cost + PV of all residual costs + PV of Financial cost
(C) Initial cost + PV of all residual cost – Depreciation
(D) Initial cost + PV of all recurring cost – PV of residual value
(E) Answer not known

195. Asset life cycle cost of any item represents costs of its

(A) acquisition and disposal
(B) operation and maintenance
(C) acquisition and operation
(D) acquisition, operation, maintenance and disposal
(E) Answer not known

196. In Back flush costing the journal entry to record direct labour costs incurred

(A) Debit to work in progress

(B) Credit to work in progress

(C) Credit to cost of good sold

(D) Debit to conversion cost

(E) Answer not known

197. __________ refers to the system of cost reduction based on a series of gradual and small improvements rather than drastic changes in the manufacturing process.

(A) Throughput costing

(B) Quality costing

(C) Kaizen costing

(D) Transaction costing

(E) Answer not known

198. The throughput formula for a specific product is

Throughput = ____________

(A) Sales revenue from the product – Direct material costs

(B) Sales revenue from the product – Variable cost

(C) Sales revenue from the product + Direct material cost

(D) Sales revenue – Total costs

(E) Answer not known

199. Important techniques that fit into the framework of target costing is/are :

(i) Value analysis and value engineering

(ii) Just in time and total quality management

(iii) Kaizen

(iv) Dupont analysis

(A) (iv)

(B) (i) and (ii)

(C) (i), (ii) and (iii)

(D) (i) and (iii)

(E) Answer not known

200. Which of the following statements are true or false?

(1) Life costing is a technique to establish the total cost of ownership.

(2) Akio Morita is created with pioneering the cost approach of target costing.

(A) (1) true (2) false

(B) (1) and (2) are false

(C) (1) false (2) true

(D) (1) and (2) are true

(E) Answer not known