Combined Technical Service Examinations - Non-Interview Posts 2026
Tentative Keys marked Question Paper
Financial and Cost Accountancy (434)
Date of Exam: 09.09.2026

1. Where to invest (or) deposit its funds by a registered society?

(1) Any of the securities specified under sec 20 of the Indian Trust Act 1882

(2) Any bank (or) person carrying on the business of banking approved for this purpose by the Register

(3) Current bank accounts of Government Banks

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

2. When ownership of the asset is always with lessor. What is the type of lease?

(A) Finance lease
(B) Machine lease
(C) Operating lease
(D) Free lease
(E) Answer not known

3. According to sec 5 of the Cooperative Societies Act where liabilities of the members of a society are limited, no member other than a registered society can hold more than _____ of the share capital of the society worth more than _____

(A) 25%, Rs. one lakh
(B) 20%, Rs. one thousand
(C) 30%, Rs. two thousand
(D) 10%, Rs. one thousand
(E) Answer not known

4. _____ refers to a fund allocation practice in which an entity a government, (or) an individual sets aside a determined amount of funds to use for a specific goals.

(A) Reserves
(B) Project/Agency balances
(C) Investment
(D) Earmarking
(E) Answer not known

5. As an auditor of PQR hospitals, which of the following should be verified with respect to staff salary?

(i) Understand the pay rules of the hospitals and check whether calculations are done in accordance with pay rules
(ii) Ensure authorisation of payment by a proper authority
(iii) Understand the method of tracking attendance of staff and ensure proper recording of leave taken by staffs.

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

6. Part C of the annexure to the cost audit report in CRA 3 deals with

(A) Manufacturing sector
(B) Service sector
(C) Regulated sector
(D) Unregulated sector
(E) Answer not known

7. As per Sec. 204(1) of Co's act 2013, secretarial audit is compulsory for

(1) Unlisted company

(2) Every company having a paid up share capital of 50 crore or more

(3) Every public company have a turnover of 250 crore or more

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

8. How long can the cost auditor appointed shall remain in the capacity?

(A) Till the expiry of 180 days from closure of financial year or till he submits the cost audit report for the financial year for which he is appointed
(B) 1 year
(C) 5 years
(D) Till the expiry of 90 days from closure of financial year or till he submits the cost audit report for the financial year for which he is appointed
(E) Answer not known

9. Cost auditor need to report, as per requirements of companies (cost records and audit rules) 2014 in form no. _____.

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

10. Identify the circumstances where the auditor may consider it necessary to include an emphasis of matter paragraph are:

(i) An uncertainty relating to the future outcome of exceptional litigation

(ii) A significant subsequent event that occurs between the date of financial statements and the date of audit report

(iii) A major catastrophe that has had, or continues to have, a significant effect on the entity's financial position

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

11. _____ opinion is given incases of disagreement with management regarding

(a) Acceptability of accounting policies selected
(b) Application of such polices or
(c) Adequacy of disclosure.

(A) Qualified
(B) Adverse
(C) Disclaimer
(D) Unqualified
(E) Answer not known

12. When the auditor expects to modify the opinion in the auditor's report, the auditor shall communicate with _____ the circumstances that led to the expected modification and the wording of the modifications.

(A) internal management
(B) audit committee
(C) those charged with governance
(D) internal auditors
(E) Answer not known

13. Which type of private limited company is compulsorily required to appoint internal auditor?

(1) Turnover of two hundred crore rupees (or) more during the preceding financial year

(2) Outstanding deposits of 25 Cr. rupees (or) more at anytime during preceding financial year

(3) Outstanding loans (or) borrowings from banks (or) public financial institutions exceeding 100 cr (or) more at any time during previous year

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

14. An auditor's expert may be either an auditor's internal (or) an external expert. Which of the following cannot be an auditor's internal expert?

(A) Partner of auditor's firm
(B) Temporary staff of the auditor's firm
(C) Permanent staff of auditor's network firm
(D) A prospective CA, soon to join the auditor's firm as a partner
(E) Answer not known

15. In comparison to the independent auditor an internal auditor is more likely to be connected with _____.

(A) Cost accountancy system
(B) Internal control system
(C) Legal compliance
(D) Accounting system
(E) Answer not known

16. From the following particulars pick up the components of internal control.

(a) The control environment

(b) The entity's risk assessment process

(c) The information system, including the related business process, relevant to financial reporting and communication

(d) Control activities

(e) Monitoring of controls

(A) (a), (c), (d) only

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

(C) (a), (d) and (e) only

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

(E) Answer not known

17. Which of the following points of internal control mechanism to be verified when carrying out audit of cinema industry?

(a) That entrance to the cinema-hall during show is only through printed tickets

(b) That they are serially numbered and bound into books

(c) That the number of tickets issued for each show and class, are different though the numbers of the same class for the show on the same day, each week, run serially.

(A) (a) only

(B) (a) and (b) only

(C) (b) and (c) only

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

(E) Answer not known

18. The effectiveness of an efficient system of internal check depends on

(i) Clarity of responsibility of persons engaged in business operations

(ii) Division of work-rotation of different employees through various job should be implemented

(iii) Standardization – the entire process of accounting should be standardized by suitable policies commensurate with the nature of the business

(iv) Appraisal – period review should be made of the chain of operations and work flow

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

19. The following persons are disqualified for appointment as auditor as per section 141(3) of Companies Act.

(i) Body corporate

(ii) An officer or employer of the company

(iii) A chartered accountant

(iv) A cost accountant

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

20. In the course of completion and Review of Audits, written representations are considered as _____.

(A) Necessary audit evidence

(B) Sufficient appropriate audit evidence

(C) Not an audit evidence

(D) Audit evidence depending upon auditor's professional judgement

(E) Answer not known

21. _____ is the susceptibility of an assertion to a misstatement that could be material before consideration of any related controls.

(A) Control risk

(B) Inherent risk

(C) Audit risk

(D) Finance risk

(E) Answer not known

22. Reasonable assurance engagement provides _____

(A) High level of assurance

(B) Reasonable level of assurance

(C) Lower level of assurance

(D) Comparitive level of assurance

(E) Answer not known

23. _____ is the measure of the quality of audit evidence, _____ is the measure of quantity of audit evidence.

(A) Relevance, Sufficiency

(B) Appropriateness, Sufficiency

(C) Reliability, Sufficiency

(D) Acceptance, Sufficiency

(E) Answer not known

24. What should be auditor's first and foremost response in the case of request made relating to balance confirmation from vendor of an auditee in the following situations?

— No single purchase has been made in the last nine months.

— The outstanding balance stands as it is in the books of accounts.

— The Auditee's CFO refuses to submit balance confirmation from vendor.

(A) Perform alternate audit procedures

(B) Withdraw from the engagement

(C) Communicate with those charged with governance telling the effects on his audit opinion

(D) Inquire as to the reasons behind the management's response and seek audit evidence, as to it's validity and reasonableness

(E) Answer not known

25. State whether the following statements are correct in respect and Audit Strategy Programme.

Statement 1 : Planning is a discrete phase of an audit.

Statement 2 : A detailed Audit Programme once prepared for a business can be used for all business under all circumstances.

(A) Statement 1 is correct

(B) Statement 2 is correct

(C) Both statements are incorrect

(D) Both statements are correct

(E) Answer not known

26. On Audit evidence, Assertions [Representation by Management] about Presentation & Disclosure are :

(i) Occurrence and rights and obligations

(ii) Completeness

(iii) Classification and understandability

(iv) Accuracy and valuation

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

27. In the method of Audit, the factors that should be considered for deciding upon the extent of checking on a sampling plan are following :

(i) Size of the organisation under Audit

(ii) State of the internal control

(iii) Adequacy and reliability of books and records

(iv) Tolerable error range

(v) Degree of the desired confidence

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

28. State the following Statements are correct :

Statement 1 : The basic objective of audit does not change with reference to nature, size or form of entity.

Statement 2 : The purpose of an audit is to enhance the degree of confidence of intended users in the financial Statements.

(A) Statement 1 is correct

(B) Statement 2 is correct

(C) Both Statements are correct

(D) Both Statements are incorrect

(E) Answer not known

29. An _____ audit may be conducted by a qualified auditor at the request of a client, which may be a sole proprietorship partnership non-profit organisation (or) any other entity. It may be compulsory under some acts which govern the entity.

(A) Internal audit

(B) Independent financial audit

(C) Periodical audit

(D) All the above

(E) Answer not known

30. What is included in the preliminary activities?

1. Performing procedures regarding the continuance of client relationship
2. Evaluating compliance with ethical requirements including independence
3. Establishing an understanding of terms or engagement with the client to ensure there are no misunderstanding

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

31. As per Du-Pont control chart, Return on investment depends on two ratio's, which are

(A) Net profit ratio, Asset turnover ratio
(B) Net profit ratio, Capital turnover ratio
(C) Net profit ratio, Stock turnover ratio
(D) Net profit ratio, Debtors turnover ratio
(E) Answer not known

32. The Shadow price of skilled Labour for a company is currently Rs. 10 per hour. This means _____.

(A) The cost of obtaining additional skilled labour is Rs. 10 per hour
(B) There is a hidden cost of Rs. 10 for each hour of skilled labour actively worked
(C) Contribution will be increased by Rs. 10 per hour for each extra hour of skilled labour that can be obtained
(D) The total cost will be reduced by Rs. 10 for each additional hour of skilled labour that can be obtained
(E) Answer not known

33. Assuming the current ratio is 2, Which of the following cases the ratio will improve

1. Payment of a current liability
2. Issue of new shares
3. Purchase of fixed assets

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

34. Gross profit ratio – 20% on sales
Gross profit – Rs. 1,00,000
Cash sales – Rs. 1,20,000
Average debtors – Rs. 95,000
Calculate Debtor's Turnover Ratio

(A) 4 (B) 3
(C) 3.7 (D) 4.2
(E) Answer not known

35. The learning curve remains valid

(A) When applied to different firms in the same industry
(B) For product modification that will simplify the product assembly
(C) As long as revisions involve only the addition of automated machinery
(D) As long as production volume increases and processes are consistent
(E) Answer not known

36. A firm received an order to make and supply eight units of a standard product which involves intricate labour operations. The 1st unit was made in 10 hours. It is understood that this type of operation is subject to 80% learning rate. The workers are getting a wage rate of Rs. 12 per hours. What is the total time required to execute the above order?

(A) 63.90 hours
(B) 104.86 hours
(C) 40.69 hours
(D) 40.96 hours
(E) Answer not known

37. A company which has developed a new machine has observed that the time taken to manufacture the first machine is 600 hours.

Calculate the time which the company will take to manufacture the second machine if the actual learning curve rate is 80% according to cumulative Average Time Model.

(A) 960 hours
(B) 480 hours
(C) 360 hours
(D) 840 hours
(E) Answer not known

38. The decision whether a product should be sold at _____ or processed further is faced by many manufacturers.

(A) Limiting factor
(B) Differential cost
(C) Split off point
(D) Marginal cost
(E) Answer not known

39. A particular job required 800 kgs of material P. 500 kgs of the particular material is currently in stock. The original price of the material P was Rs. 300 but current resale value of the same has been determined as Rs. 200. If the current replacement price of the material P is Rs. 0.80 per kg, then the relevant cost of the material P required for the job would be :

(A) Rs. 640
(B) Rs. 440
(C) Rs. 404
(D) Rs. 300
(E) Answer not known

40. In which of the following circumstances is there a strong argument that profit centre accounting is a waste of time?

(a) When the item transferred is also sold in the external market
(b) If the transferred product is a major product of the supplying division
(c) When the supplying division is in a different country
(d) If there is no similar product sold on an external market and transferred product is a major product of the supplying division

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

41. Which of the following statements are true?

Yield management is a set of revenue maximization strategies and tactics meant to

(a) Improve business profitability

(b) Determine the best pricing policy for optimizing profits

(c) It is the art of price driven and capacity based profit maximization

(A) (a) & (b) are true (c) false
(B) (a) true (b) & (c) are false
(C) (a), (b) & (c) are false
(D) (a), (b) & (c) are true
(E) Answer not known

42. On the basis of 'modus operandi' analysis of financial statements for a number of years are reviewed and analyzed, which usually continues figures for two or more years. This analysis is known as _____.

(A) Internal Analysis
(B) Horizontal Analysis
(C) Vertical Analysis
(D) Earning Analysis
(E) Answer not known

43. Management Accounting involves

(a) Preparation of financial statements

(b) Analysis and interpretation of data

(c) Recording of transactions

(d) Coordination of functions

(A) (a) & (c) are true
(B) (b) & (d) are true
(C) (b) alone true
(D) (c) alone true
(E) Answer not known

44. An organisation should not only make decision about the proposed new programmes, but it should also review from time to time review the appropriateness of the existing programmes. This is with reference _____ budgeting technique.

(A) Activity Based Costing
(B) Zero Base Budgeting
(C) Traditional Budget Technique
(D) Concurrent Budget Technique
(E) Answer not known

45. Which one of the following is not considered as a method of Transfer Pricing?

(A) Negotiated Transfer Pricing
(B) Market Price Based Transfer Pricing
(C) Opportunity Cost Based Transfer Pricing
(D) Fixed Cost Based Transfer Pricing
(E) Answer not known

46. SCM in ERP means

(A) Sales Cum Marketing
(B) Supply Chain Management
(C) Sales Cum Management
(D) Supply Chain Marketing
(E) Answer not known

47. In ERP-SAP environment T-Code means

(A) Transaction Code
(B) Transition Code
(C) Transfer Code
(D) Trial Code
(E) Answer not known

48. In ERP PM module deals with

(A) Production Management
(B) Plant Maintenance
(C) Product Marketing
(D) People Management
(E) Answer not known

49. In ERP, primary packing of finished goods is done by _____ module.

(A) Production Planning
(B) Material Management
(C) Quality Management
(D) Sales & Distribution
(E) Answer not known

50. Assertion [A] : Generally different modules like HR, MM, PS.. etc. are integrated in an ERP.

Reason [R] : Each module is independent and separate transaction codes are used.

(A) [A] is True but [R] is False
(B) [A] is False but [R] is True
(C) Both are True, [R] is correct explanation of [A]
(D) Both are True, [R] is not correct explanation of [A]
(E) Answer not known

51. Subscription income as per Income & expenditure account Rs. 2,00,000 for the year 22-23

	1-4-22 Rs.	31-3-23 Rs.
Subscription outstanding	10,000	15,000
Subscription received in advance	20,000	18,000

What is the amount received as subscription during 22-23

(A) Rs. 2,07,000
(B) Rs. 2,03,000
(C) Rs. 1,93,000
(D) Rs. 1,97,000
(E) Answer not known

52. Match the following in case of non-profit organisation for the year ending 31.3.23.

(a) Advance subscription as on 31.3.23	1. 'Income' under Income & Expenditure a/c
(b) Salaries unpaid on 31.3.22 paid in 22-23	2. 'Credit side' of Receipts & Payments a/c
(c) Government Grants	3. Liability
(d) Subscription received in 21-22 for 22-23	4. 'Debit Side' of Receipts & Payments a/c

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

(E) Answer not known

53. Subscription in Income & Expenditure account – Rs. 47,500/-

Subscription Outstanding opening Rs. 5,000/-

Subscription Outstanding closing Rs. 2,250/-

Subscription Received in Advance opening Rs. 1,250/-

Subscription Received in Advance closing Rs. 1,000/-

What is the amount received in current year?

(A) Rs. 48,750/-
(B) Rs. 50,000/-
(C) Rs. 51,250/-
(D) Rs. 45,000/-
(E) Answer not known

54. 'Legacy' is an amount received by a non profit organisation as per a will of a deceased person. It is treated as _____.

(A) Revenue
(B) Addition to capital fund
(C) Credit side of Receipts & Income account
(D) All the above
(E) Answer not known

55. Creditor opening balance Rs. 40,000.

Credit of closing balance Rs. 60,000.

Cash paid during the year Rs. 1,60,000/-

Cash Purchases are 20% on credit purchases. Total purchases Rs. 2,40,000. What is purchase return which is one item left?

(A) Rs. 36,000
(B) Rs. 80,000
(C) Rs. 48,000
(D) Rs. 20,000
(E) Answer not known

56. In Debtors System, when there is a bad debt of sales made by branch, then accounting entry in branch account by Head Office is

(A) Crediting the branch a/c
(B) Debiting the branch a/c
(C) Debiting the branch debtor a/c
(D) No entry in branch a/c
(E) Answer not known

57. India Cements Ltd has branches in Trichy and Madurai.

It follows Debtor System.

If Trichy branch received cash from Madurai branch, then _____ account is debited and _____ account is credited.

(A) Trichy branch, Madurai branch
(B) Madurai branch, Trichy branch
(C) Trichy branch, cash
(D) Madurai branch, cash
(E) Answer not known

58. In Departmental accounting, the common power expenses are apportioned among departments as per

(A) Floor Area
(B) Horse Power
(C) Light Points
(D) Value of Fixed Assets
(E) Answer not known

59. Goods are transferred from Deptt A to Deptt B at selling price. Usually stock of Deptt B consists of 75% of goods from Deptt A and balance 25% of other expense. Gross profit ratio of Deptt A is 20% on sale. Closing stock of B Rs. 1,00,000. Unrealised profit?

(A) Rs. 18,000/-
(B) Rs. 13,500/-
(C) Rs. 15,000/-
(D) Rs. 25,000/-
(E) Answer not known

60. When Discount allowed to customer, on the bad debts then _____ account is debited _____ account is credited under stock & debtor system of branch accounts.

(A) Branch Expense / Branch Drs
(B) Branch / Branch Drs
(C) Discount / Branch
(D) Branch P & L a/c / Branch
(E) Answer not known

61. Which of the following features is/are true about co-operative society?

(i) Co-operative societies are the major source of low-cost finance in rural areas.

(ii) Co-operative societies need to be registered under societies Registration Act, 1860 or the Cooperative Societies Act, 1912.

(iii) Co-operative society is governed by managing committee that is elected democratically by its members

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

62. Share capital of a co-operative society consists of, from

1. Members
2. Government
3. Staff
4. Creditors

(A) 1 & 2 only
(B) 1 & 3 only
(C) 1 & 4 only
(D) 1, 2, 3 only
(E) Answer not known

63. Loss on Exchange transactions of a Bank is

(A) Deducted from Profit on Exchange Transactions under the head other income
(B) Shown as operating expense
(C) Shown as other assets
(D) Shown as other expenses
(E) Answer not known

64. As per section 26 of LIC act 1956, there must be an actuarial valuation atleast once in _____ year and the LIC must submit the report to the Central Govt.

(A) Two
(B) Every
(C) Three
(D) Half
(E) Answer not known

65. Mastheads and Publishing titles are categorized under

(A) Other non current assets
(B) Other current assets
(C) Property, plant & equipment
(D) ✓ Intangible asset
(E) Answer not known

66. Original cost of the asset is Rs. 2,00,000.

Present cost of its replacement is Rs. 2,60,000.

The amount spent on its replacement is Rs. 3,04,000. The amount to be capitalised under double account system will be

(A) Rs. 2,00,000
(B) Rs. 60,000
(C) ✓ Rs. 44,000
(D) Rs. 2,60,000
(E) Answer not known

67. 'Rebate on bills discounted' is categorised under schedule _____ of Balance Sheet of Banking Companies.

(A) Contingent liabilities
(B) Advances
(C) ✓ Other liabilities and Provisions
(D) Deposits
(E) Answer not known

68. "Unpaid dividends" is categorised under _____ as per Part I – form of Balance Sheet as per Companies Act 2013.

(A) Other Current liabilities
(B) Reserves and Surplus
(C) Short term borrowings
(D) Other long term liabilities
(E) Answer not known

69. Balance of Interest accrued on security deposit of an electricity company should be shown under

(A) Current liability
(B) Non current liability
(C) Current asset
(D) Non current asset
(E) Answer not known

70. Match the following :

(a)	Ind AS 2	1.	Inventory
(b)	Ind AS 10	2.	Property plant and equipment
(c)	Ind AS 16	3.	Employee benefits
(d)	Ind AS 19	4.	Events after balance sheet date

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

(E) Answer not known

71. An entity started trading in Country A, whose currency was dollar. It exported its product to country B, whose currency was euro. This business was conducted through a subsidiary in Country B.

The functional currency of subsidiary is _____.

(A) The rupee
(B) The euro
(C) ✓ The dollar
(D) The dollar or euro
(E) Answer not known

72. Determine the liability and expense to be recognised as per IND AS – 19. No. of employees (same as the previous year) = 150. Employee turnover ratio = 10%. Bonus paid to each employee last year = Rs. 1,00,000/- Increase in bonus rate due to inflation = 10% (as per co's practice)

(A) 1,65,00,000
(B) 1,50,00,000
(C) ✓ 1,48,50,000
(D) 1,35,00,000
(E) Answer not known

73. Choose the right matches among the following

1. Ind AS 33 – Earning Per Share
2. Ind AS 36 – Interim financial reporting
3. Ind AS 38 – Intangible Assets
4. Ind AS 34 – Impairment of Assets

(A) 1 & 4 only
(B) 1 & 2 only
(C) ✓ 1 & 3 only
(D) 2 & 4 only
(E) Answer not known

74. Ind AS – 10 deals with

(A) Property, Plant and Equipment

(B) Events after the reporting period

(C) Consolidated financial statements

(D) The effects of changes in Foreign Exchange rates

(E) Answer not known

75. What is the date of approval of financial statement as per Ind AS – 10?

28-5-2023 – Board reviews and approves

1-7-2023 – Available to shareholder

16-9-2023 – Approved in AGM

17-10-2023 – Filed with ROC

(A) 17.10.2023 (B) 1.7.2023

(C) 28.5.2023 (D) 16.9.2023

(E) Answer not known

76. While calculating the value of assets for ascertaining the classification, the value of following is excluded, under MSMED Act :

(i) Any sales

(ii) Domestic sales

(iii) Exports

(iv) Imports made for value addition

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

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

(E) Answer not known

77. Choose the correct answer from the following in respect of MSMED Act, 2006

(i) Interest paid / payable by any buyer is allowed as deduction for the purpose of computation of income

(ii) Interest paid / payable by any buyer is not allowed as deduction for the purpose of computation of income.

(iii) Central Govt. alone may appoint officers/employees for the purpose of this Act.

(iv) Central Govt. or State Govt. may appoint officers for the purpose of this Act

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

78. Which among the following is not a cyber crime under the Information Technology Act?

(i) Tampering with computer source documents.

(ii) Hacking with computer systems, data alteration.

(iii) Publishing obscene information.

(iv) Sending threatening message by email

(A) (i)
(B) (ii)
(C) (iii)
(D) (iv)
(E) Answer not known

79. As per Information Technology (Certifying Authorities) amendment Rules, roll, the public key certificate of the licenced certifying authorities shall be used to _____.

(A) Verify the authenticity of the digital certificate issued to the subscribers

(B) Verify the validity of digital certificate

(C) Maintain the digital records

(D) Confirm whether digital transactions are as per I.T. Act 2000.

(E) Answer not known

80. Types of cyber crimes are :

(A) Cyber crimes against persons like harassment of racial, religions etc.

(B) Cyber crimes against properties like computer wreckage, transmission of harmful programs

(C) Cyber crimes against Govt. like cyber terrorism

(D) All of the above

(E) Answer not known

81. The leave with wages is allowed to every worker under the Factories Act 1948 who has worked in a factory during the calendar year for a period of _____.

(A) 100 days or more

(B) 140 days or more

(C) 200 days or more

(D) 240 days or more

(E) Answer not known

82. Certifying Surgeon are appointed to discharge duties within the local limits placed by the State Government as per section _____ of the Factories Act 1948.

(A) 12
(B) 11
(C) 10
(D) 9
(E) Answer not known

83. As per section 4 of a payment of Gratuity Act 1972, the gratuity shall be payable to an employee on termination of his employment after his continuous service for not less than _____ years.

(A) 10 years
(B) 15 years
(C) 5 years
(D) 2 years
(E) Answer not known

84. Which of the following statements is / are true as per the payment of Gratuity Act?

(i) No gratuity payable shall be liable to attachment in execution of any decree of court

(ii) The father-in-law of a female employee will come under the term "family"

(iii) For the purpose of calculation of Gratuity 30 days are taken as a month.

(iv) Nomination is to be made by an employee in form B

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

85. Under the payment of Gratuity Act, the employer shall display an abstract of the Act and the Rules in Form No. _____.

(i) U

(ii) H

(iii) O

(iv) N

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

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

(E) Answer not known

86. Maximum penalty recoverable from the Employer who makes default in payment of any contribution to the fund under the EPF Act is :

(i) 10%

(ii) 15%

(iii) 25%

(iv) 33%

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

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

(E) Answer not known

87. Who among the following cannot be nominated for the purposes of EPF Act?

(i) Wife

(ii) Sons of deceased son who have attained majority

(iii) Father-in-law

(iv) Unmarried Daughter

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

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

(E) Answer not known

88. Which of the following statements are false as regards ESI Act?

(i) The medical benefits under the Act are assignable

(ii) The Central Govt. cannot supercede the ESI Corpn.

(iii) Attachment of Bank Account of the defaulter can be undertaken for recovery of dues

(iv) There shall be one woman among the members representing the medical profession in the medical Benefit Council

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

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

(E) Answer not known

89. Which of the following statements are true as regards ESI Act?

(i) The members of Indian Naval, Military or Air Force are coming under the definition of Employee

(ii) Wage does not include any gratuity payable on discharge

(iii) Every employee is to register himself under the provisions of ESI Act

(iv) An employee insured under the ESI Act can also claim compensation under workmen's Compensation Act

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

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

(E) Answer not known

90. What is the minimum number of days an employee must have worked in an establishment to be eligible for Bonus?

(i) 240 working days

(ii) 180 working days

(iii) 30 working days

(iv) 90 working days

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

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

(E) Answer not known

91. Fast Track Corporate insolvency Resolution process shall be completed _____ from the insolvency commencement date, as provided in sec. 56 of insolvency & Bankruptcy Code 2016.

(A) Within a period of 90 days

(B) Within a period of 180 days

(C) Within a period of one year

(D) Within a period of five years

(E) Answer not known

92. According to Sec. _____ of Companies Act 2013, the shares are issued to directors or employees at discount or for consideration other than cash for providing know-how is called sweat equity shares.

(A) Section 54 (B) Section 53

(C) Section 55 (D) Section 52

(E) Answer not known

93. The Auditors has to confirm in the scheme that _____.

(A) It is in confirmity with accounting standards
(B) It is in compliance with the Companies Act
(C) Both (A) and (B)
(D) None of the above
(E) Answer not known

94. Which Section of payment of Bonus Act deals with computation of available surplus?

(i) S.3
(ii) S.3A
(iii) S.5
(iv) S.2

(A) (i) (B) (ii)
(C) (iii) (D) (iv)
(E) Answer not known

95. Who appoints inspector the purpose of administration of minimum Wages Act?

(i) Central Govt.
(ii) State Govt.
(iii) Appropriate Govt.
(iv) Local body in which the undertaking is situated

(A) (i) (B) (ii)
(C) (iii) (D) (iv)
(E) Answer not known

96. According to Kaplan and Norton, what should be the main perspective of the balanced score card?

(A) Financial
(B) Customer
(C) Internal Business process
(D) Learning and growth
(E) Answer not known

97. The key benefits of using Balanced Score Card are :

(i) Better strategic planning, improved strategy communication & execution, Better alignment of projects and initiatives

(ii) Better management information, improved performance reporting.

(iii) Better organisational alignment, Better process alignment.

(iv) Better customer relations management and credit control.

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

98. DuPont Analyses is a model created by _____.

(A) Mr. DuPont
(B) Mr. Du and Mr. Pont
(C) Dual Ponting Corporation
(D) DuPont Corporation
(E) Answer not known

99. Match the following :

(a)	Plan	1.	Research
(b)	Do	2.	Sales
(c)	Check	3.	Production
(d)	Action	4.	Design

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

(E) Answer not known

100. Who propagated the theory, "that the mass production cycle constitutes 3 steps : Specifications, Production and inspection".

(i) W. Edwards Deming

(ii) Shewhart

(iii) David A. Garvin

(iv) W.S. Gosset

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

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

(E) Answer not known

101. Which type of factor is a weakness in SWOT Analysis?

(i) Internal factor

(ii) External factor

(iii) Environmental factor

(iv) Competitive factor

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

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

(E) Answer not known

102. In organisation's information system 'TPS' means

(A) Transaction Product System

(B) Transaction Processing System

(C) Tactical Processing System

(D) Tactical Product System

(E) Answer not known

103. One of the various information systems - TPS refers to :

(i) Total Production System

(ii) Transaction Processing System

(iii) Trading Process System

(iv) Transaction Productivity System

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

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

(E) Answer not known

104. Which of the following is goal strategy by TPM?

(A) Zero defects
(B) Maximum productivity
(C) Minimum productivity
(D) Zero breakdowns
(E) Answer not known

105. Choose the incorrect statement/s as regards Bench marking.

(i) Bench marking is a continuous process of comparing the financial indicators of one company with that of its peers in the industry.

(ii) Bench marking is a continuous process of comparing a company's business processes and performance metrics to industry best practices

(iii) Bench marking is done annually

(iv) Bench marking is carried out every quarter

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

106. _____ Bench marking is the process of evaluating processes or business functions against the best companies, regardless of their industry.

(A) Competitive
(B) Generic
(C) Strategic
(D) Functional
(E) Answer not known

107. Critical success factors

(i) Analyse the cause of success

(ii) Point out the cause of success

(iii) Monitor the cause of success

(iv) Interpret the cause of success

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

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

(E) Answer not known

108. Choose the odd in respect of benefits of statistical quality control

(A) Reduction in wastage

(B) Large pool of satisfied customers

(C) Control chart

(D) Increase in productivity

(E) Answer not known

109. While Total Quality management focusses on _____ existing quality standards, six sigma focusses on _____ quality by minimising defects from the system.

(i) improving, maintaining

(ii) preserving, maintaining

(iii) preserving, improving

(iv) improving, improving

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

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

(E) Answer not known

110. Supply chain management is the systematic strategic co-ordination of the _____ business functions.

(A) Traditional
(B) Modern
(C) Rare
(D) Small
(E) Answer not known

111. The time of supply of goods on which GST is payable basis under which sec. 3(3) and (4) of sec. 9 of CGST. It is determined as follow :

(i) Date on which the goods are received

(ii) Date on which payment is recorded

(iii) Date immediately following 30 days from the date of issue of invoice

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

112. As per GST Act 2017, permanent transfer or disposal of business assets where input tax credit has been availed on such assets :

(i) Even if made without consideration to be treated as supply.

(ii) At any cost not to be treated as supply.

(iii) At any event not covered under this act at all.

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

113. Under Customs Act the limit of exclusive economic zone of India is _____ from the baseline.

(A) 200 nautical miles

(B) 12 nautical miles

(C) 24 nautical miles

(D) 10 nautical miles

(E) Answer not known

114. _____ shall examine application for an establishment of a factory involving hazardous process.

(A) Site appraisal committee

(B) Welfare Officers

(C) Inspector

(D) Fire Safety Officer

(E) Answer not known

115. Which item not included in value of taxable supply?

(1) Interest, late fee penalty for delay in payment of consideration

(2) Taxes other than GST charged separately.

(3) Discounts given before (or) at the time of supply and recorded in the invoice.

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

(C) (3) (D) (2) and (3)

(E) Answer not known

116. Value of Goods to be exported as gifts cannot exceed _____ in a licensing year.

(A) Rs. 7,00,000/- (B) Rs. 10,00,000/-

(C) Rs. 50,00,000/- (D) Rs. 5,00,000/-

(E) Answer not known

117. Mr. X a Registered person in Mumbai has made outward supplies of taxable goods as under:

Mr. X has become liable for registration on 1st October 2021. He has granted registration on 1st Jan 2022.

1. Supplies made from 1st April 2021 to 30th September 2021 Rs. 19,50,000
2. Supplies made from 1st October to 31st December 2021 Rs. 8,00,000
3. Supplies made from 1st Jan 2022 to 31st Jan 2022 Rs. 2,00,000

First return furnished by him for the month of Jan 2022. What is the taxable turnover to be declared in the first return?

(A) Rs. 29,50,000
(B) Rs. 10,00,000
(C) Rs. 8,00,000
(D) Rs. 2,00,000
(E) Answer not known

118. State whether following would be treated as supply of goods (or) services as per schedule II.

Transfer of title in goods under an agreement which stipulates that property shall pass at a future date upon payment of full consideration as agreed.

(A) Deemed supply of goods
(B) Both supply of goods & services
(C) Supply of service
(D) Supply of goods
(E) Answer not known

119. What is the General Free Allowance for Passengers Coming from Nepal by land route?

(A) Rs. 0 (B) Rs. 50,000/-

(C) Rs. 15,000/- (D) Rs. 25,000/-

(E) Answer not known

120. From the following information, compute the value of imported goods:

(i) Ex-factory price at Exporter's factory = $ 10,000

(ii) Transport & loading charges upto exporter's port = $200

(iii) Freight & Insurance from Exporter's port to importer's port = $300

(iv) Transport charges from Importer's port to their factory = $500

(A) $10,000 (B) $10,500

(C) $11,000 (D) $10,200

(E) Answer not known

121. Famous actress Aishwarya Rai went to London, and avail cosmetic or plastic surgery services for her nose.

Find the place of supply of service and GST liability?

(A) Place of recipient of supply is in India – GST will be paid.

(B) Place of supply London – GST will not be paid

(C) Place of supply London – IGST will be paid

(D) Any of the above

(E) Answer not known

122. X Ltd. being a registered person located in Hyderabad hires Mr. Y who is located in Chennai for appraisal performance of senior employees of their company.

Find out the place of supply and GST applicable

(A) Chennai; IGST

(B) Chennai; CGST + SGST

(C) Hyderabad; IGST

(D) Hyderabad; CGST + SGST

(E) Answer not known

123. Mrs. Bhargavi, is a registered supplier under GST law in Coimbatore, Tamil Nadu, running a factory for manufacture of electric motors. For giving training to her employees, she has utilised the services of Vibrant Trainers Pvt. Ltd. a registered supplier in Trissur, Kerala Training programs are to be held at Trissur.

What will be the place of supply of services provided by Vibrant Trainers Pvt. Ltd. to Mrs. Bhargavi?

(A) Trissur, Kerala

(B) Chennai, Tamilnadu

(C) Coimbatore, Tamilnadu

(D) Hyderabad, Andhra

(E) Answer not known

124. Find out persons who are not required to file self-certified reconciliation statement.

I. Casual Taxable Person

II. Non Resident Taxable Person

III. Normal Taxable Person

IV. Non Resident Recipient

V. Input Service Distributor

(A) I, II and V

(B) II, III and IV

(C) I, II and IV

(D) All of the above

(E) Answer not known

125. Filing declaration not permissible if income aggregate exceed basic exemption limit under (Sec. 197A) certificate for deduction of tax at a lower rate.

1. Payments of dividend

2. Payment of premature withdrawal from employer provident fund

3. Payment to contractor

4. Rent

5. Income by way of business operations

(A) 1, 2, 4 correct

(B) 3, 4, 5 correct

(C) 3, 2, 1 correct

(D) 5, 4, 2 correct

(E) Answer not known

126. Match the following :

	Nature of claim		Evidence (or) particulars
(a)	Leave Travel Concession	1.	Evidence of investment (or) expenditure
(b)	Deduction under Chapter VI-A	2.	Name, address and PAN of the lender
(c)	Deduction of interest under the head 'Income from House Property'	3.	Evidence of expenditure

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

(E) Answer not known

127. When long term capital gain arise, while zero coupon bond transfer takes place on (or) after 23.7.2024?

(A) >12 months immediately preceding the date of its transfer

(B) >36 months immediately preceding the date of its transfer

(C) >24 months immediately preceding the date of its transfer

(D) ≤24 months immediately preceding the date of its transfer

(E) Answer not known

128. Find out company in which public are not substantially interested?

(A) Mutual benefit finance company
(B) Unlisted companies
(C) Company in which shares are held by co-operative societies
(D) Company which is prescribed by CBDT
(E) Answer not known

129. Encashment of leave salary at the time of retirement is fully exempt in the case of

(A) Central Government employee
(B) State Government employee
(C) Both Central and State Government employee
(D) Government employee and employee of local authority
(E) Answer not known

130. As per Section 6(1) of Income Tax Act, vide basic condition (a), he is in India in the previous year for a period of _____ days or more.

(A) 180
(B) 181
(C) 182
(D) 60
(E) Answer not known

131. As per Para 24 of ICDS II valuation of inventories closing stock has to be valued at _____ in case of dissolution of firm.

(A) Cost
(B) NRV [Net Realisable Value]
(C) Cost or NRV whichever is lower
(D) Cost or NRV whichever is higher
(E) Answer not known

132. HUF, Firm or other AOP is Resident of India if only _____.

(A) Control is situated wholly in India

(B) Management is situated wholly in India

(C) Control and management is wholly or partly in India

(D) It depends on case to case basis

(E) Answer not known

133. In computing the income of a member chargeable under the head profit and gains of business or profession in respect of his share in the income of AOP/BOI, any interest paid by the member on capital borrowed by him for the purpose of investments in AOP/BOI can be _____

(A) Added from his share

(B) Deducted from his share

(C) No adjustment is required

(D) Added in next year

(E) Answer not known

134. Determine the assessee status of X and Y who are legal heirs of Z.

(A) BOI

(B) HUF

(C) Artificial Judicial Person

(D) Individual

(E) Answer not known

135. The notified amount of Gratuity that is exempt for Non Central Government employees

(A) Rs. 10,00,000

(B) Rs. 20,00,000

(C) Rs. 2,00,000

(D) Rs. 5,00,000

(E) Answer not known

136. The total income of the assessee has been computed as Rs. 2,53,494.90. For rounding off the total income will be taken as

(A) Rs. 2,53,500 (B) Rs. 2,53,490

(C) Rs. 2,53,495 (D) Rs. 2,53,400

(E) Answer not known

137. Mr. Govind won the first prize in a lottery ticket and the prize was a Maruti Car worth Rs. 5 lakhs. What is the amount of TDS to be collected from Mr. Govind?

(A) Rs. 1,00,000 (B) Rs. 1,50,000

(C) Rs. 30,000 (D) Rs. 15,000

(E) Answer not known

138. Rate of depreciation on know-how, patents copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature :

Rate of depreciation for the above = _____.

(A) 20% (B) 30%

(C) 25% (D) 10%

(E) Answer not known

139. Under Factories Act no adult worker shall be allowed to work in a factory for more than ———— hours in any day

(A) 8
(B) 10
(C) 9
(D) 6
(E) Answer not known

140. Select the losses which may be carried forward and set off against the income of the subsequent year.

(A) Loss under the head 'Income from House Property'
(B) Loss under the head "Profits and gains of business or profession"
(C) Loss from the activity of owning and maintaining race horses
(D) All the above
(E) Answer not known

141. Calculate material usage variance from the following :

Material	Standard		Actual	
	Qty	Price Rs.	Qty	Price Rs.
A	4	1	2	3.50
B	2	2	1	2.00
C	2	4	3	3.00

(A) Material A – Rs. 2 (Favourable), Material B – Rs. 2 (Favourable) and Material C – Rs. 4 (Adverse)

(B) Material A – Rs. 4 (Adverse), Material B – Rs. 2 (Favourable) and Material C – Rs. 2 (Adverse)

(C) Material A, Material B and Material C – NIL variance

(D) Material A, Material B and Material C – Rs. 2 (Favourable)

(E) Answer not known

142. Calculate Overhead Cost Variance from following :

Budgeted Output = 5,000 units

Budgeted Overheads = Rs. 5,000

Budgeted Hours = 10,000

Actual output = 4,000 units

Actual overheads = Rs. 6,000

(A) Rs. 2,000 (Adverse)

(B) Rs. 2,000 (Favourable)

(C) Rs. 1,000 (Adverse)

(D) Rs. 1,000 (Favourable)

(E) Answer not known

143. Calculate from the following Direct Material Cost Variance :

Standard output — 600 units

Actual output — 500 units

Standard Quantity per unit — 1 kg

Total actual quantity used — 600 kg

Standard rate per unit — Rs. 14 per kg

Actual rate per unit — Rs. 15 per kg

(A) Rs. 2,000 (Favourable)

(B) Rs. 2,000 (Adverse)

(C) NIL variance

(D) Variance cannot be arrived at with this information

(E) Answer not known

144. Material Price Variance is calculated as follows :

(A) Actual usage × (Standard unit price – Actual unit price)

(B) Standard usage × (Actual unit price – Standard unit price)

(C) Actual usage × (Actual unit price – Standard unit price)

(D) Standard usage × (IP price – Standard unit price)

(E) Answer not known

145. The following figures are extracted from the books of a company,

Budgeted O/H Rs. 10,000 (Fixed 6,000, Variable Rs. 4,000)

Budgeted Hours 2000

Actual O/H Rs. 10,400 (Fixed Rs. 6,100, Variable Rs. 4,300)

Actual Hours 2100

Find out variable O/H cost variance and Fixed O/H cost variance will be

(A) 100 (A) and 200 (A)
(B) 100 (F) and 200 (F)
(C) 100 (A) and 200 (F)
(D) 200 (A) and 100 (F)
(E) Answer not known

146. The ratio of variable cost to sales is 70%. The Break Even Point occurs at 60% of the capacity sales. Find out the sales at 100% capacity when fixed costs are (Rs.) 90,000

(A) Rs. 4,00,000
(B) Rs. 3,00,000
(C) Rs. 5,50,000
(D) Rs. 5,00,000
(E) Answer not known

147. Calculate contribution and profit from the following :

(a) Sales 10,000 units @ Rs. 40

(b) Production — 10,000 units

(c) Variable cost per unit — Rs. 20

(d) Fixed production cost — Rs. 80,000

(e) Fixed administration cost — Rs. 50,000

(A) Rs. 1,00,000 and Rs. 35,000 respectively

(B) Rs. 2,00,000 and Rs. 70,000 respectively

(C) Rs. 1,50,000 and Rs. 50,000 respectively

(D) Rs. 2,50,000 and Rs. 1,00,000 respectively

(E) Answer not known

148. Calculate Break Even Point in units from the following information :

(a) Fixed expenses — Rs. 1,50,000

(b) Variable cost per unit — Rs. 10

(c) Selling price per unit — Rs. 15

(A) 10,000 units

(B) 20,000 units

(C) 25,000 units

(D) 30,000 units

(E) Answer not known

149. TM Company can make 100 units of a necessary component part with the following costs :

Direct material — 60,000

Variable overhead — 30,000

Direct labour — 10,000

Fixed overhead — 20,000

TM Company can purchase the component externally for Rs. 1,10,000 and only Rs. 5,000 of the fixed cost can be avoided.

What is the correct make (or) buy decision?

(A) Make and save Rs. 5,000
(B) Buy and save Rs. 5,000
(C) Make and save Rs. 15,000
(D) Buy and save Rs. 15,000
(E) Answer not known

150. Ascertain sales when

Fixed Cost = Rs. 20,000

Profit = Rs. 10,000

BEP = Rs. 40,000

(A) Rs. 60,000
(B) Rs. 16,000
(C) Rs. 52,000
(D) Rs. 56,000
(E) Answer not known

151. Calculate Margin of safety in value from the following:

(a) Sales value = Rs. 1,00,000

(b) Fixed cost = Rs. 50,000

(c) P/V Ratio = 60%

(A) Rs. 30,000
(B) Rs. 60,000
(C) Rs. 16,667
(D) Rs. 27,777
(E) Answer not known

152. Which of the following statements are True?

(1) Service costing is applicable in canteens

(2) Motor cost for passengers is ascertained with reference to per passenger per kilometer

(A) (1) and (2) are true
(B) (1) true (2) false
(C) (1) and (2) are false
(D) (1) false (2) true
(E) Answer not known

153. A product said to be ———— when its emergence is a result of the success of a revolutionary product.

(A) Evolutionary product
(B) Me-too product
(C) Customer based product
(D) Both (A) and (B)
(E) Answer not known

154. Novice Ltd is about to introduce a new product. Calculate at what price the product to be introduced?

	Price per unit	Demand (in Units)
(a)	34	1,000
(b)	35	900
(c)	36	800

where, Direct Material = Rs. 12 per unit

Direct labour = Rs. 3 per unit

Variable Overhead = Rs. 3 per unit

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

155. Select the appropriate answer

When two prices for two different sections of the society are fixed by the government the price so fixed is termed as

(i) Dual price
(ii) Differential price
(iii) Leader price
(iv) Penetration price

(A) (i) (B) (ii)
(C) (iii) (D) (iv)
(E) Answer not known

156. ———————— ignores the time value of money.

(a) IRR (Internal Rate of Return)
(b) ARR (Average Rate of Return)
(c) NPV (Net Present Value)
(d) PI (Profitability Index)

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

157. Calculate debt collection period from the following.

Total Sales Rs. 3,00,000

Cash Sales 20% on total sales

Opening debtors Rs. 8,000

Closing debtors Rs. 12,000

(A) 1/2 month (B) 1 month
(C) 3/2 month (D) 5/2 month
(E) Answer not known

158. From the following calculate

Debtors turnover ratio.

Total Sales – Rs. 4,20,000

Cash Sales – Rs. 1,50,000

Return onward – Rs. 20,000

Average debtors – Rs. 50,000

Provision for bad debts – Rs. 25,000

(A) 10 times
(B) 8 times
(C) 5 times
(D) 20 times
(E) Answer not known

159. Which of the following statements is/are true?

(i) Deposit taking NBFCs shall maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 12% of the aggregate risk weighted assets on Balance sheet and of risk adjusted value of the balance sheet item

(ii) Minimum capital ratio in (i) above category of NBFCs is not less than 15% of the aggregate risk weighted assets

(iii) Tier I capital in respect of applicable NBFC at any point of time shall not be less than 8%

(iv) Applicable NBFCs primarily engaged in lending against gold jewellery shall maintain a minimum Tier I capital of 12%.

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

160. Based on the underlying assets, which one is not a forward contract?

(a) Commodity forwards
(b) Currency forwards
(c) Equity forwards
(d) Warrants

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

161. Reputational risks

(1) may occur due to political, economic technological
(2) are Damage to an entity's name as a result of failure to manage other risks
(3) are risks stemming from the entity's strategy and pose the greatest threat to the achievement of strategy

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

162. A product requires an initial investment of Rs. 20,000. Annual cash inflows for 5 years are Rs. 6,000, Rs. 8,000, Rs. 5,000, Rs. 4,000, Rs. 4,000 respectively. The pay back period is

(A) 3.75 years (B) 3.25 years
(C) 4.25 years (D) 3.50 years
(E) Answer not known

163. While evaluating capital investment proposals, the time value of money is considered in case of

1. Pay back method
2. Discounted cash flow method
3. Accounting rate of return method
4. Internal rate of return method

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

164. Which of the following is/are not applied in capital budgeting?

(i) Cash flows be calculated in incremental terms
(ii) All costs and benefits are measured in cash basis
(iii) All accrued costs and revenues be incorporated
(iv) All benefits are measured on after-tax basis.

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

165. Cost of equity capital is all of the following except:

(i) the minimum rate that a firm should earn on the equity–financed part of an investment

(ii) a return on the equity financed portion of an investment that, at worst, leaves the market price of stock unchanged

(iii) By far, the most difficult component of cost to estimate

(iv) Generally lower than the before tax cost of debt

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

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

(E) Answer not known

166. Degree of combined leverage is the fraction of:

(i) Percentage change in EBIT on percentage change in sales

(ii) Percentage change in EPS on percentage change in sales

(iii) Percentage change in sales on percentage change in EPS

(iv) Percentage change in EPS on percentage change in EBIT

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

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

(E) Answer not known

167. A company raised preference share capital of Rs. 1,00,000 by issue of 10% preference shares of Rs. 10 each. Calculate the cost of preference capital when they are issued at 10% premium.

(A) 9.19% (B) 8.09%

(C) 9.09% (D) 9.50%

(E) Answer not known

168. The term cost of capital refers to the ———— rate of return the firm must earn on its investment so that the market value of the company's equity share does not fall.

(A) Maximum
(B) Minimum
(C) Average
(D) Optimum
(E) Answer not known

169. Observing changes in the financial variables across the years is

(a) Vertical Analysis
(b) Horizontal Analysis
(c) Peer-firm Analysis
(d) Industry Analysis

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

170. Trade credit represents

(A) Credit given by bank on stock
(B) Credit extended by supplier of stock
(C) Customer advances
(D) Credit by Government
(E) Answer not known

171. Under financial lease, the lessor recovers atleast ———— of the fair value of the asset as lease rentals.

(A) 75%
(B) 50%
(C) 80%
(D) 90%
(E) Answer not known

172. M/S. ABC Ltd.

	Rs.
Cash sales	30,000
Credit sales	2,70,000
Gross profit	64,000

Calculate Gross Profit Ratio.

(A) 20.8% (B) 21.3%

(C) 0.47% (D) 4.22%

(E) Answer not known

173. Dividend payout ratio is :

(i) Profit after tax divided by number of shares

(ii) Preference dividend divided by profit after tax

(iii) Dividend per share divided by earnings per share

(iv) Preference dividend divided by equity dividend

(A) (i) (B) (iii)

(C) (iv) (D) (ii)

(E) Answer not known

174. What does Q Ratio measure?

(i) Relationship between market value and Book value of Equity share

(ii) Proportion of profit available per equity share

(iii) Overall earnings to average total assets

(iv) Market value of equity as well as debt in comparison to all assets at their replacement cost

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

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

(E) Answer not known

175. With reference to 'IFC Masala Bonds' which of the statements given below is/are correct?

1. The International Finance Corporation, which offered these bonds, is an arm of the World Bank

2. They are rupee-denominated bonds and are a source of debt financing for the public and private sector

(A) 1 only (B) 2 only

(C) Both 1 and 2 (D) Neither 1 nor 2

(E) Answer not known

176. From the following calculate

Basic earning per share

Net profit for 31-12-12 after tax and preference dividend = Rs. 21,000/-

Equity shares as on 1-1-12 = 1,800

Issued equity share for cash on 31-5-12 = 600

Bought back share on 1-11-21 = 300

(A) Rs. 12 per share

(B) Rs. 10.50 per share

(C) Rs. 10 per share

(D) Rs. 12.50 per share

(E) Answer not known

177. In the real world corporate finance managers have the following goals in mind, while declaring dividends.

(a) Projects with positive NPV are not to be cut to pay dividends.

(b) Maintain long term target debt equity ratio.

(c) Resort to dividend cuts as and when needed.

(d) Avoid the need to raise fresh equity.

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

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

(E) Answer not known

178. In Miller-ORR model of cash management, which of the following is true?

(a) The lower, upper limit and return point of cash balances are set out

(b) Only upper limit and return point are decided

(c) Only lower limit and return points are decided

(A) (a) and (b) (B) (b) alone

(C) (a) alone (D) (b) and (c)

(E) Answer not known

179. Financing decision is also known as

(A) Long term asset mix (B) Capital mix

(C) Liquidity decision (D) Short term asset mix

(E) Answer not known

180. Which of the following is the disadvantage of having shareholders' wealth maximisation goals?

(i) Emphasizes short term goals

(ii) Ignores timing of returns

(iii) Requires immediate resources

(iv) Offers no clear relationships between financial decisions and share price

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

(C) (iv) (D) (ii)

(E) Answer not known

181. What are all steps involved in value engineering?

(1) Gather information

(2) Think creatively

(3) Present discoveries

(4) Implement changes

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

182. ———— refers to the analysis and re-design of workflows & processes. It is a total deconstruction and re-thinking of a business process in its entirely, unconstrained by its existing structure and pattern.

(A) Process innovation
(B) Business process Re-Engineering
(C) Business Process
(D) Value Chain
(E) Answer not known

183. Choose the right answer :

The main principles of BPR include

(1) Focus on "outcomes" and not on tasks

(2) De-centralize activities to achieve economies

(3) Single print data / information capture

(A) (1) & (3) are correct

(B) (2) & (3) are correct

(C) Only (1) is correct

(D) All of the above

(E) Answer not known

184. Which of the following is not a correct match?

	Activity		Cost Drivers
(a)	Production scheduling	–	Number of production runs
(b)	Dispatching	–	Number of dispatch orders
(c)	Goods receiving	–	Goods received order
(d)	Inspection	–	Machine Hours

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

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

(E) Answer not known

185. Life cycle costing can be used as

(a) Planning tool

(b) Control tool

(c) Forecasting tool

(A) (a) & (b)

(B) (a) & (c)

(C) (b) & (c)

(D) ✓ (a), (b) & (c)

(E) Answer not known

186. Under Back Flush costing system, the journal entries for subsequent stages use ———— or ———— costs to work backward to flush out the costs in the cycle for which the JE (Journal Entries) were omitted.

(A) normal, abnormal

(B) marginal, standard

(C) ✓ normal, standard

(D) marginal, product

(E) Answer not known

187. Which of the following statements are True/False?

(1) In the process of Kaizen improvements are accomplished in small increments.

(2) Kaizen requires little investment but great effort to maintain it.

(A) (1) & (2) False

(B) (1) False (2) True

(C) (1) True (2) False

(D) ✓ (1) & (2) True

(E) Answer not known

188. Which of the following is <u>not</u> an aspect of Kaizen philosophy?

(A) Process driven

(B) Quality awareness, quality control

(C) Standardisation

(D) ✓ Ineffective leadership

(E) Answer not known

189. Ankit Ltd uses Throughput Accounting System. The details of product A per unit are as under

Selling price – Rs. 75

Material cost – Rs. 30

Conversion cost – Rs. 20

Time to bottleneck resources 10 minutes. The return per hour for product 'A' is

(A) ✓ Rs. 270

(B) Rs. 40

(C) Rs. 30

(D) Rs. 20

(E) Answer not known

190. A company requires Rs. 55,00,000 in sales to meet its target net profit. Its contribution margin is 25% and fixed costs are Rs. 7,25,000. What is the target net profit?

(i) Rs. 6,25,000

(ii) Rs. 6,50,000

(iii) Rs. 7,25,000

(iv) Rs. 7,75,000

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

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

(E) Answer not known

191. Current market price of share - Rs. 100

Dividend paid – 10%

Growth in dividend expected 5% every year.

What is the cost of equity under dividend growth model?

(A) 12% (B) 10%

(C) 15% (D) 13%

(E) Answer not known

192. Different methods of valuation under cost approach includes :

(i) Replacement cost method

(ii) Reproduction cost method

(iii) Net present value method

(iv) Replacement cost method and reproduction cost method.

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

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

(E) Answer not known

193. Which of the following is/are true about Zero Coupon Bonds?

(i) Zero Coupon Bonds do not pay any coupon payment.

(ii) Zero Coupon Bonds pay a small coupon of upto 1% p.a.

(iii) Normally zero coupon bonds are issued at a discount and are redeemed at par.

(iv) The entire interest is accumulated and is paid at maturity.

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

194. Interest rate risk refers to the risk that bond prices will ———— as interest rates increase in the markets other things remaining constant.

(i) Rise

(ii) Stay constant

(iii) Fall

(iv) Rise or fall

(A) (i)
(B) (ii)
(C) (iii)
(D) (iv)
(E) Answer not known

195. Detailed guidance on accounting and valuation of Leases is provided by:-

(i) IND AS 19

(ii) IND AS 113

(iii) IND AS 116/17

(iv) IND AS 12

(A) (iii) (B) (iv)

(C) (i) (D) (ii)

(E) Answer not known

196. X Ltd. has Rs. 100 crores worth of common equity on its balance sheet comprising of 50 lakhs shares. The company's Market Value Added (MVA) is Rs. 24 crores. What is company's stock price?

(A) Rs. 230 (B) Rs. 238

(C) Rs. 248 (D) Rs. 264

(E) Answer not known

197. Choose the correct statement/s as regards valuation of Human Resources.

(i) Under cost approach, actual cost of recruiting, developing etc. are capitalised over the expected useful life of asset concerned

(ii) Income approach is applicable for skilled resources and considers contribution of resources to entity.

(iii) Income approach is applicable for skilled as well as unskilled resources.

(iv) Cost approach does not envisage amortisation.

(A) (i) and (ii) only

(B) (iii) and (iv) only

(C) (i) and (iii) only

(D) (ii) and (iii) only

(E) Answer not known

198. When prices show a rising trend, which one of the following methods of inventory valuation will result in lower income and lower valuation of inventory?

(i) FIFO

(ii) LIFO

(iii) Simple Average Method

(iv) Weighted Average Method

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

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

(E) Answer not known

199. What does Warren Buffet's Phrase "Price is what you pay and value is what you get" suggest?

(A) Price and value are always the same

(B) Price and value can be different

(C) Price is less important than value

(D) Price is more important than value

(E) Answer not known

200. The ———— elements of going concern value result from factors such as having a trained workforce, an operational plant, the necessary licenses, marketing systems, and procedures in place.

(i) Tangible

(ii) Intangible

(iii) Physical

(iv) Variable

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

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

(E) Answer not known

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