COMBINED TECHNICAL SERVICES EXAMINATION

(NON-INTERVIEW POST)

COMPUTER BASED TEST

DATE OF EXAM: 18.08.2026 AN

PAPER – II – FINANCIAL AND COST ACCOUNTANCY (INTERMEDIATE)

(CODE: 433)

1. MIS stands for

(A) Management Information System
(B) Monthly Information System
(C) Management Input System
(D) Monetary Information System
(E) Answer not known

2. Calculate credit sales during the Year

	Rs.
Opening Debtors	1,20,000
Closing Debtors	1,40,000
Cash Received	3,84,000
Sales Return	1,30,000

(A) Rs. 5,34,000
(B) Rs. 5,43,000
(C) Rs. 3,45,000
(D) Rs. 4,53,000
(E) Answer not known

3. Calculate cost of sales

Sales	27,20,000
Gross profit	25% on sales

(A) Rs. 27,00,000
(B) Rs. 72,20,000
(C) Rs. 20,40,000
(D) Rs. 6,80,000
(E) Answer not known

4. In departmental accounts, which method is used to allocate common expenses among different departments?

(A) Direct allocation method
(B) Absorption costing method
(C) Allocation based on sales
(D) Activity-based costing method
(E) Answer not known

5. In branch accounting, which method involves maintaining a separate set of books for each branch?

(A) Single Account Method
(B) Double Account Method
(C) Debtors Account Method
(D) Branch Ledger Method
(E) Answer not known

6. Advantages of Departmental Accounting are

1. Ascertainment of profit for each department separately
2. Comparative performance of each department separately
3. Remedial measures to take corrective action on poor performance

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

7. Amount given by the government for which no repayment expected is called

(i) Subsidy

(ii) Grant

(iii) Advance

(iv) Loan

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

8. According to the Co-operative Societies Act, 1912, who has the authority to approve the annual accounts of a co-operative society in India?

(A) The Board of Directors
(B) The Registrar of Co-operative Societies
(C) The General Body of members
(D) The Statutory Auditor
(E) Answer not known

9. On 1.4.2024, 'A' Ltd purchased machine for Rs. 10,00,000 and spent Rs. 2,00,000 for installation and Rs. 3,00,000 for insurance. Life of asset is 10 years with no scrap value. What is depreciation per year under straight line method?

(A) 1,50,000
(B) 1,20,000
(C) 2,00,000
(D) 3,00,000
(E) Answer not known

10. AS 10 deals with

(A) Valuation of Inventories

(B) Revenue Recognition

(C) ✓ Property, Plant and Equipment

(D) Employee benefits

(E) Answer not known

11. Find out fully taxable allowances under both regimes

(i) Entertainment Allowance

(ii) House rent Allowance

(iii) Allowances to High court Judges

(A) (i) and (ii) only

(B) ✓ (i) only

(C) (ii) only

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

(E) Answer not known

12. A person owns 2 houses. The details of the Interest paid on borrowings is as below :
House 1 – Let out – Rs. 5,00,000/-
House 2 – Self-occupied Rs. 3,00,000/-
Vacant Land – Empty Land held not let out – Rs. 20,000/-
How much of the interest on borrowings can be adjusted against rental income under income from house property?

(A) Rs. 8,20,000

(B) Rs. 8,00,000

(C) ✓ Rs. 7,00,000

(D) Rs. 4,00,000

(E) Answer not known

13. What is the maximum benefit that is available U/S 80TTB to a resident senior citizen on the bank interest earned?

(A) Rs. 10,000/-
(B) Rs. 1,50,000/-
(C) Rs. 75,000/-
(D) Rs. 50,000/-
(E) Answer not known

14. Where the entire block of depreciable asset is transferred after 36 months, there will be ————

(A) Short term capital gain
(B) Taxable income
(C) Long term capital gain
(D) Income from other sources
(E) Answer not known

15. Which of the following persons are eligible for presumptive taxation scheme U/S 44ADA?

(a) Lawyer
(b) Chartered Accountant
(c) Any professional/convenant
(d) Doctor

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

16. A Ltd (Who is a regular assessee) withdrawn an amount of Rs. 1,05,00,000 from a Bank on 1.10.2023. Determine the amount of tax to be deducted by Bank U/S 194 N of I.T. Act.

(A) Rs. 10,000
(B) Rs. 2,10,000
(C) Rs. 10,50,000
(D) No need to deduct TDS
(E) Answer not known

17. Due date of filing return of income by a co-operative society which is subject to audit

(A) 31st July
(B) 31st August
(C) 30th September
(D) 31st October
(E) Answer not known

18. Senior citizens who are in the age of 60 years or more not having ———— income need not pay advance Tax

(A) Capital gain
(B) Pension income
(C) Profit and gains of business or profession
(D) Interest income from deposits
(E) Answer not known

19. Advance tax is payable by a person during a financial year where the tax payable is ————

(A) Rs. 5,000 or more
(B) Less than Rs. 10,000
(C) Rs. 10,000 or more
(D) Less than Rs. 5,000
(E) Answer not known

20. TDS is not required to be deducted U/S 194 A if the amount of interest on loan does not exceed ————

(A) Rs. 5,000 in a financial year
(B) Rs. 2,500 in a financial year
(C) Rs. 7,500 in a financial year
(D) Rs. 20,000 in a financial year
(E) Answer not known

21. In the context of joint products, the cost incurred till the point of split -off is known as

(A) Joint cost
(B) Relevant cost
(C) Irrelevant cost
(D) Fixed cost
(E) Answer not known

22. The following are cost data for 2 alternative ways of processing clerical work for cases brought before the district court.

Monthly fixed cost (Rs)	Semi automatic	Fully automatic
Occupancy	15,000	15,000
Maintenance contract	5,000	10,000
Equipment lease	25,000	1,00,000
Unit variable cost (Rs) per report		
Supplies	80	20
Labour	60	20

Cost indifference point will be :

(A) 850 cases
(B) 800 cases
(C) 700 cases
(D) 750 cases
(E) Answer not known

23. Match correctly the formula for each of the following item.

(a)	Contribution	1.	Profit/P/V ratio
(b)	Margin of safety	2.	Fixed cost /P/V ratio
(c)	Break even point (Rs)	3.	$\frac{\text{Contribution}}{\text{Sales}} \times 100$
(d)	P/V ratio	4.	Fixed cost + Profit

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

(E) Answer not known

24. The costing method where factory overheads are added to the inventory is called _____

(i) Activity based costing

(ii) Absorption costing

(iii) Marginal costing

(iv) Standard costing

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

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

(E) Answer not known

25. Which of the following factors is responsible for change in break even point?

(i) Change in selling price

(ii) Change in variable cost

(iii) Change in fixed cost

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

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

(E) Answer not known

26. Which of the following assumptions are made while calculating marginal cost?

(i) Total fixed cost is constant at all levels of output.

(ii) Total variable cost varies according to the level of output.

(iii) All elements of cost can be divided into fixed and variable components.

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

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

(E) Answer not known

27. If margin of safety is Rs. 2,40,000 (40% of sales) and P/V ratio is 30%, calculate break even sales.

(i) Rs. 3,60,000

(ii) Rs. 3,65,000

(iii) Rs. 4,00,000

(iv) Rs. 7,20,000

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

28. When a concern uses more than one material in the process of production, the variance that arises is

(A) Material volume variance
(B) Material usage variance
(C) Material mix variance
(D) Material price variance
(E) Answer not known

29. The difference between standard profit and actual profit is _____

(A) Sales margin price variance
(B) Sales margin volume variance
(C) Sales margin mix variance
(D) Sales margin quantity variance
(E) Answer not known

30. Which of the following statements are true:

(i) In marginal costing, fixed costs are treated as product costs.

(ii) Marginal costing is not an independent system of accounting.

(iii) Marginal costing is not a technique of cost analysis.

(iv) In marginal costing all costs are divided into fixed and variable.

(A) (i) and (ii)

(B) (ii) and (iii)

(C) (i) and (iv)

(D) (ii) and (iv)

(E) Answer not known

31. Which of the following is a part of standard costing process?

(i) Comparison of standard and actual costs

(ii) Preparation and usage of standard costing tools

(iii) Analysis of variances

(A) (i) and (ii) only

(B) (i) and (iii) only

(C) (ii) and (iii) only

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

(E) Answer not known

32. Which of the following would not be used in estimating standard direct material price?

(i) Availability of bulk purchase discounts

(ii) Purchase contracts already agreed

(iii) The forecast movement of prices in the market

(iv) Performance standards in operations

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

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

(E) Answer not known

33. When sales and production units are same then profits under

(A) Marginal costing is lower than that of absorption costing

(B) Marginal costing is higher than that of absorption costing

(C) Marginal costing is equal to that of absorption costing

(D) Marginal costing is equal to that of operating costing

(E) Answer not known

34. Direct labour efficiency variance is computed by multiplying the

(A) Actual rate with difference between standard time for standard output and actual time

(B) Actual rate with difference between standard time for actual output and actual time

(C) Standard rate with difference between standard time for standard output and actual time

(D) Standard rate with difference between standard time for actual output and actual time

(E) Answer not known

35. Overhead cost variance can be classified into _____ overhead cost variance and _____ overhead cost variance.

(A) Fixed, variable
(B) Budgeted, actual
(C) Efficiency, volume
(D) Standard, actual
(E) Answer not known

36. Find out the correct statements

(a) Variable cost vary totally in direct proportion to the volume of output

(b) Fixed cost vary totally in direct proportion to the volume of output

(c) Fixed cost per unit of production varies with the volume

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

37. Match the following expenses with their right basis of apportionment :

(a)	Stores service expenses	1.	Number of female employees
(b)	Welfare department expenses	2.	Floor space area
(c)	Creche expenses	3.	Value of materials consumed
(d)	Rent and Rates	4.	Number of employees

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

(E) Answer not known

38. Under step method of reapportionment of cost of service departments, the cost of the last service department is apportioned

(A) First production department only

(B) To the other service department

(C) To both production and other service departments

(D) Only to the production departments

(E) Answer not known

39. Overhead is assigned to production as well as service departments by

(A) Allocation

(B) Apportionment

(C) Absorption

(D) ✔ Allocation and apportionment

(E) Answer not known

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

(1) When amount of under or over absorbed overheads is negligible it is disposed off by transfer to costing profit and loss account

(2) The process of grouping costs according to their common characteristics is called cost classification.

(A) (1) and (2) are false

(B) (1) true (2) false

(C) (1) false (2) true

(D) ✔ (1) and (2) are true

(E) Answer not known

41. Bases for apportionment of overheads for credit department is _____ and for purchase department is _____

(A) No. of units sold, purchase discount

(B) No. of employees, floor area

(C) Works cost, no. of employees

(D) ✔ Credit sales, number of purchase orders in value

(E) Answer not known

42. Calculate inventory carrying cost from the following :

Price of material Rs. 50 per unit.

Annual return on investment – 10%

Rent, insurance, tax per unit per year – Rs. 18

(A) Rs. 13
(B) Rs. 23
(C) Rs. 68
(D) Rs. 6.80
(E) Answer not known

43. Choose the true statements about "the valuation of material issues".

(i) Issues shall be valued using appropriate methods such as FIFO, LIFO, weighted average on a consistant basis.

(ii) Any abnormal cost shall not be excluded from material cost

(iii) Where materials are accounted at standard cost, the price variances related to materials shall be treated as part of material cost.

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

44. During times of inflation, the methods of pricing issues which shows lower material cost of a job or work order is

(A) Specific price method
(B) Standard price method
(C) FIFO
(D) LIFO
(E) Answer not known

45. State True or False.

1. Normal wastage is unavoidable on account of inherent nature of material
2. Abnormal wastage should be transferred to costing profit and loss account

(A) (1) True (2) False
(B) (1) and (2) False
(C) (1) and (2) True
(D) (1) False (2) True
(E) Answer not known

46. State True or False.

(1) A material returned note is prepared when materials are transferred from one department to other.

(2) Five copies of the goods received note is prepared on completion of the inspection of materials purchased.

(A) (1) True (2) False
(B) (1) False (2) True
(C) (1) and (2) True
(D) (1) and (2) False
(E) Answer not known

47. State True or False.

(1) Under ABC analysis of material control 'A' stands for highest number of items with lowest value

(2) Material control aims at achieving effective materials management

(3) Material control involves two aspects namely accounting and operational aspects

(A) (1) and (2) False (3) True

(B) ✔ (1) False (2) and (3) True

(C) (1), (2) and (3) false

(D) (1) (2) and (3) True

(E) Answer not known

48. Two levels of material control that exist are _____ and _____

(A) Quality control & Quantity control

(B) Quality control & Purchase control

(C) ✔ Quantity control & Financial control

(D) Purchase control & Quality control

(E) Answer not known

49. Choose the advantages of having "Centralized Stores" system

(i) The risk of obsolescence of stores can be minimized

(ii) Investment in stocks can be minimised

(iii) Economizing on space, personnel and equipments

(iv) Better supervision is certainly possible

(A) (i), (ii) only

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

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

(D) ✓ (i), (ii), (iii) and (iv)

(E) Answer not known

50. Calculate labour turnover according flux method

No. of workers at the beginning – 3800

No. of workers at the end – 4200

During the year 40 workers leave, 160 were discharged. 600 workers are required during the year. Of these 150 workers are recruited because of leavers and the rest are engaged in an expansion scheme

(A) 3.75%

(B) 12%

(C) ✓ 20%

(D) 12.75%

(E) Answer not known

51. Calculate earnings of a worker based on Taylor's differential piece rate system in a day of 8 hours. Standard time allowed 20 units per hour. Normal time rate Rs. 30 per hour.

Actual units produced is 100.

Differential rate to be applied – 80% of piece rate when below standard. 120% piece rate when rate at above standard

(A) 140

(B) 156

(C) ✔ 120

(D) 210

(E) Answer not known

52. Select the correct options for labour turnover causes

(i) Unsuitability of job is an avoidable cause

(ii) Discharge due to continued or long absence is avoidable causes

(iii) Low pay is an avoidable cause

(iv) Discharge due to disciplinary grounds, an unavoidable cause

(A) (i), (ii), (iii), (iv) are correct

(B) ✔ (i), (iii), (iv) are correct

(C) (i), (ii), (iii) are correct

(D) (i) and (iv) are correct

(E) Answer not known

53. Calculate wages under Halsey plan

Rate : Rs. 1.50 per time allowed 20 hrs Time taken 15 hours

(A) Rs. 25.26

(B) ✔ Rs. 26.25

(C) Rs. 25

(D) Rs. 26

(E) Answer not known

54. The normal working hours per week is fixed at 44 hours in a factory. During a week, a worker worked 43 hours (including 4 hours overtime) on production and remained idle for the remaining 5 hours due to machine break down. Normal wage rate per hour is Rs. 5. Overtime rate is 150% of the normal wage rate and rate of wages for idle time is 80% of the normal rate Total wages payable to the worker is _____

(A) Rs. 254

(B) Rs. 250

(C) ✔ Rs. 245

(D) Rs. 240

(E) Answer not known

55. Which one of the following factor is <u>most</u> <u>important</u> for reducing labour cost per unit?

(A) low wage rates

(B) ✔ higher input – output rates

(C) strict control and supervision

(D) longer hours of work

(E) Answer not known

56. The purpose of internal audit is to determine the liabilities of

(A) Sundry creditors
(B) ✔ Employees
(C) Debtors
(D) External auditors
(E) Answer not known

57. Which of the following is a key feature of an effective internal check system?

(A) Centralized control over all accounting records
(B) ✔ Segregation of duties among employees
(C) Regular employee performance review
(D) Frequent changes in accounting software
(E) Answer not known

58. Which of the following is incorrectly paired?

(1)	IFC–FR	–	Internal Financial Controls Over Financial Reporting
(2)	RBIA	–	Risk Based Internal Auditing
(3)	IFC	–	Internal Financial Check
(4)	MOA	–	Memorandum Of Association

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

59. Which one of the below is a current audit file?

(A) ✔ Audit programme

(B) Notes regarding significant accounting policies

(C) Analysis of significant ratios and trends

(D) Memorandum and Articles of association of a company

(E) Answer not known

60. Identify the most appropriate statement in respect of an audit report

(A) Management is responsible to prepare the financial statements

(B) Audit report is used by members, shareholders and stakeholders

(C) ✔ Audit report is an opinion drawn on an entity's financial statements to give a true and fair view

(D) Audit report can be given by audit staff

(E) Answer not known

61. In an audit planning, what is the main role of a preliminary audit engagement activity?

(A) Helps auditor to know the client's business

(B) Helps auditor to allocate audit staff

(C) Obtain initial information of client's accounting system

(D) ✔ Helps to identify events that may affect audit planning

(E) Answer not known

62. Documentation refers to the working papers kept by _____ in connection with _____

(A) Auditor, audit work
(B) Management, audit work
(C) Auditor, financial reporting
(D) Management, financial reporting
(E) Answer not known

63. Choose the right answer among the components of audit risks.

(a) Inherent risk
(b) Control risk
(c) Detection risk

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

64. What is the primary purpose of audit working papers?

(A) To prepare financial statements for the client
(B) To provide evidence for the audit procedures performed and conclusions reached
(C) To communicate with the client regarding audit findings
(D) To determine the audit fees
(E) Answer not known

65. Which method is used to obtain audit evidence through confirmation directly from third parties

(A) Inquiry

(B) Inspection

(C) ✔ Confirmation

(D) Recalculation

(E) Answer not known

66. Points to be considered while auditing the element of ROOM SALES during the audit of a hotel

(i) Charge for room sales posted to guest bills

(ii) Compliance with provisions of FEMA and RBI

(iii) Special emphasis laid on through debit card receipts

(iv) Ensure proper valuation of occupancy in progress

(A) (i), (ii)

(B) ✔ (i), (ii), (iv)

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

(D) (i), (iii)

(E) Answer not known

67. The auditor of a co-operative society is appointed by

(a) Registrar of companies

(b) Shareholders of the company

(c) Member of co-operative society

(d) Registrar of Co-operative societies

(A) (a)

(B) (b)

(C) (c)

(D) ✓ (d)

(E) Answer not known

68. What is one of the key standard an auditor must adhere to when auditing co-operative societies according to Indian auditing practices?

(A) Indian Accounting Standards (Ind AS) 2

(B) Indian Standards on Auditing (ISA) 300

(C) ✓ Indian Standards on Auditing (ISA) 315

(D) Indian Accounting Standards (Ind AS) 7

(E) Answer not known

69. What is key area of focus for auditors when auditing Municipal Accounts?

(A) The effectiveness of public health programs

(B) ✓ Compliance with Municipal financial regulations and budgetary controls

(C) The quality of local educational institutions

(D) The Municipality's infrastructure development projects

(E) Answer not known

70. In respect of NGO organisations, donations and grants received in the nature of promotor, contribution are to be treated as _____.

(A) Investments
(B) Assets
(C) Capital Receipts
(D) Revenue Receipts
(E) Answer not known

71. Which of the following best describes the secondary/incidental objectives of auditing?

(A) Report the correct financial position of an entity for a financial year
(B) Report the correct profit or loss for a financial year
(C) Detection & Prevention of frauds
(D) Identify if financial statements are free from mis-statements
(E) Answer not known

72. What does the term 'Scope of Auditing' primarily refer to?

(A) The range of financial statements covered
(B) The depth of internal controls tested
(C) The extent and limitations of audit procedures
(D) The auditor's opinion on financial statements
(E) Answer not known

73. Which of the following type of audit that evaluates asset safeguarding, data integrity, system effectiveness and system efficiency in computer based information systems?

(A) Continuous Audit
(B) Information System Audit
(C) Efficiency Audit
(D) Management Audit
(E) Answer not known

74. Which of the following is the most important element of auditing?

(A) Examination
(B) Verification
(C) Expression of opinion
(D) Independence
(E) Answer not known

75. An incisive analysis of meaning of auditing brings out the following :

(i) Audit is an independent examination of financial information

(ii) The entity is need not necessarily be profit oriented

(iii) The purpose of Audit is to express an opinion on the financial statements

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

76. Dupont Analysis deals with :

(i) Analysis of Current Assets

(ii) Analysis of profit

(iii) Capital budgeting

(iv) Analysis of Fixed Assets

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

77. Which of the following is not tool for financial statement analysis?

(A) Common size statement
(B) Comparative statement
(C) Trend Analysis
(D) Journal Entry
(E) Answer not known

78. Which of the following is not the reason for conflict of result under NPV and IRR?

(A) The projects require different cash outlays

(B) The projects have unequal lines

(C) The projects have different patterns of cash flows

(D) Acceptance or rejection of proposal under both of them is based on the actual return being higher than the cut-off rate

(E) Answer not known

79. Cost of capital may be defined as :

(i) Weighted Average Cost of all debts

(ii) Rate of return expected by equity shareholders

(iii) Average IRR of the projects of the firm

(iv) Minimum rate of return that the firm should earn

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

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

(E) Answer not known

80. Formula for finding cost of equity – K_e is

(A) $K_e = \frac{D_1}{P_0} + g$ (B) $K_e = \frac{D_1}{P_1} + g$

(C) $K_e = \frac{D_0}{P_1} + g$ (D) $K_e = \frac{D_0}{P_0} + g$

(E) Answer not known

81. Which of the following incorrectly paired?

1. Kd – Cost of debt
2. Ke – Cost of equity
3. Kp – Cost of policy
4. Kr – Cost of resource

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

82. Sona Ltd. issued 12% irredeemable debenture at Rs.103, at a Rs.3/- premium to their par value of Rs.100. The current market price of the debenture is Rs.94. Corporate tax 35%, then the current cost of irredeemable debenture is _____

(A) 5.00%
(B) 8.30%
(C) 7.30%
(D) 9.30%
(E) Answer not known

83. In financial analysis _____ represents the influence of one financial variable over some other related financial variable.

(A) Business Risk
(B) Leverage
(C) Financial Risk
(D) Analytical Risk
(E) Answer not known

84. Which of the following statement/s is/are true?

(i) In general, manufacturing enterprises require higher working capital than trading firms.

(ii) The longer the production cycle, the higher is the working capital required.

(iii) There is a positive correlation between level of business activity and working capital needs of the firm.

(iv) A firm should carry higher working capital than required to execute smoothly its planned level of business activity.

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

85. Spontaneous financing consists of :

(i) a line of credit

(ii) short term loans

(iii) accounts receivable

(iv) accounts payable

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

86. Net working capital means

(A) Current Asset – Current liability

(B) Portion of current assets which is financed with long term funds

(C) ✔ Both (A) and (B)

(D) Current Asset – Trade receivables

(E) Answer not known

87. _____ is the time when a cheque is carried by post messenger service or other means of delivery.

(A) Billing Float

(B) Cash Float

(C) Bank Float

(D) ✔ Mail Float

(E) Answer not known

88. _____ is the quantity of material for which purchase requisition is made considering the minimum level of stock, re-order level, delivery time and cost.

(A) Re-order level

(B) ✔ Re-order quantity

(C) Economic ordering quantity

(D) Maximum level

(E) Answer not known

89. Which is/are the objective of investment decision?

(i) Selection of long-term assets which yield return over a period of time in future

(ii) Selection of short-term liabilities which will reduce the working capital burden

(iii) Selection of short-term assets which in the normal course of business are convertible into cash

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

90. Which of the following model maximises the value of shareholder

(A) Working capital
(B) Accounting profit
(C) Market value
(D) Liquidity
(E) Answer not known

91. How long it will take for an investment of Rs. 20,000 to double at a compound rate of 8% per annum. (After to near digit)

(A) 7 years
(B) 9 years
(C) 12 years
(D) 14 years
(E) Answer not known

92. _____ is a condition basically means inability of a firm to repay various debts and is a result of continuous financial distress.

(A) Conviction
(B) Agency Problem
(C) Minor
(D) Insolvency
(E) Answer not known

93. A proposal is not a capital budgeting proposal, if it

(i) is related to fixed assets

(ii) brings long term benefits

(iii) brings short term benefits only

(iv) has very large investment

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

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

(E) Answer not known

94. Output 52000 units
Cost of raw material 400 p.u.
Raw material in stock-Avg. 4 weeks
Calculate value of raw material

(A) Rs. 12,50,000 (B) Rs. 16,00,000

(C) Rs. 34,00,000 (D) Rs. 24,00,000

(E) Answer not known

95. If the NPV is positive or atleast equal to zero, the project can be

(i) break even situation

(ii) accepted or rejected

(iii) accepted

(iv) rejected

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

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

(E) Answer not known

96. Choose the correct among the following :

Project having

(i) Higher NPV is always choosen

(ii) Project having lower P.B.P. (Ploughing Back of Profits) is always choosen

(iii) Project have lower P.I. (Profitability Index) is always choosen

(A) (i) only correct

(B) (i) & (ii) are correct

(C) (i), (ii), (iii) are correct

(D) (i) & (iii) are correct

(E) Answer not known

97. A project has an initial investment of Rs. 2,00,000/-. It will produce cash flows after tax of Rs. 50,000 per year for six years. Compute pay back period for project.

(A) 6 years

(B) 2 years

(C) 4 years

(D) 8 years

(E) Answer not known

98.

Gross profit	Rs. 54,000
Gross profit margin	20%
Calculate sales	?

(A) Rs. 1,08,000

(B) Rs. 2,70,000

(C) Rs. 10,800

(D) Rs. 2,00,000

(E) Answer not known

99. There are three possible machines suitable for an engineering company which it wants to purchase. Their details are as follows. Capital cost Rs. 3 lakhs each for all 3 machines.

Particulars	Machines		
	1	2	3
	Rs.	Rs.	Rs.
Sales (@ standard price)	5,00,000	4,00,000	4,50,000
Net cost of production			
Mat, Labour & Overhead	1,50,000	1,30,000	1,20,000
Admin. & Selling cost	30,000	20,000	25,000

Calculate profit for all 3 machines before depreciation. Ignore interest.

(A) Rs. 3,20,000, Rs. 2,50,000, Rs. 3,05,000
(B) Rs. 1,20,000, Rs. 1,50,000, Rs. 1,55,000
(C) Rs. 2,00,000, Rs. 1,00,000, Rs. 1,50,000
(D) Rs. 5,00,000, Rs. 4,00,000, Rs. 4,50,000
(E) Answer not known

100. The difference between present value of cash inflows and outflows is called as _____?

(A) Average rate of return
(B) Weighted average cost of capital
(C) Net present value
(D) Internal rate of return
(E) Answer not known

101. High proportion of gearing will increase the

(i) Financial risk

(ii) Business risk

(iii) Cost of funds

(iv) Shareholder's equity

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

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

(E) Answer not known

102. When the concept of ratio is defined in respect to the items shown in the financial statements, it is termed as

(i) Accounting ratio

(ii) Financial ratio

(iii) Costing ratio

(iv) Historical ratio

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

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

(E) Answer not known

103. Purchase of building by issue of shares of a company as consideration. State the effect of the above transaction in cash flow statement.

(A) Cash outflow under investing activities

(B) Cash outflow under financing activities

(C) No effect in the cash flow statement

(D) Cash outflow under operating activities

(E) Answer not known

104. Dividend paid to equity and preference shareholders Rs. 50,000 by X Ltd, a financial institution is classified under

(A) Cash outflow from operating activities

(B) ✔ Cash outflow from financing activities

(C) Cash outflow from investing activities

(D) Not a cashflow at all

(E) Answer not known

105. Calculate current ratio and acid test ratio :

Current assets	Rs. 1,45,000
Stock	Rs. 77,700
Current liabilities	Rs. 43,100

(A) 3.26 & 1.75 (B) ✔ 3.36 & 1.56

(C) 1.56 & 1.75 (D) 3.5 & 1.5

(E) Answer not known

106. Budget can be classified as ———— and ———— on the basis of capacity

(A) Cash budget, Labour cost Budget

(B) Functional Budget

(C) ✔ Fixed Budget, Flexible Budget

(D) Purchase Budget

(E) Answer not known

107. State True or False :

(1) Zero based budgeting is based on incremental approach.

(2) Zero base budgeting is most appropriate for staff & support areas.

(A) (1) true (2) false

(B) Both (1) & (2) true

(C) Both (1) & (2) false

(D) ✓ (1) false (2) true

(E) Answer not known

108. Zero based budgeting is an activity based budgeting system where budgets are prepared for _____ rather than _____.

(A) Corporate, Non-corporate

(B) Local bodies, Profit-organisations

(C) Management, Employees

(D) ✓ Each activities, Functional department

(E) Answer not known

109. Advantage of adopting zero based budgeting is that it focuses on _____

(A) ✓ Programmes or activities instead of functional departments based on line items

(B) Not focused on programmes or activities

(C) Focused on functional departments

(D) Focused on line items only

(E) Answer not known

110. Zero based Budgeting concept was conceived and designed its logical framework in 1970 by _____ who is also known as father of zero base budgeting.

(A) Alfred Marshall
(B) Peter A. Pyhrr
(C) P.C. Mahalanobis
(D) Tammy Barton
(E) Answer not known

111. Sales in January Rs. 3,00,000 credit sales are 80% credit period is 2 months amount may be collected in March is _____

(A) Rs. 50,000
(B) Rs. 2,40,000
(C) Rs. 40,000
(D) Rs. 2,00,000
(E) Answer not known

112. Find fixed cost at output at 60% and 100%.

	60%	100%
Production in units	600	1000
Maintenance	1100	1500
Power and fuel	1600	2000

(A) Maintenance 500, power and fuel 1000
(B) Maintenance 600, power and fuel 800
(C) Maintenance 500, power and fuel 900
(D) Maintenance 400, power and fuel 1000
(E) Answer not known

113. A factory which expects to operate 5000 hours (ie) at 50% level of activity furnishes details of expenses as under

Variable exp.	Rs.1,200
Semi Variable exp.	Rs.1,000
Fixed expenses	Rs.1,500

The semi variable expenses go up by 10% between 80% and 95% activity and by 20% above 95% activity. Prepare a flexible budget for 100% activities.

(A) Rs.4,700 (B) Rs.3,800

(C) Rs.4,800 (D) Rs.5,100

(E) Answer not known

114. Practice of preparing a budget for the year well in advance and a new budget after the end of each month / quarter for a full year ahead, is called _____.

(A) long term budget (B) rolling budget

(C) short term budget (D) current budget

(E) Answer not known

115. The following budget estimates are available from a factory working at 50% of its capacity.

Variable expenses	Rs.60,000
Semi-Variable exp.	Rs.20,000
Fixed expenses	Rs.50,000

Prepare a budget for 75% of the capacity assuming that semi-variable expenses increases by 10% for every 35%

(A) Rs.90,000
(B) Rs.1,22,000
(C) Rs.1,60,000
(D) Rs.30,000
(E) Answer not known

116. In a system whereby all activities are revaluated each time a budget is formulated and starts with the assumption that requirement of funds does not exist is called

(A) Performance budgeting
(B) Programme budgeting
(C) Flexible budgeting
(D) Zero based budgeting
(E) Answer not known

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

(1) Budgetory control helps in obtaining the most profitable combination of different factors of production resulting in optimum mix

(2) Budgetory control helps in avoiding the possibility of over and under capitalisation

(A) (1) and (2) false

(B) (1) false, (2) true

(C) ✓ (1) and (2) true

(D) (1) true, (2) false

(E) Answer not known

118. Managements who have developed a well ordered budget plan and who operate accordingly receive greater favour from _____

(A) Central Government

(B) State Government

(C) ✓ Credit Agencies

(D) Financial Consultants

(E) Answer not known

119. Budgetory control has become an essential tool of Management for _____ and _____.

(A) controlling profits and maximizing cost

(B) controlling cash and minimizing profits

(C) controlling costs and minimizing profits

(D) ✓ controlling costs and maximizing profits

(E) Answer not known

120. State which of the following statements are True/false?

(1) As the budget is always based on estimates, any error in estimates may lead to far reaching effects

(2) Budgeting is only a tool of Management but it cannot replace Management

(A) (1) and (2) false

(B) ✔ (1) and (2) true

(C) (1) false, (2) true

(D) (1) true, (2) false

(E) Answer not known

121. In comparing a fixed budget with a flexible budget, what is the reason for the difference between the profit figures in the two budgets?

(A) ✔ different levels of activity

(B) different levels of spending

(C) different levels of efficiency

(D) the difference between actual and budgeted performance

(E) Answer not known

122. The number of units in the sales budget and the production budget may differ because of change in

(A) ✔ finished goods inventory levels

(B) overhead charges

(C) direct material inventory levels

(D) sales returns and allowances

(E) Answer not known

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

(1) Plant utilization budget is expressed in terms of convenient physical units as weight or number of products or working hours

(2) Capital expenditure budget gives an estimate of the amount of capital needed for acquiring the fixed assets

(A) (1) true, (2) false

(B) (1) false, (2) true

(C) ✔ (1) and (2) true

(D) (1) and (2) false

(E) Answer not known

124. Financial budgets are concerned with

(A) operating and physical activities

(B) inventory levels and break even analysis

(C) investment and control activities

(D) ✔ financial position and results of operations

(E) Answer not known

125. Budgets are an important tool of

(A) ✔ Profit planning

(B) Standard costing

(C) Marginal costing

(D) Decision making

(E) Answer not known

126. _____ determines the priorities of functional budgets.

(A) shortage of cash
(B) ✔ principal budget factor
(C) responsibility centre
(D) summary budget
(E) Answer not known

127. Operation budgets normally cover a period of

(A) one to ten years
(B) one to two years
(C) one to five years
(D) ✔ one year or less
(E) Answer not known

128. Identify the items which are semi variables

Wages, Insurance, Maintenance, Power and fuel

(A) Maintenance and wages
(B) Insurance and Maintenance
(C) ✔ Maintenance, Power and fuel
(D) Power and fuel, wages
(E) Answer not known

129. What are all components of Budgetary control system?

(1) Physical budget

(2) Cost budget

(3) Rigid document

(4) Co-operation

(A) (1) and (4)

(B) (3) and (4)

(C) (1) and (2)

(D) (2) and (4)

(E) Answer not known

130. Sales budget is a _____

(A) Functional budget

(B) Master budget

(C) Expenditure budget

(D) Fixed budget

(E) Answer not known

131. Which of the following are True/False?

(1) Standards are based on technical assessments

(2) Budgets are based on past actual adjusted to future trends

(A) (1) and (2) false

(B) (1) false, (2) true

(C) (1) and (2) true

(D) (1) true, (2) false

(E) Answer not known

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

(1) Budgeting can be operated without standard costing

(2) Standard costing can be operated without budgetory control

(A) (1) true, (2) false

(B) (1) and (2) false

(C) (1) and (2) true

(D) (1) false, (2) true

(E) Answer not known

133. Efficiency ratio is

(a) The extent of actual working days avoided during the budget period

(b) Activity ratio / Capacity ratio

(c) Whether the actual activity is more (or) less than budgeted activity

(d) Whether actual activity was more (or) less than the budgeted capacity

(A) (b) alone true

(B) (c), (d) alone true

(C) (d), (a) alone true

(D) (a) true

(E) Answer not known

134. State whether True or False :

(1) Budget is a projection of Financial accounts

(2) Standard cost is a projection of cost accounts

(A) (1) true, (2) false

(B) (1) false, (2) true

(C) both (1) and (2) false

(D) both (1) and (2) true

(E) Answer not known

135. State whether True or False

1. Budgetory control system and standard costing system are inter related and not inter dependent.

2. Budgetory control system cannot function effectively without the standard costing system

(A) (1) True and (2) False

(B) Both (1) and (2) True

(C) Both (1) and (2) False

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

(E) Answer not known

136. Items only appearing in cost accounts.

(i) Notional interest on capital

(ii) Profit on sale of assets

(iii) Notional Interest of owned premises

(iv) Loss due to scrapping of plant and machinery

(A) (i) and (ii) only

(B) (i) and (iii) only

(C) (i) and (iv) only

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

(E) Answer not known

137. A Truck starts with a load of 10 tonnes of goods from station P. It unloads 4 tonnes at station Q and rest of goods at station R. It reaches back to P with empty. Distance between P to Q, Q to R, R to P are 40 kms, 60 kms and 80 kms. What is absolute tonne km?

(A) 640
(B) 760
(C) 500
(D) 800
(E) Answer not known

138. The method of costing used in case of GAS company is termed as

(A) Operating
(B) Job
(C) Process
(D) Batch
(E) Answer not known

139. In case of steam company the cost per unit is calculated on the basis of

(A) Total quantity of lbs produced
(B) Total quantity of kWh generated
(C) Total quantity of tonnes produced
(D) Total kilometers travelled
(E) Answer not known

140. Which of the following statement is true?

(A) Job costing can be used for concerns producing any specific product uniformly

(B) Job costing cannot be applied in companies applying standard costing

(C) Job cost sheet may prepared to facilitate routing and scheduling jobs

(D) Neither (A) nor (B) nor (C)

(E) Answer not known

141. Cost plus contract is usually entered into those cases where

(A) Cost can be easily estimated

(B) Cost of certified & uncertified work

(C) Cost of certified, uncertified & amount of profit transferred to P & L a/c

(D) Determination of contract cost with reasonable accuracy is not possible

(E) Answer not known

142. A process account is debited by abnormal gain, the value is determined as

(A) Equal to the value of the good units less closing stock

(B) Equal to the value of normal loss

(C) Cost of good units less realisable value of normal loss

(D) Cost of good units less realisable value of actual loss

(E) Answer not known

143. From the following information, compute the profit to be taken to profit and Loss Account.

Estimated total profit	–	Rs. 40,000
Value of work certified	–	Rs. 75,000
Contract price	–	Rs. 1,00,000

(A) Rs. 30,000 (B) Rs. 40,000
(C) Rs. 75,000 (D) Rs. 1,00,000
(E) Answer not known

144. Which of the following items is not included in the preparation of the cost sheet or statement of cost?

(a) Carriage Inwards
(b) Purchase Returns
(c) Sales commission
(d) Interest paid

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

145. State whether the statements are True or False

(1) Abnormal cost is not normally incurred at a given level of output
(2) It is a part of cost of production

(A) Both (1) and (2) True (B) Both (1) and (2) False
(C) (1) False (2) True (D) (1) True (2) False
(E) Answer not known

146. The type of process loss that should not affect the cost of inventory value is

(A) Abnormal loss
(B) Normal loss
(C) Seasonal loss
(D) Standard loss
(E) Answer not known

147. Third entry method may be used in case of

(A) Non Integrated system of accounting
(B) Both Integrated & non integrated system of accounting
(C) Cost Ledger accounting
(D) Integrated system of Accounting
(E) Answer not known

148. Gross works cost stands for

(A) Works cost as adjusted by stock of WIP
(B) Works cost before adjusting stock of WIP
(C) Works cost after adjusting finished goods
(D) Prime cost plus factory expenses & Administration Expenses
(E) Answer not known

149. What is a cost Ledger control account?

(A) An account in the cost ledger to record financial accounting items
(B) An account in the financial ledger to record cost accounting items
(C) An account that summarises outstanding Payable balances
(D) An account that summarises outstanding Receivable balances
(E) Answer not known

150. For the purpose of cost sheet preparation, cost are classified based on

(A) Functions
(B) Relevance
(C) Variability
(D) Nature
(E) Answer not known

151. As per ESI 1948 Act, ESI fund consist of ————————.

(a) Contribution

(b) Grants from Central Government

(c) Donations

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

152. As per Employers PF Act 1952, provides the following pension under Employees' Pension scheme

(1) Superannuation pension

(2) Widow or Widower's pension

(3) Children pension or orphan pension payable to the beneficiaries of employees

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

153. Employees' provident funds and Miscellaneous Act is applied to every establishment which is a factory engaged in any industry specified in schedule I and in which

(i) 10 or more persons are employed

(ii) 20 or more persons are employed

(iii) 50 or more persons are employed

(iv) 100 or more persons are employed

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

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

(E) Answer not known

154. For every completed year of service or part thereof in excess of 6 months, the employer shall pay Gratuity to an employee at the rate of ———— wages based on the rate of wages last drawn by the employee concerned

(i) 7 days (ii) 15 days

(iii) 21 days (iv) 30 days

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

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

(E) Answer not known

155. As per payment of Gratuity Act, Gratuity shall be payable to an employee on termination after rendering continuous service for not less than 5 years in following cases

(1) on his superannuation

(2) on his retirement

(3) on his resignation

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

156. As per payment of Gratuity Act, forfeiture of Gratuity on following circumstances.

(A) Termination due to willful omission or negligence covering damage/destruction of office property

(B) Termination due to riotous or disorderly conduct

(C) Termination due to any act which constitutes an offence involving moral turpitude

(D) ✔ All of the above

(E) Answer not known

157. If a seller makes use of pretended bidding at an auction to raise the price, it is

(i) Voidable at the option of buyer

(ii) Void

(iii) Valid

(iv) Illegal

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

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

(E) Answer not known

158. In a sale, if the goods are destroyed the loss falls on

(A) The buyer

(B) The seller

(C) Partly on the buyer and partly on the seller

(D) The seller if price has not been paid

(E) Answer not known

159. Which of the following statement is not true?

(i) An agent is not personally liable for acts done by him within the scope of his authority

(ii) Principal is liable for wrongful acts of his agent done within the scope of his authority

(iii) An independent contractor is personally liable for the acts done by him while working for his employer

(iv) A bailor is personally liable for the acts of bailee

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

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

(E) Answer not known

160. If a new contract is substituted in place of an existing contract, it is called

(i) Alteration

(ii) Substitution

(iii) Novation

(iv) Remission

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

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

(E) Answer not known

161. When one of the parties makes a breach of contract, the remedies available to the parties are

(i) Remedy by way of damages

(ii) Quantum meruit

(iii) Specific performance and injunction

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

162. A person is usually of unsound mind, but occassionaly of sound mind _____ can be enter into a contract?

(A) He may enter into a contract when he is of sound mind
(B) He may not make a contract even when he is of sound mind
(C) He cannot enter into a contract at all
(D) The contract entered is voidable
(E) Answer not known

163. As per Bonus Act, the Bonus is payable to every employee who has put in atleast _____ days of work in an accounting year.

(A) 15 days
(B) 30 days
(C) 45 days
(D) 60 days
(E) Answer not known

164. As per code on wages 2019, wage means

(i) Basic pay

(ii) Dearness Allowance

(iii) Retaining Allowance

(iv) Any Bonus Payable

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

165. As per Tamilnadu transparency in Tender Rules 2000, minimum time for submission & Tender document is _____ days for tender upto two crores and _____ day for tender in excess of Rs. two crores.

(A) 30 days & 45 days
(B) 10 days & 20 days
(C) 15 days & 30 days
(D) 15 days & 25 days
(E) Answer not known

166. As per Tamil Nadu Transparency in Tender Rules 2000, _____ means a contract under which the tenderer is required to supply, erect, test and commission the equipment at the place specified by Procuring Entity.

(A) Fixed Rate Contract
(B) Supply and Installation Contract
(C) Prequalified Contract
(D) Demanded Supply Contract
(E) Answer not known

167. A 'Promissory note' is an instrument in writing (not being a bank note or a currency note) containing an unconditional undertaking, signed by the maker, to pay a certain sum of money only to, or to order of, a certain person, or to the bearer of the instrument.

The person who makes the promissory note and promises to pay is called

(A) Maker
(B) Payee
(C) Order of payee
(D) Bearer
(E) Answer not known

168. A negotiable instrument should be presented for payment to the party who is

(A) Primarily liable
(B) Secondarily liable
(C) Willing to make payment
(D) Capable of making payment
(E) Answer not known

169. A bill or note which is payable as follows is called a 'time instrument'

(a) after a fixed period

(b) after sight

(c) on a specified day

(d) as on the happening of an event which is certain to happen

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

170. After the dishonour of a negotiable instrument, the holder may get the fact of dishonour authenticated by a Notary Public. The 'noting' may be done in the case of

(a) Promissory note

(b) Bill of exchange

(c) Cheque

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

171. Match the following returns with its respective due dates

(a)	GSTR–1	1.	20th of next month
(b)	GSTR–8	2.	31st Dec of next financial year
(c)	GSTR–9	3.	10th of next month
(d)	GSTR–3B	4.	11th of next month

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

(E) Answer not known

172. ABC Ltd. has opted for Quarterly return monthly payment scheme and they are registered in Tamil Nadu. What is the due date of filing GSTR–1 and GSTR–3B?

(A) 13th of the month following every quarter and 20th of the month following every quarter

(B) ✓ 13th of the month following every quarter and 22nd of the month following every quarter

(C) 11th of the month following every quarter and 24th of the month following every quarter

(D) 11th of the month following every quarter and 20th of the month following every quarter

(E) Answer not known

173. The first return shall be filed by every registered taxable person for the period from _____.

(A) ✓ The date on which he become liable for registration till the date of grant of registration

(B) The date of registration to last day of that month

(C) The date on which he become liable for registration till the last day of that month

(D) All of the above

(E) Answer not known

174. In case of indirect tax, impact and incidence of tax falls on _____?

(A) One person

(B) ✓ Different persons

(C) State Government

(D) Any of the above

(E) Answer not known

175. The GST on supply of _____ products would be levied from a later date on the recommendation by GST council.

(A) Medicinal products
(B) Tobacco products
(C) ✓ Petroleum products
(D) Coir products
(E) Answer not known

176. Who is empowered to make law for matters containing in the List II of Schedule VII of the constitution of India?

(a) State Government
(b) Central Government
(c) Both Central Government and State Govt. together
(d) Supreme Court

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

177. Total IGST ITC Available Rs. 3,00,000

GST Payable: IGST – Rs. 1,70,000; CGST – Rs. 80,000; SGST – Rs. 80,000

Assume Rule 86B is not applicable relating to utilization of Eligible ITC Balance to 99%. What will be the GST payable through Input tax credit? What is the Net GST payable in cash after utilizing ITC?

(A) Net GST Payable = Rs. 3,00,000; CGST Payable = Rs. 30,000
(B) Net GST Payable = Rs. 3,00,000; SGST Payable = Rs. 30,000
(C) Net GST Payable = Rs. 3,00,000; IGST Payable = Rs. 30,000
(D) ✓ Either (A) or (B)
(E) Answer not known

178. What is the validity period of the Registration certificate issued to Casual Taxable person and Non resident Taxable Person?

(A) Period specified in the application

(B) 90 days from the effective date of registration

(C) ✓ Earlier of (A) or (B)

(D) 180 days from the effective date of registration

(E) Answer not known

179. C & Co is a consultancy service provider. He started business from 01.04.2023 and is registered under composition scheme for service providers. Rate of GST is 6% Turnover for Q_1 [Apr to June]. Rs. 20 Lacs; for Q_2 [July to Sep]. Rs. 10 lacs. What will be the GST payable at end of Q_2 for FY 2023-24?

(A) CGST – Rs. 60,000; SGST – Rs. 60,000

(B) ✓ CGST – Rs. 30,000; SGST – Rs. 30,000

(C) CGST – Rs. 90,000; SGST – Rs. 90,000

(D) CGST – Rs. 15,000; SGST – Rs. 15,000

(E) Answer not known

180. Inter State supply of goods @ 5% IGST – Rs. 80,000
Freight charged by Supplier – Rs. 12,000
What is the ex factory Invoice Value of the Supply? Assume that the GTA transporting goods is registered and opts to pay GST @ 12% under FCM.

(A) ✓ Rs. 84,000

(B) Rs. 96,600

(C) Rs. 96,000

(D) Rs. 92,000

(E) Answer not known

181. Which of the following would not amount to supply under Section 7 of the CGST Act, 2017?

(A) Import of services for personal use for a consideration

(B) ✔ Import of services without consideration for personal use

(C) Import of services for consideration for business purposes

(D) Import of services from related person for business purposes without consideration

(E) Answer not known

182. Mr. Shyam, a registered person, receives 100 invoices towards inward supplies worth Rs. 10 Lacs of GST involved. Out of these only 75 invoices involving Rs. 8 Lacs appear in GSTR-2B for the month of December 2023. Out of these 75 invoices, 10 invoices worth Rs. 1 Lac related to blocked ITC u/s 17(5). How much ITC can be availed by Mr. Shyam in GSTR-3B of Dec 2023?

(A) ✔ Rs. 7 Lacs

(B) Rs. 8 Lacs

(C) Rs. 9 Lacs

(D) Rs. 10 Lacs

(E) Answer not known

183. What is input tax credit?

Input Tax Credit means the credit of Input tax on Supply of _____ received by a registered person.

(A) goods

(B) services

(C) ✔ (A) and (B)

(D) Exempted supply

(E) Answer not known

184. In which of the following cases, registration of a person is liable to be cancelled :

(i) Returns not filed for 4 months

(ii) Registration obtained by fraud

(iii) Business not commenced within 6 month after voluntary registration

(iv) Taxes not paid properly

(A) (i), (ii)

(B) (i), (iii)

(C) (ii), (iii)

(D) (i), (ii), (iv)

(E) Answer not known

185. Determine Time of Supply

Mr. Ram provides certain services to Mr. Nath which falls under reverse charge basis (RCM).

10.4.22 – The Services are provided to Mr. Nath

12.04.22 – Mr. Ram issues an invoice to Mr. Nath

10.07.22 – Payment made by Mr. Nath through cheque and recorded in his books of account

15.07.22 – The payment gets debited from Mr. Nath's Bank A/c

(A) 10.07.2022

(B) 15.07.2022

(C) 12.06.2022

(D) 10.04.2022

(E) Answer not known

186. Determine Time of Supply from the following information:

(i) Change in rate of GST from 12% to 18% on 1.11.2023

(ii) Date of invoice is 31.10.2023

(iii) Date of Payment is 5.11.2023

(iv) Date of Completion of supply is 25.10.2023

(A) ✔ 31.10.2023

(B) 5.11.2023

(C) 25.10.2023

(D) 1.11.2023

(E) Answer not known

187. Raju Private Limited, receives the order and advance payment on 5th January for carrying out an architectural design job. It delivers the designs on 23rd April. By oversight, no invoice is issued at that time, and it is issued much later, after the expiry of prescribed period for issue of invoice.

When is the time of supply of service?

(A) 23rd April

(B) ✔ 5th January

(C) 28th February

(D) 30th April

(E) Answer not known

188. In case of goods disposed off by way of free sample _____

(A) Recipient can claim ITC

(B) Supplier can claim ITC

(C) ✔ Supplier cannot Claim ITC

(D) ITC can be Claimed if value is more than Rs. 5,000/-

(E) Answer not known

189. The time limit beyond which if goods are not returned, the capital goods sent for job work shall be treated as supply. The said time limit is _____

(A) 1 Year

(B) ✓ 3 Years

(C) 5 Years

(D) 6 Months

(E) Answer not known

190. Discount given after the supply is deducted from the value of supply, if _____

(A) Discount given as per the agreement entered in to at or before the supply

(B) Such discount is linked to the relevant invoices

(C) Proportionate input Tax credit is reversed by the recipient of supply

(D) ✓ All of the above

(E) Answer not known

191. Find out the value of Supply made to Y Ltd by X Ltd from the following details.

Price in the ordinary Course Rs. 7,000

Price sold by X Ltd to unrelated Customer Rs. 6,700

GST Rate 18 %

(A) ✓ Rs. 6,700/-

(B) Rs. 7,000/-

(C) Rs. 7,000 + GST 18%

(D) Rs. 6,700/- + GST 18%

(E) Answer not known

192. If a Supply involves installation or assembly of goods at site, what will be the place of supply under GST?

(A) Location of the supplier

(B) Location of the recipient's head office

(C) ✔ Place where the installation or assembly is done

(D) Location where the goods were originally dispatched from

(E) Answer not known

193. Babban Pvt Ltd of Nasik, Maharashtra sells 10 refrigerators to Chaggan Pvt Ltd, of Pune, Maharashtra, with delivery at Chaggan's Place of business in Pune. What is the place of supply in this case?

(A) Nasik, Maharashtra

(B) ✔ Pune, Maharashtra

(C) Location of Supplier

(D) Anyplace Nasik or Pune

(E) Answer not known

194. When a body Corporate hires a motor vehicle for transporting employees and vehicle is at its disposal for a period of time, how it GST treated under the Reverse Charge Mechanism (RCM)?

(A) The body corporate does not need to pay any GST

(B) ✔ The body Corporate must pay GST under RCM on the service of renting the motor vehicle

(C) The vehicle rental service is exempt from GST under RCM

(D) The Motor Vehicle Supplier is liable to pay GST on behalf of body corporate

(E) Answer not known

195. XYZ contract with ABC to buy 10 MT of chemical for Rs. 1,18,000 including (18000 Rs. GST). The invoice is raised and payment made in August, but the full supply is completed only in November. When can XYZ claim ITC?

(A) In August, when Payment is made

(B) In September, after receiving part of the goods

(C) In November, after receiving the last lot of the goods

(D) Anytime after invoice is raised

(E) Answer not known

196. Services by Way of _____ to Single residential unit is exempted

(A) Pure labour Contract

(B) Works Contract

(C) Labour & Supply contract

(D) Turnkey contract

(E) Answer not known

197. Supply of goods in the course of import into the territory of India is _____

(A) Intra State Supply

(B) Inter State Supply

(C) Export

(D) Neither export nor import

(E) Answer not known

198. Can the composition Scheme be availed if the taxable person has inter-state inward Supplies?

(A) ✓ Yes, there is no restriction on making any inter State inward Supply

(B) Yes, but get prior approval from commissioner

(C) No, there is a restriction on making any inter state inward supply

(D) Yes, he has to apply to CBIC before making any inter state inward supply

(E) Answer not known

199. Goods and Services tax number shall be assigned with the following characters, except

(a) 2 Characters for Aadhar number

(b) 2 Characters for State Code

(c) 10 Characters for the PAN or the TAN

(d) 2 Characters for the entity Code

(e) 1 Checksum Character

(A) ✓ (a) only

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

(C) (c), (d), (e) only

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

(E) Answer not known

200. In case of import of goods, the type(s) of GST is known as _____

(A) SGST
(B) CGST
(C) Both CGST and SGST
(D) IGST
(E) Answer not known