

COMBINED ACCOUNTS SERVICES EXAMINATION IN  
TAMIL NADU STATE TREASURIES AND ACCOUNTS SERVICE AND IN  
VARIOUS BOARDS / CORPORATIONS

COMPUTER BASED TEST

PAPER -I

FINANCIAL COST ACCOUNTANCY  
( PG DEGREE STANDARD)

1. Which of the following item does not match with receipts and payments a/c?
- (i) It is a summarised cash book
  - (ii) Only cash transactions are recorded
  - (iii) It records revenue transactions
  - (iv) It serves the purpose of Nominal account
- (A) (i) (B) (iii)  
~~(C)~~ (iv) (D) (ii)  
(E) Answer not known
2. The club had 200 members on 31<sup>st</sup> March 2023 as per the register of members. No fresh members were admitted during the year but 10 members left the club on 1<sup>st</sup> October 2022. Subscription is payable @ Rs. 15 per month per member. Calculate amount of subscription to be credited in income and expenditure account of a club for the year ending 31<sup>st</sup> March 2023
- (A) Rs. 30,000 (B) Rs. 3,000  
(C) Rs. 34,200 ~~(D)~~ Rs. 36,900  
(E) Answer not known

3.	Rs.
Opening balance of debtors	20,000
Closing balance of debtors	30,000
Opening balance of stock	60,000
Closing balance of stock	40,000

All purchases are cash purchases only, payment made cheque for purchases an amount of Rs. 80,000. Gross profit is 20% on sales. Goods are sold for cash and credit cheque received from debtors Rs. 30,000.

Find the cash sales from the above information.

- (A) Rs. 1,25,000                      ~~(B)~~ Rs. 85,000  
 (C) Rs. 40,000                        (D) Rs. 80,000  
 (E) Answer not known

4. Printing charges of a local club for a particular year ending as per  
 Receipts and payments a/c Rs. 6,900  
 Income and expenditure a/c Rs. 8,000

No outstanding charges for printing at the beginning of that year. The difference of Rs. 1,100 will be shown in the balance sheet at the end of the year as

- (A) Capital fund                        (B) Assets  
~~(C)~~ Liabilities                         (D) Ignored  
 (E) Answer not known

5. Choose the disadvantage of cloud computing
- (i) Suitability
  - (ii) Easy access
  - (iii) Cost efficiency
  - (iv) Confidentiality
- (A) (i) (B) (ii)  
(C) (iii) ~~(D) (iv)~~  
(E) Answer not known
6. An Enterprise Resource Planning (ERP) system is a \_\_\_\_\_ covering functional areas of an enterprise like logistics, production, finance, accounting and human resources.
- ~~(A) Fully integrated business management system~~
  - (B) Fully integrated official management system
  - (C) Fully integrated information management system
  - (D) Fully integrated functional management system
  - (E) Answer not known
7. In ERP-SAP, accounting environment, FICO stands for
- (A) Finance and cost (B) Finance and control
  - ~~(C) Finance and comparison~~ (D) Finance and correction
  - (E) Answer not known
8. Which one of the following is not advantage of computerised accounting system?
- (A) High speed (B) High reliability
  - ~~(C) High cost of training~~ (D) High security of data
  - (E) Answer not known

9. Journal entry for closing balance of sundry creditors as per debtors system in branch is
- (A) Sundry Creditors a/c Dr ———  
       To Branch a/c ———
- ~~(B)~~ Branch a/c Dr ———  
       To Sundry creditor ———
- (C) Branch a/c Dr ———  
       To Purchases a/c ———
- (D) Purchases a/c Dr ———  
       To Branch a/c ———
- (E) Answer not known
10. A company follows debtors system for preparing branch accounts. When remittances are sent by branch but not received by branch, then \_\_\_\_\_ is debited and \_\_\_\_\_ is credited.
- (A) Branch a/c, Cash in transit
- ~~(B)~~ Cash in transit a/c, Branch a/c
- (C) Cash a/c, Branch a/c
- (D) Branch a/c, Head office a/c
- (E) Answer not known
11. In Debtors system, if Agra branch collects money from the customer of Delhi branch, the head office will debit \_\_\_\_\_ account and credit \_\_\_\_\_ account.
- (A) Agra branch, Customer
- (B) Agra branch, Cash
- (C) Cash a/c, Delhi branch
- ~~(D)~~ Agra branch, Delhi branch
- (E) Answer not known

12. Cloth department transfers goods to Readymade department at its usual price. Stock in Readymade department consists 75% cloth and 25% other expenses. Gross profit ratio of cloth department is 20% and closing stock of Readymade department is Rs. 8,000. Find stock reserve.
- (A) Rs. 6,000 (B) Rs. 5,000  
~~(C)~~ Rs. 1,000 (D) Rs. 2,000  
 (E) Answer not known
13. Which of the following is incorrectly paired with respect to Banking companies?
- (i) CAR - Capital Acceptance Ratio  
 (ii) ECGC - Export Credit Guarantee Corporation  
 (iii) CGTMSE - Credit Guarantee Tribunal for Micro and Small  
 (iv) BIFR - Board for Industrial and Financial Reconstruction
- ~~(A)~~ (i) and (iii)  
 (B) (i) only  
 (C) (iii) and (iv)  
 (D) (i) and (ii)  
 (E) Answer not known
14. As per schedule III, part I of the Companies Act, 2013 'calls in arrears' will be presented under which of the following head/sub-head, in the balance sheet of a company?
- (A) Current liabilities (B) Reserves and Surplus  
~~(C)~~ Shareholder's funds (D) Contingent liabilities  
 (E) Answer not known

15. When we prepare cash flow statement for investment companies, dividend paid for their shares is a \_\_\_\_\_ activity and dividend received is a \_\_\_\_\_ activity.
- (A) Finance, Investing                      ~~(B)~~ Finance, Operating  
(C) Operating, Operating                  (D) Operating, Financing  
(E) Answer not known
16. Information regarding Corporate Social Responsibility is to be furnished as per section \_\_\_\_\_ of the Companies Act 2013.
- ~~(A)~~ 135    (B) 136  
(C) 137    (D) 138  
(E) Answer not known
17. A company entered into an agreement to sell its immovable property of Rs. 5 lakhs to another company. Agreement to sell is on 31.01.2018. Sale deed made on 30.04.2018. What is the effect on balance sheet, of balance sheet date is 31.03.2018?
- (A) No adjustment entry  
~~(B)~~ Adjustment entry is to be made for sale  
(C) Notes only can be given  
(D) Any of the above  
(E) Answer not known

18. In the case of grants related to income, which of these accounting treatment is prescribed by Ind AS-20.
- (i) Treat it as general reserve
  - (ii) Treat it as other income
  - (iii) Deduct it from related expense
  - (iv) Treat it as sales income
- (A) (i) and (ii) only                      ~~(B) (ii) and (iii) only~~  
(C) (iii) and (iv) only                      (D) (iv) and (i) only  
(E) Answer not known
19. Ind AS-37 does not apply to
- (i) Construction contracts
  - (ii) Financial instruments
  - (iii) Business combinations
  - (iv) Manufacturing companies
- ~~(A) (i), (ii), (iii) only~~                      (B) (i), (ii), (iv) only  
(C) (i), (iii), (iv) only                      (D) (ii), (iii), (iv) only  
(E) Answer not known
20. A fire occurred in the godown on April 2, 2021 damaging a huge quantity of stock value Rs. 10 lakhs. As per Ind AS-10 it is a
- (A) non-adjusting event
  - ~~(B) disclosure by way of note to accounts event~~
  - (C) adjusting event
  - (D) provision for a loss event
  - (E) Answer not known

21. Under Sec. 8B, of Customs Tariff Act 1975 what is the maximum import from one developing country for not imposing of safeguard duty?
- (A) upto 9% (B) less than 3%  
 (C) less than 9% ~~(D) upto 3%~~  
 (E) Answer not known
22. Which of the following transactions are treated as transactions between related parties under GST law
- (i) Partnership firm and its partners  
 (ii) Company and its directors  
 (iii) Holding company and subsidiary company  
 (iv) One company has invested 20% in another company
- (A) (i), (ii) ~~(B) (ii), (iii)~~  
 (C) (i), (ii), (iii) (D) (iii), (iv)  
 (E) Answer not known
23. Compute value of supply under rule 32 in case of an insurance company w.r. to premium collected.
- (i) Single premium annuity policies = Rs. 100,00,000  
 (ii) Re-investment policy (60% allocated for investment and intimated to policy holder) = Rs. 100,00,000  
 (iii) Risk cover policy = Rs. 100,00,000
- (A) 300,00,000 ~~(B) 150,00,000~~  
 (C) 240,00,000 (D) 140,00,000  
 (E) Answer not known



24. Sponsorship services provided by any person to body corporate or partnership firm located in the taxable territory, shall be liable to GST under
- (A) Forward charge by supplier
  - (B) Reverse charge in the hands of recipient
  - (C) IGST
  - (D) Any of the above
  - (E) Answer not known
25. Mr. Y GST registered supplier, has filed his GSTR 3B (other than NIL return) belatedly. Delay is of 41 days. What amount of late fee shall be payable by him, if annual turnover during the previous year exceeds 5 crores?
- (A) CGST Rs. 1,025 SGST Rs. 1,025
  - (B) IGST Rs. 2,050
  - (C) CGST Rs. 2,050 SGST Rs. 2,050
  - (D) Rs. 5,000
  - (E) Answer not known
26. As per section 51 of the CGST Act, 2017 a notified recipient is required to deduct CGST @ 1% SGST @ 1% or IGST 2% from the payment made/credited to the supplier of taxable goods or services or both. Where the total value of such supply exceeds
- (A) Rs. 2,00,000
  - (C) Rs. 2,50,000
  - (B) Rs. 3,00,000
  - (D) Rs. 5,00,000
  - (E) Answer not known

27. Determine the effective date of registration in the following cases

The aggregate turnover of Dhampur Industries of Delhi exceeded Rs. 20 lakh on 1st September. It submit the application for registration on 20<sup>th</sup> Sep. Registration certificate is granted to it on 22<sup>nd</sup> September.

- (A) 1<sup>st</sup> September (B) 20<sup>th</sup> September  
(C) 22<sup>nd</sup> September (D) 23<sup>rd</sup> September  
(E) Answer not known

28. When is E way bill needs to the issued even if the value of the consignment doesn't exceed Rs. 50,000

1. Where goods are sent by a principal located in one state/union territory to Job worker located in another state/UT
2. Where specified handicrafts goods are transported from one state to another State/Union Territory
3. Inward supply from unregistered person

- (A) 1 and 2 are correct (B) 2 only correct  
(C) 1 only correct (D) all of the above situation  
(E) Answer not known

29. Which are the fundamental principles to be followed under GST?

- (i) Behaviour
- (ii) Integrity
- (iii) Objectivity
- (iv) Confidentiality
- (v) Professional competence

- (A) (i), (ii) and (iii) only (B) (ii), (iii), (iv) only  
(C) (i), (iii), (iv) only  (D) All of the above  
(E) Answer not known

30. X contracts with Y, a real estate agent to sell his house and thereupon Y gives an advertisement in television costing Rs. 5 lakhs. Y billed Rs. 15 lakhs to X including charges for television advertisement showing them separately in invoice. Mr. Y says that value of supply in his case is Rs. 10 lakh only as he acted as pure agent of Mr. X while taking advertisement. Determine value of supply.

- (A) Rs. 15 lakhs (B) Rs. 10 lakhs  
(C) Rs. 5 lakhs (D) Rs. 25 lakhs  
(E) Answer not known

31. Find out the suitable conditions to be satisfied

A company shall be said to be engaged in "active business outside India" if \_\_\_\_\_

- (a) The passive income is not more than 50% of its total income  
(b) Less than 40% of its total assets are situated in India  
(c) Less than 50% of total no. of employees are situated in India  
(d) Payroll expenses incurred on such employees is less than 50% of its total payroll expenses
- (A) (a) and (b) only (B) (a), (c), (d) only  
(C) (a), (b), (c) only (D) All of the above  
(E) Answer not known

32. Where the assessee does not himself carry on research but makes contributions to the approved institutions for this purpose, a deduction is allowed as \_\_\_\_\_ from the assessment year 2021-22 onwards.

- (A) 150% (B) 100%  
(C) 175% (D) 125%  
(E) Answer not known

33. Choose the persons who are not eligible to avail any benefit U/S 44 AD (computation of income on estimated basis)
- (A) Person carrying income in the nature of commission or brokerage
  - (B) A person carrying on any agency business
  - (C) Person who is in the business of playing, hiring or leasing goods carriages
  - ~~(D)~~ All of the above
  - (E) Answer not known
34. An assessee can file revised return \_\_\_\_\_ number of times so long as it is within the limitation period and the assessee discovers any omission or wrong statement therein.
- (A) 5
  - (B) 10
  - ~~(C)~~ as many
  - (D) 2
  - (E) Answer not known
35. Where the assessee is required to furnish a report U/S 92 E pertaining to International/Specified domestic transactions [including partners of such assessee (and if covered by section 5A, spouse of such partner)] then due date of filing of return of income is \_\_\_\_\_.
- (A) October 31
  - (B) September 30
  - (C) July 31<sup>st</sup>
  - ~~(D)~~ November 30
  - (E) Answer not known

36. Total income of any member of AOP/BOI is taxable at a rate higher than maximum marginal rate, tax will be chargeable as follows :

(a) On that portion of income AOP/BOI which is relatable to the share of such member is such higher rate and balance of the income is taxable at maximum marginal rate

(b) Entire income taxable at maximum marginal rate

(c) Entire income is taxable at higher rate

(d) Flat rate of 30%

~~(A)~~ (a) only

(B) (b) only

(C) (c) only

(D) All the above

(E) Answer not known

37. Compute total income of Mr. X and Mrs. X. X has substantial interest in A Ltd. Mrs. X is employed by A Ltd. Mrs. X, without any technical qualification or professional qualification. Salary income computed Rs. 3,00,000

Mr. X total income \_\_\_\_\_

Mrs. X total income \_\_\_\_\_

~~(A)~~ 3,00,000, NIL

(B) NIL, 3,00,000

(C) NIL, NIL

(D) 3,00,000, 3,00,000

(E) Answer not known

38. If title of ownership of a house property is under dispute in a court of law, the decision as to who is the owner rests with

(A) Decision of CBDT

~~(B)~~ Income tax department

(C) Assessee

(D) ROC

(E) Answer not known

39. Match the following :

- |             |  |
|-------------|--|
| (a) ICDS II | 1. Borrowing cost                                  |
| (b) ICDS IV | 2. Inventories (valuation)                         |
| (c) ICDS VI | 3. Revenue recognition                             |
| (d) ICDS IX | 4. The effect of changes in Foreign Exchange Rates |

- |                | (a)              | (b) | (c) | (d) |
|----------------|------------------|-----|-----|-----|
| <del>(A)</del> | 2                | 3   | 4   | 1   |
| (B)            | 3                | 4   | 1   | 2   |
| (C)            | 4                | 3   | 2   | 1   |
| (D)            | 1                | 2   | 3   | 4   |
| (E)            | Answer not known |     |     |     |

40. Interest received on compensation/enhanced compensation deemed to be income in the year of receipt and taxable under the head "\_\_\_\_\_".

- (A) "Income from House Property"
- (B) "Profit and gains of business or profession"
- ~~(C)~~ "Income from other sources"
- (D) Any of the above
- (E) Answer not known

41. The following information is given

Direct labour needed to make the 1<sup>st</sup> machine - 1000 hrs

Learning curve 90%

Direct Labour cost = Rs. 15 per

Direct Materials cost = Rs. 1,50,000

Fixed cost for the order Rs. 60,000

Calculate the average cost of making 4 machines

- (A) Rs. 1,68,435                      ~~(B)~~ Rs. 1,77,150  
(C) Rs. 1,76,150                      (D) Rs. 1,77,510  
(E) Answer not known

42. A company makes gift items. A customer wants 4 identical pieces of gift items. For this product, the co estimates the following costs for the 1<sup>st</sup> unit of the product.

Variable costs (other than labour) Rs. 2,000

Direct labour (20 hrs @ Rs. 50 per) Rs. 1,000

90% learning curve ratio is applicable. What is the price per piece to be quoted for this customer if the targeted contribution is Rs. 1,500 per unit.

- (A) Rs. 3,810                              (B) Rs. 3,180  
(C) Rs. 4,130                              ~~(D)~~ Rs. 4,310  
(E) Answer not known

43. When debentures are converted in to equity share, it is called as

- (A) Inflow of funds                      (B) Outflow of funds  
~~(C)~~ No flow of funds                      (D) All the above  
(E) Answer not known

44. The short term analyses of financial statements are mainly concerned with
- (A) Stability of a concern
  - (B) Earning potential of a concern
  - ~~(C)~~ Working capital analyses
  - (D) All the above
  - (E) Answer not known
45. The Turnover ratio's help the management in
- (A) Managing resources
  - ~~(B)~~ Evaluating performance
  - (C) Managing debt
  - (D) All the above
  - (E) Answer not known
46. If the total cost of 1000 units is Rs. 60,000 and that of 1001 units is Rs. 60,400 then the increase of Rs. 400 in the total cost is
- (A) Relevant cost
  - (B) Target cost
  - (C) Fixed cost
  - ~~(D)~~ Marginal cost
  - (E) Answer not known



47. Which of the following statements are true or false?
- (1) Transfer prices do not help in measurement of divisional performance
  - (2) Cross training is helpful in proper utilisation of work force
  - (3) Profit centre managers tend to put their own profit performance above everything else
- (A) (1) False, (2) False, (3) True  
~~(B)~~ (1) False, (2) True, (3) True  
(C) All statements are True  
(D) (1) True, (2) True, (3) False  
(E) Answer not known
48. Find out the wrong statements
- (a) Differential costs are additional variable costs
  - (b) Contribution and incremental revenue are the same
  - (c) So long as the incremental revenue exceeds differential costs, it is profitable to increase the output
- ~~(A)~~ (a) and (b) wrong  
(B) (a) and (c) wrong  
(C) (b) and (c) wrong  
(D) All statements are wrong  
(E) Answer not known

49. (1) One of the main characteristic of Management Accounting is cause and effect analysis  
(2) Evaluation and control of performance is not a limitation of Management Accounting  
(3) Key success factors are also known as competitive emphasis

Evaluate the statements True of False

- (A) (1) True (2) True (3) False  
(B) (1) False (2) False (3) True  
~~(C)~~ All the statements are True  
(D) (1) True (2) False (3) True  
(E) Answer not known
50. While \_\_\_\_\_ transfer pricing is concerned with fairly compensating an internal division for products it has produced and supplied to another division, \_\_\_\_\_ transfer pricing is usually set according to another purpose, such as lowering of the company's worldwide taxes.
- (A) International, domestic  
~~(B)~~ Domestic, International  
(C) Market based, Domestic  
(D) Cost based, International  
(E) Answer not known

51. Management Accounting analyses data with the help of

- (a) A term of cost creditors
- (b) Statutory forms and procedures
- (c) Tools and techniques
- (d) Shareholders and creditors
- ~~(A)~~ (c) (B) (a)
- (C) (b) (D) (d)
- (E) Answer not known

52. (1) The main objective of Management Accounting is maximisation of profit and minimisation of losses
- (2) Management Accounting is historical in its approach
- (3) Management Accounting is a substitute for all other forms of accounting

The above statements are

- (A) All statements are True
- ~~(B)~~ (1) True (2) False (3) False
- (C) (1) True (2) True (3) False
- (D) All statements are false
- (E) Answer not known

53. (1) Accounting designed to serve parties external to the operating responsibility of the firm is called Management Accounting.  
(2) Management Accounting has a wider scope than cost accounting  
(3) Management Accounting uses only non monetary information

Evaluate the statements

- (A) (1) True (2) True (3) False  
~~(B)~~ (1) False (2) True (3) False  
(C) All statements are True  
(D) All statements are False  
(E) Answer not known

54. (1) Many firms use cost based method of transfer pricing  
(2) The price of a comparable product or service in the market can be seen as an objective basis for the transfer price between divisions  
(3) Divisional autonomy is the reduction in freedom of a divisional manager

Evaluate the above statements as True or False

- (A) (1) True (2) False (3) True  
(B) All statements are True  
~~(C)~~ (1) True (2) True (3) False  
(D) All statements are False  
(E) Answer not known

55. Creation of value through effective use of resources is the focus area of \_\_\_\_\_ of evolution of management accounting.

- (A) 1<sup>st</sup> Stage (B) 2<sup>nd</sup> Stage  
(C) 3<sup>rd</sup> Stage ~~(D)~~ 4<sup>th</sup> Stage  
(E) Answer not known

56. (1) Cost accounting is not dependent on Management Accounting to be successfully implemented
- (2) Management Accounting helps management to make effective decisions about operations of the business
- (3) The audit of Management Accounting is compulsory.

Which Statements are true?

- ~~(A)~~ (1) True and (2) True
- (B) (1) True and (3) True
- (C) (2) True and (3) True
- (D) All statements are True
- (E) Answer not known
57. A company has a BEP when sales are Rs. 3,20,000 and variable cost at that level of sales is Rs. 2,00,000. How much would the contribution increase or decrease if variable expenses are dropped by Rs. 30,000
- (A) Increase by 27.5%                      ~~(B)~~ Increase by 9.375%
- (C) Decrease by 9.375%                      (D) Increase by 37.5%
- (E) Answer not known
58. The selling price of a product is Rs. 200 as against a variable cost of Rs. 100. Calculate the effect of a reduction in selling price by Rs. 40 on P/V ratio
- ~~(A)~~ 37.5%    (B) 30%
- (C) 50%    (D) 40%
- (E) Answer not known

59. If margin of safety is Rs. 2,40,000 (40% of sales) and P/V ratio is 30%. Calculate Break Even Sales.
- (A) Rs. 3,80,000 (B) Rs. 2,80,000  
~~(C)~~ Rs. 3,60,000 (D) Rs. 6,30,000  
 (E) Answer not known
60. Method of pricing when two separate pricing methods are used to price transfer of products from one sub-unit to another is called
- (A) Skimming pricing (B) Functional pricing  
 (C) Congruent pricing ~~(D)~~ Dual pricing  
 (E) Answer not known
61. Choose the wrong answer :  
 Limitations of ABC costing
- (1) Complex system  
 (2) Simple system  
 (3) Suitable for small entities  
 (4) High investments  
 (5) Low investments
- (A) (1), (3), (4) are wrong ~~(B)~~ (2), (3), (5) are wrong  
 (C) (1), (5) are wrong (D) (2), (3) and (4) wrong  
 (E) Answer not known

62. Which of the following has the scope of cost reduction under ABC?
- (1) Company produces diversified product range using different production facilities
  - (2) A consultancy firm consisting of lawyers, accountants and computer engineers provides management consultancy services to clients
  - (3) Suitable for a company producing single product with the majority of the overheads is depreciation
- (A) Only (1) and (2) have scope
- (B) Only (3) have scope
- (C) Only (1) have scope
- (D) All of the above have scope under ABC
- (E) Answer not known
63. Under ABC, [Activity Based Costing] Cost Drivers are classified into?
- (A) Revenue Drivers, Profit Drivers
  - (B) Always, Best, Control
  - (C) Outsource, Activity Cost Drivers
  - (D) Resource, Activity Cost Drivers
  - (E) Answer not known

64. Choose the correct answer

- (i) Trigger points are used as variants under Back-Flush accounting
  - (ii) There may be single variant trigger points or more trigger points in Back-Flush A/c
  - (iii) Back-Flush eliminates large number of transactions and the associated labour
- (A) Only (i) is correct
  - (B) Only (ii) is correct
  - (C) Only (ii) and (iii) are correct
  - ~~(D)~~ All are correct
  - (E) Answer not known

65. The following is a costing system that omits recording some or all of the journal entries relating to the cycle from purchase of direct material to the sale of finished goods

- (A) Marginal costing
- (B) Standard costing
- (C) Target costing
- ~~(D)~~ Back flush costing
- (E) Answer not known

66. A company converts its current financial reporting activities from Excel Tool to Microsoft Power BI (Business Intelligence) tool using a break-through charges and linked all its central data from one source information. This is the example of

- (A) Business process Re-Engineering
- ~~(B)~~ Process Innovation
- (C) Management Accounting
- (D) All of the above
- (E) Answer not known



67. Which among the following consists of a collection of activities that are linked together in a co-ordinates and sequential manner to achieve specified goals and objectives?
- (A) Target costing
  - (B) Life cycle costing
  - ~~(C) Business process~~
  - (D) Business process Re-Engineering
  - (E) Answer not known
68. As part of functional process improvement, A group company centralized its receivable management process and ensured all the sales collections are directly deposited into a Centralized Bank A/c controlled by Head Office. This is the example of
- (A) Process Innovation
  - ~~(B) Business process Re-Engineering~~
  - (C) Target costing
  - (D) Kaizen costing
  - (E) Answer not known

69. As part of Throughput costing, there are 5 steps to be followed to deal with constraints.

Arrange the following steps in chronological order.

1. If a constraint is broken under step 4, go back to step-1 but don't allow inertia to cause new constraints
2. Elevate the system's constraints
3. Identify the constraints
4. Subordinate everything else to the decisions made under step 2
5. Decide how to exploit the system's constraints

(A) 2, 3, 4, 5, 1

(B) 5, 4, 3, 2, 1

~~(C)~~ 3, 5, 4, 2, 1

(D) 3, 2, 4, 5, 1

(E) Answer not known

70. Choose the correct answer/s out of the following with regard to value addition.

- (i) Value addition is a matter of just minimising the cost
- (ii) Improvement of value of a product must consider utility value of the product and value of ownership
- (iii) Value of ownership is also known as use value
- (iv) Value of ownership is known as esteem value

(A) (i) and (iii)

~~(B)~~ (ii) and (iv)

(C) (ii) and (iii)

(D) (i) and (ii)

(E) Answer not known



73. Choose the correct statement/s out of the following :

- (i) Under evaluation phase of value analysis, most promising alternative/s is/are selected
  - (ii) Evaluation phase of value Analysis analyses each and every alternative
  - (iii) The Analysis of Alternatives under Evaluation phase do not examine economic and technical feasibility
  - (iv) All of the above
- ~~(A)~~ (i) and (ii)                      (B) (ii) and (iii)  
(C) (i) and (iii)                      (D) (iv)  
(E) Answer not known

74. Choose the wrong answer

- (1) Kaizen costing is a cost control activity
  - (2) Kaizen costing is a cost reduction technique
  - (3) Kaizen costing focuses on continuous improvement
  - (4) Savings from Kaizen costing may be small but significant to force down the price of a product overtime
- ~~(A)~~ Only (1) is wrong                      (B) Only (2) is wrong  
(C) Only (3) is wrong                      (D) All are wrong  
(E) Answer not known

75. Which of the following is/are not one of the processes of Target Costing?

- (i) Identification of market needs
- (ii) Estimating current costs
- (iii) Maximising the contribution per unit
- (iv) Identifying cost reduction opportunities

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

76. A Ltd's production capacity is 8000 units and presently 2000 units are sold at Rs. 100 per unit. With every reduction of Rs. 10 in selling price, demand is doubled. What should be the target cost if the demand reaches full capacity and profit margin is taken at 25%

- (i) Rs. 75
- (ii) Rs. 60
- (iii) Rs. 25
- (iv) Rs. 90

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

77. A Ltd. manufacturers and sells 10,000 units of a product. The full cost of the product per unit is Rs. 75. The company has fixed its price so as to earn a profit of 20% return on an investment of Rs. 9,00,000. What will be the target selling price?

(i) Rs. 83

(ii) Rs. 103

(iii) Rs. 93

(iv) Rs. 113

(A) (i)

(B) (ii)

~~(C)~~ (iii)

(D) (iv)

(E) Answer not known

78. Choose the right answer :

In life cycle costing, when a company plans for new product launch, when its estimated life time cost along with 25% markup on cost is lesser than its target sale revenue (as per Market research into) whether a company is proposed to manufacture the product?

(A) The proposal to manufacture the product is not worthwhile

~~(B)~~ The proposal to manufacture the product is worthwhile

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

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

(E) Answer not known

79. When a company's product is into "Decline" stage, which pricing strategies are most preferred under product life cycle strategies

- (A) Price cutting to sell off existing stocks
- (B) Pricing to match or beat competitors
- (C) Cost plus pricing
- (D) Value based pricing
- (E) Answer not known

80. XYZ Ltd. provides the following details on its new product.

Particulars	Option I	Option II	Option III
Sales Qty (in units)	5000	4000	2500
Selling price per unit	400	480	600
Life cycle total costs	Rs. 11,75,000	Rs. 10,80,000	Rs. 9,37,500

Ignoring time value of money. Which price should be selected by company?

- (A) Rs. 400 per unit
- (B) Rs. 480 per unit
- (C) Rs. 600 per unit
- (D) All of the above
- (E) Answer not known

81. Which of the following SWOT elements are internal factors for a business?

- (A) Strengths and Weaknesses
- (B) Opportunities and Threats
- (C) Strengths and Opportunities
- (D) Weaknesses and Threats
- (E) Answer not known

82. Which of the following could be a strength?
- (A) Weather
  - (B) A New International Market
  - (C) A price that is too high
  - ~~(D)~~ The location of a business
  - (E) Answer not known
83. 'TQM' focuses on \_\_\_\_\_ and 'TPM' focuses on \_\_\_\_\_.
- (A) Equipment, Quality
  - (B) Both on equipment
  - ~~(C)~~ Quality, Equipment
  - (D) Statistics, Equipment
  - (E) Answer not known
84. Which of the following is not a type of loss examined by TPM?
- (A) Down time loss
  - (B) Speed loss
  - (C) Defect loss
  - ~~(D)~~ Forecasting loss
  - (E) Answer not known
85. The Information of 'MIS' comes from the boot \_\_\_\_\_ source.
- (A) Internal
  - (B) External
  - (C) Superficial
  - ~~(D)~~ Internal and external
  - (E) Answer not known



86. \_\_\_\_\_ is an important factor of a management information system.
- (A) Information
  - ~~(B) System~~
  - (C) Planning
  - (D) Personnel
  - (E) Answer not known
87. Which of the following is not a goal of transaction processing systems?
- (A) Capture, process and store transactions
  - (B) Produce a variety of documents related to routine business activities
  - (C) Reduce manual effort associated with processing business transactions
  - ~~(D) Produce standard reports used for management decision making~~
  - (E) Answer not known
88. To define the problem \_\_\_\_\_ is a part of which phase of PDCA cycle.
- ~~(A) Plan~~ (B) Do
  - (C) Check (D) Act
  - (E) Answer not known
89. Which of the following decision is not part of the action phase?
- (A) Introducing the plan
  - (B) Adjusting the plan
  - (C) Rejecting the plan
  - ~~(D) Defining the problem~~
  - (E) Answer not known

90. 'DMAIC' under six sigma is used for projects aimed at
- (A) Improving an existing Business Process
  - ~~(B) Creating new product or Process Designs~~
  - (C) Both (A) and (B)
  - (D) Stopping the existing process
  - (E) Answer not known
91. Who is considered to be the father of six sigma?
- ~~(A) Bill Smith~~
  - (B) Walter Shewhart
  - (C) Jack Welch
  - (D) Michael E. Porter
  - (E) Answer not known
92. From the following option, identify the examples of operational benchmarking
- (A) Evaluation of productions methods to determine the highest through put methods that deliver lowest cost and least defects
  - (B) Study of the logistics distribution methods that result in both high delivery service performance and low levels of finished goods
  - (C) Analysis of invoicing procedures to determine the most productive process
  - ~~(D) All of the above~~
  - (E) Answer not known

93. \_\_\_\_\_ is an required step for benchmarking process.
- (A) Planning
  - ~~(B) Self Assessment~~
  - (C) Gathering data
  - (D) All of the above
  - (E) Answer not known
94. Economic value added is explained as a measure of
- (A) How much value is added by the company
  - (B) How much value is added by operations
  - (C) How much a business affects the company
  - ~~(D) How much wealth a company is creating compared to its cost of capital~~
  - (E) Answer not known
95. Return On Investment (ROI) is computed as
- ~~(A) Net profit / Cost × Investment~~
  - (B) Operating Net Profit Ratio × Share holders / Fund
  - (C) Net profit / Sales
  - (D) Cost of sales / capital employed
  - (E) Answer not known
96. The term 'Supply chain management' entered the public domain due to publication of an article in financial times by
- (A) Robert Oven
  - ~~(B) Keith Oliver~~
  - (C) Peter Drucker
  - (D) Henry Fayol
  - (E) Answer not known

97. The \_\_\_\_\_ collaboration has become a critical area of Interest in (SCM) Supply Chain Management.
- (A) Transport
  - ~~(B) Retailing~~
  - (C) Employees
  - (D) Shareholders
  - (E) Answer not known
98. According to Norton and Kaplan the scorecard should be used as balance
- (A) a control system
  - (B) a diagnostic system
  - ~~(C) a strategic system~~
  - (D) (A) and (B)
  - (E) Answer not known
99. Which balanced scorecard perspective focuses on training employees?
- ~~(A) Learning and growth~~
  - (B) Business process
  - (C) Customer
  - (D) Financial
  - (E) Answer not known
100. Which of the following not one of the main parts of the Kaplan-Norton balanced scorecard concept?
- (A) Financial and non Financial measurements
  - ~~(B) Cash flows and non cash flows~~
  - (C) Short term and long term measurements
  - (D) Internal and external measurements
  - (E) Answer not known

101. PSU (Public Sectors Undertakings) engagements are generally attestation engagements (or) direct reporting engagements. Which of the following statements is correct in this regard?
- (A) Performance audit and compliance audits are generally attestation engagements
  - (B) Performance audit and compliance audits are generally direct reporting engagements
  - (C) Performance audit is a direct reporting engagement whereas compliance audit is an attestation engagement
  - (D) Performance audit is an attestation engagement whereas compliance audit is a direct reporting engagement
  - (E) Answer not known
102. Which of the following statement is incorrect with respect to profits of co-operative society?
- (i) The first 25% of Net Profit should be carried to the Reserve fund
  - (ii) Dividend can be paid to the members of the society with unlimited liability for which permission of State Government is not required
  - (iii) After appropriation to Reserve, Remainder Profit not more than 10% may be utilized for Religious Teaching
- (A) (i) and (iii) incorrect
  - (B) (ii) and (iii) incorrect
  - (C) (ii) only
  - (D) (iii) only
  - (E) Answer not known

103. Which of the following statement is/are correct in case of audit of Hospital?

- (i) Obtain WR (Written Representation) regarding abnormal item of expenses if any while checking payments
  - (ii) Examine whether bills are raised properly bifurcating into Rent charges, Service charges and payments regarding medicine while checking receipts from patients
  - (iii) Examine calculation and accounting for provision for taxation
- (A) (ii) and (iii) only
  - (B) (i) and (ii) only
  - ~~(C)~~ All of the above are correct
  - (D) (ii) only
  - (E) Answer not known

104. Costing includes product, process and resource related information covering the \_\_\_\_\_ of the organisation and its value chain.

- (A) Performance
- ~~(B)~~ Functions
- (C) Ability
- (D) Consistency
- (E) Answer not known

105. 'Sugar and Industrial Alcohol' belong to \_\_\_\_\_ sector for the purpose of Application of Cost Records.

- ~~(A)~~ Regulated
- (B) Non-Regulated
- (C) Both depending on circumstances
- (D) Trading
- (E) Answer not known

106. Which of the following statement/s is/are correct about cost audit?

- (i) No person appointed under Section 139 as an Auditor of the company shall be appointed as cost auditor for conducting audit of Cost Records
- (ii) The requirement for cost audit shall apply to companies engaged in generation of electricity for capture consumption through capture generating plant
- (iii) Maintenance of cost records in prescribed form CRA-1
- ~~(A)~~ (i) and (iii) only
- (B) (i) only
- (C) All of the above
- (D) (ii) and (iii) only
- (E) Answer not known

107. Which of the following statement is not correct with regard to CRA-2?

- (A) The company shall file CRA-2 with state government
- ~~(B)~~ Due date for CRA-2 is 60 days from date of Board meeting or 180 days from commencement of financial year whichever is earlier through
- (C) Form CRA-2 is prepared electronic mode
- (D) Form CRA-2 is the form for intimation of appointment of cost auditor by the company to the Central Government
- (E) Answer not known

108. Identify the correctness of the following statements :

- (i) The term "Report" is used where an expression of opinion is involved
  - (ii) The term "certificate" is preferable where the auditor comments on or verifies facts such as a verification of investments
- (A) (i) is true and (ii) is false
  - ~~(B)~~ both are true
  - (C) (i) is false (ii) is true
  - (D) both are false
  - (E) Answer not known

109. Types of modified opinions → relating to Audit Report As Per SA 705

- (A) Qualified opinion
- (B) Adverse opinion
- (C) Disclaimer of opinion
- ~~(D)~~ All of the above
- (E) Answer not known

110. When the Auditor, after conclusion of an audit exercise, is of opinion that there are material misstatements in the financial statements, but they are not pervasive, then what should an Auditor do?

- (A) Issue unmodified opinion
- ~~(B)~~ Issue qualified opinion
- (C) Issue disclaimer of opinion
- (D) Mention it in emphasis of matter paragraph
- (E) Answer not known



111. If the prior period financial statements were not audited, the auditor shall state the same in
- (A) Key audit matter section
  - (B) Emphasis of matter paragraph
  - (C) Going concern paragraph
  - ~~(D)~~ Other matter paragraph
  - (E) Answer not known
112. Adequate design and effective implementation of internal controls may not lead to the identification of
- (A) Fraud and errors
  - (B) Design and implementation gaps in processes
  - ~~(C)~~ Abuse by process owners
  - (D) Segregation of duties
  - (E) Answer not known
113. Which of the following are the components of internal controls?
1. Control environment
  2. Entity's risk assessment process
  3. Control activities
  4. Information system and communication
  5. Monitoring or controls
  6. Internal check system
- (A) 1, 2, 4, 6 only
  - ~~(B)~~ 1, 2, 3, 4, 5 only
  - (C) 3, 4, 5, 6 only
  - (D) All of the above
  - (E) Answer not known

114. Which of the following are the basic principles of internal audit?

- (i) Integrity
  - (ii) Objectivity
  - (iii) Independence or Internal auditor
- (A) (i) and (ii) only
  - (B) (i) and (iii) only
  - ~~(C)~~ all of the above
  - (D) (iii) only
  - (E) Answer not known

115. Choose the right answer :

CA Sameer, after developing the audit strategy for Menka Ltd., develops an audit plan but finds a need to revise the materiality levels set earlier and therefore, a deviation from the already set audit strategy is felt necessary. In this case he should

- (A) Continue with the audit plan without considering the audit strategy
- (B) Drop the audit and withdraw from the engagement
- ~~(C)~~ First modify the audit strategy and thereafter, prepare the audit plan according to the modified strategy
- (D) Devise a new audit plan and then, change the strategy as per the revised plan
- (E) Answer not known

116. Taking into account description of planned inquiry and visit, which of the following statement is True?

- (A) Planned inquiry and visit fall in area of 'audit strategy'
- (B) Planned inquiry and visit are planned risk assessment procedures and fall in field or 'audit plan'
- (C) The said description is not related to 'audit planning'
- (D) Planned inquiry and visit fall in scope of audit programme
- (E) Answer not known

117. Choose the right answer :

- Mr. X one of the suppliers, had sold his designs to the company, but owing to a dispute the contract got cancelled and now both the parties are under litigation in the local court of law. The engagement team is guided as to the audit procedures to be designed and performed to identify this matter. Which of the following procedures will not be performed by the engagement team as audit procedures while dealing with case of Mr. X.

- (A) Inquiry of Management
- (B) Inquiry of Mr. X
- (C) Review of meeting minutes
- (D) Reviewing legal expenses account
- (E) Answer not known

118. Which of the following are the types of modified opinions?

- (i) Qualified opinion
- (ii) Adverse opinion
- (iii) Disclaimer of opinion
- (A) (i) only
- (B) (i) and (iii) only
- (C) (ii) and (iii) only
- ~~(D)~~ All of the above
- (E) Answer not known

119. Which of the following is "True" about engagement standards?

- (A) Engagement standards ensure proper rights to practitioners in course of performance of their duties
- (B) Engagement standards ensure preparation and presentation of financial statements in a standardized manner
- ~~(C)~~ Engagement standards ensure uniformity by practitioners in course of performance of their duties
- (D) Engagement standards ensure savings in resources of clients
- (E) Answer not known

120. Choose the right answer :

Which of the following are the scope of audit of financial statements?

- (1) Reliability and sufficiency of financial information
- (2) Proper disclosure of financial informations
- (3) Investigation
- (4) Preparation and presentation of financial statement

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

121. An investor sells 10 million yen forward at a forward price of \$ 0.0090 per yen. At expiration the spot price is \$ 0.0083 per yen @ what is the long position pay off?

- (A) \$ 0.007 million loss
- (B) \$ 0.007 million profit
- (C) \$ 0.008 million loss
- (D) \$ 0.008 million profit
- (E) Answer not known

122. The options represents the right to buy (or) sell a security (or) other asset during a given time for a \_\_\_\_\_ options are of two types \_\_\_\_\_ and puts.

- (A) Strike price, calls
- (B) Price, call
- (C) Forward price, call
- (D) Customized price, call
- (E) Answer not known

123. Which of the following are part of credit risk?

- (1) Down grade risk
  - (2) Concentration risk
  - (3) Default risk
  - (4) Liquidity risk
- ~~(A)~~ (1), (2) and (3)                      (B) (3), (4) and (2)  
(C) (2), (4) and (1)                      (D) (1), (2) and (4)  
(E) Answer not known

124. Treynor Ratio derived from

- (1) Risk free rate deducted from Return of fund and divided by Beta of fund
  - (2) Risk free rate deducted from Return of fund and divided by standard deviation of fund
  - (3) Return of fund deducted from standard deviation and divided by Beta of fund
- (A) 2    (B) 3  
~~(C)~~ 1    (D) None of the above  
(E) Answer not known

125. Depreciation is included in costs in case of :

- (i) Pay back method
  - (ii) Accounting rate of return method
  - (iii) Present value index method
- (A) (i) and (ii)                                      ~~(B)~~ (ii) only  
(C) (iii) only                                      (D) (i) and (iii)  
(E) Answer not known

126. Working capital is also known as 'circulating capital, fluctuating capital and revolving capital' the aforesaid statement is

- (i) correct
- (ii) incorrect
- (iii) cannot say
- (A) (ii) ~~(B) (i)~~
- (C) (iii) (D) (ii) and (iii)
- (E) Answer not known

127. Spontaneous sources of finance in working capital management includes

- (1) Trade credit, credit from employees, credit from supplier of service
- (2) Commercial banks
- (3) Financial institutions
- (4) General public
- (A) 3 ~~(B) 1~~
- (C) 2 (D) 4
- (E) Answer not known

128. A supplier of X Ltd. offers the company  $\frac{2}{15}$  net 40 payment terms.

To translate the shortened description of the payment terms. The supplier will allow a 2% discount if paid within 15 days (or) a regular payment in 40 days. Determine the cost of credit related to these terms.

- ~~(A) 29.8%~~ (B) 27.5%
- (C) 23.5% (D) 21.8%
- (E) Answer not known

129. A firm issues debentures of Rs. 1,00,000 and realises Rs. 98,000 after allowing 2% Commission to brokers. The debentures carry an interest rate of 10%. The debentures are due for maturity at the end of the 10<sup>th</sup> year. You are required to calculate the effective cost of debt before tax.

- (A) 14%
- (B) ~~10.3%~~
- (C) 13%
- (D) 9%
- (E) Answer not known

130. Trading on equity implies having a \_\_\_\_\_ debt equity ratio.

- (A) Low
- (B) ~~High~~
- (C) Medium
- (D) Favourable
- (E) Answer not known

131. Cost of capital comprises both business and \_\_\_\_\_ risks.

- (A) Specific
- (B) Marginal
- (C) Capital
- (D) ~~Financial~~
- (E) Answer not known



132. Index that is designed to measure the changes over time in general level of retail prices of selected goods and services that household purchase is called as
- (1) Wholesale price index
  - (2) Retail price index
  - (3) Consumer price index
  - (4) Cost inflation index
- (A) 4                                 ~~(B) 3~~  
 (C) 2                                 (D) 1  
 (E) Answer not known

133. What does a ratio measures?
- (a) Relationship between market value and book value per equity share
  - (b) Proportion of profit available per equity share
  - (c) Overall earnings on average total assets
  - (d) Market value of equity as well as debt in comparison to all assets at their replacement cost
- (A) (b)                                 ~~(B) (d)~~  
 (C) (c)                                 (D) (a)  
 (E) Answer not known

134. What is internal financing?

- (a) Financing through depreciation funds and retained earnings
- (b) Financing through shares and securities
- (c) A bond which doesn't carry any interest but sold at discount from its final maturity value
- (A) All the above ~~(B) (a)~~
- (C) (b) (D) (c)
- (E) Answer not known

135. Which is not type of offer documents?

- 1. Red hearing prospectus
- 2. Abridged prospectus
- 3. Placement document
- 4. Letter of credit
- ~~(A) 4~~ (B) 3
- (C) 2 (D) 1
- (E) Answer not known

136. Denomination of CP note

- 1. Rs. 50,000 (or) multiples thereof
- 2. Rs. 5,00,000 (or) multiples thereof
- 3. Rs. 5,000 (or) multiples thereof
- 4. Rs. 500 (or) multiples thereof
- (A) 4 (B) 3
- ~~(C) 2~~ (D) 1
- (E) Answer not known

137. Computation of index value

(1) Index value = Index on previous day ×

$$\frac{\text{Total market capitalisation for current day}}{\text{Total capitalisation of the previous day}}$$

(2) Index value = Index on previous day ×

$$\frac{\text{Total capitalisation of the previous day}}{\text{Total capitalisation for current day}}$$

(3) Index value = Total market capitalisation for current day ×  
Total capitalisation of previous day

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

(C) 3 (D) None of the above

(E) Answer not known

138. Which is not uses of whole sale price index?

(1) WPI is used as deflator for many sectors of the economy including for estimating GDP by central statistical organisation (CSO)

(2) WPI is also used for indexation users in government contracts only

(3) Global investors also track WPI as one of the key macro indicators for their investment decisions

~~(A) 2~~ (B) 3

(C) 1 (D) 2 and 3

(E) Answer not known

139. What are the following items that are related with money market?

- (a) Commercial bill market
- (b) Collateral loan market
- (c) Securities market
- (d) Derivatives market
- (e) Treasury bill market

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

140. What is political risk?

- (a) Assets (or) earnings in a foreign country may be frozen
- (b) Accounting procedures, taxation, provisions may be altered in the foreign country
- (c) Finance manager risk about higher level of understanding situation about investments in foreign countries

- ~~(A)~~ (a)    (B) (b)
- (C) (c)    (D) all the above
- (E) Answer not known

141. The Insolvency and Bankruptcy code is not applicable to following corporates

- (A) Banks
- (B) Insurance companies
- (C) Mutual funds
- ~~(D)~~ All of the above
- (E) Answer not known

142. For certain cases, the resolution professional can take action only with prior approval of committee of creditors with \_\_\_\_\_ voting in favour.
- (A) 50% (B) 65%  
~~(C)~~ 66% (D) 75%  
(E) Answer not known
143. There are various types of organisation doing business in India with substantial Govt. investment, where profit may not be motive or objective is called
- (A) Joint sector (B) Govt. sector  
~~(C)~~ Public or social sector (D) Private sector  
(E) Answer not known
144. A company formed under section 2(85) of Companies Act 2013, other than a public company with paid up share of not more than Rs. 50 lakhs is known as
- ~~(A)~~ Small company (B) Joint venture company  
(C) Subsidiary company (D) Public company  
(E) Answer not known
145. Under which section of Companies Act 2013, provision of registered office of the company for communication and serving of necessary documents, notices, letter are mentioned
- (A) Sec. 15 of the Companies Act 2013  
~~(B)~~ Sec. 12 of the Companies Act 2013  
(C) Sec. 19 of the Companies Act 2013  
(D) Sec. 6 of the companies Act 2013  
(E) Answer not known

146. A company other than listed company and are also called closely held company, is known as
- (A) Government company
  - (B) Foreign company
  - ~~(C) Unlisted company~~
  - (D) Associate company
  - (E) Answer not known
147. Companies Act 2013 describes a foreign company as any company or body corporate incorporated outside India and which has a place of business in India and conduct business in India, as per
- ~~(A) Section 2(42)~~ (B) Section 2(38)
  - (C) Section 2(21) (D) Section 2(41)
  - (E) Answer not known
148. The term Dividend defined under which section of the Companies Act 2013
- ~~(A) Section 2(35) of Companies Act 2013~~
  - (B) Section 2(34) of Companies Act 2013
  - (C) Section 2(36) of Companies Act 2013
  - (D) Section 2(38) of Companies Act 2013
  - (E) Answer not known

149. The company may keep its book of account or other papers in electronic mode and remains accessible in India so as to be usable for subsequent reference, as per section
- ~~(A)~~ Sec. 128(1) Rule 3 of Companies (Accounts) Rules 2014
  - (B) Sec. 188 of Companies Act 2013
  - (C) Sec. 128(4) Rule 5 of Companies (Accounts) Rules 2014
  - (D) Sec. 188(1) of Companies Act 2013
  - (E) Answer not known
150. The financial statements shall not be treated as not disclosing a true and fair value of the stock of affairs of the company, when
- (A) Income and Insurance Co. as per Insurance Act 1938
  - (B) Income of Banking Co. as per Banking Regulations Act 1949
  - (C) Incase of Electricity generation company, as per Electricity Act 2003
  - ~~(D)~~ All the above
  - (E) Answer not known
151. Where the financial statements are not adopted at annual general meeting, such unadopted financial statements along with documents shall be filed with Registrar within \_\_\_\_\_ days of the date of AGM.
- (A) 15 days
  - ~~(C)~~ 30 days
  - (B) 45 days
  - (D) 60 days
  - (E) Answer not known
152. As per section \_\_\_\_\_ of the Companies Act 2013 provides appointment of Auditors at the First Annual General Meeting.
- ~~(A)~~ 139
  - (C) 137
  - (B) 136
  - (D) 135
  - (E) Answer not known

153. As per Companies Act, in respect of Accounting standards, the role of National Financial Reporting Authority (NFRA) is described as below
- (A) The role is complimentary to accounting, provisions
  - ~~(B)~~ The role is limited to advice the Central Government on the accounting standards
  - (C) The role is Executive in implementing the provisions
  - (D) The role is limited to adopting the standards
  - (E) Answer not known
154. The name of the individual audits or audit firm shall have to be recommended by a committee called
- (A) Sub committee
  - (B) Board committee
  - ~~(C)~~ Audit committee
  - (D) Empowered committee
  - (E) Answer not known
155. As per Information Technology Act, 2000 the offences are
- (A) Tampering with Computer Source Documents
  - (B) Hacking, destruction, alteration of any data in any computer with an intention of damage
  - (C) Breach of confidentiality and privacy
  - ~~(D)~~ All of the above
  - (E) Answer not known



156. The list of BI (Business Intelligence) Technologies that are available to organisations include

- (A) Internal Audit Report
- (B) Online Analytical Processing (OLAP)
- (C) Open Source BI (OSBI)
- ~~(D)~~ (B) and (C) only
- (E) Answer not known

157. Sec. 2 of Factories Act 1948 defines a factory as

- (a) Ten or more workers are working in any day of preceding 12 months and manufacturing process carried on with the aid of power.
- (b) 20 or more workers are working in any day of preceding 12 months and manufacturing process carried on without the aid of power.
- (A) Statement (a) alone correct
- (B) Statement (b) alone correct
- ~~(C)~~ Statement (a) and (b) above correct
- (D) No specific definition
- (E) Answer not known

158. As per Payment of Gratuity Act 1972, if the services of an employee have been terminated for involving moral turpitude committed in the course of his employment, then

- (A) The Gratuity payable partly to be forfeited
- (B) The Gratuity payable is to be forfeited
- ~~(C)~~ The Gratuity payable partially or fully forfeited
- (D) Gratuity is to be payable fully
- (E) Answer not known

159. The ESI scheme is primarily funded by contribution of employer and employees such as

- (a) Employee's contribution : 0.75% of wages
- (b) Employer contribution : 3.25% of wages contribution

As per latest rate in 2024

- (A) (a) only true
- (B) (b) only true
- ~~(C)~~ (a) and (b) true
- (D) Both are wrong
- (E) Answer not known

160. Identify and mark the correct option for the whether allocable surplus available or not following statement a minimum bonus which shall be 8.33% of the wages or Rs. 100 whichever is higher is to be paid to employee, as per payment of Bonus Act 1965

- ~~(A)~~ Bonus is payable as per the Act
- (B) Bonus is not required to be payable as per Act
- (C) Bonus payable only when surplus available
- (D) Bonus payable only on demand
- (E) Answer not known

161. Calculate sales margin variances due to volume from the following

- (a) Standard Qty – 3000
- (b) Actual Qty – 3200
- (c) Std cost per unit – Rs. 10/- (standard)
- (d) Sales price per unit – Rs. 12/- (standard)
- (A) Rs. 400/- adverse
- ~~(B)~~ Rs. 400/- favourable
- (C) Rs. 2,000/- Adverser
- (D) Rs. 2,400/- Favourable
- (E). Answer not known

162. Material Yield (or sub-usage) Variance (MYV) arises due to

- ~~(A)~~ Difference between the standard yield specified and actual yield obtained
- (B) Difference between the standard yield specified and standard price paid
- (C) Difference between actual yield obtained and actual price paid
- (D) Difference between the actual yield obtained and standard price paid
- (E) Answer not known

163. Calculate variable overhead efficiency variance from the following :
- (a) Standard time for actual production = 10,000
  - (b) Standard variable overhead rate per hour = Rs. 21/-
  - (c) Actual hours worked = 11,000
  - (A) Rs. 2,000/- Favourable
  - ~~(B) Rs. 2,000/- Adverse~~
  - (C) Rs. 2,000/- only
  - (D) All of the above
  - (E) Answer not known
164. Materials price variance can happen due to
- (A) Changes in Market price
  - (B) Inefficient buying
  - (C) Emergency purchases
  - ~~(D) All of the above~~
  - (E) Answer not known
165. A product introduces a upgraded version with few additional characteristics of the product is known as
- (A) Revolutionary product
  - ~~(B) Evolutionary product~~
  - (C) Me-too product
  - (D) All the above
  - (E) Answer not known

166. Identify the wrong statement

- (A) The basic objective of pricing of a product is to recover its cost of production
- ~~(B)~~ The term dual price and differential price are synonymous
- (C) The strategy of skimming pricing is adopted in case of a sophisticated product
- (D) Cost based transfer price is useful in a situation where no market price exists for the product
- (E) Answer not known

167. In which method, the market prices becomes the basis for pricing the products or services transferred from one department to another

- ~~(A)~~ Market based pricing method
- (B) Cost based transfer price method
- (C) Marginal cost method
- (D) Total cost method
- (E) Answer not known

168. In many businesses the common method of price determining is \_\_\_\_\_

- (A) Variable cost pricing
- ~~(B)~~ Cost plus pricing
- (C) Rate of return pricing
- (D) Competitive pricing
- (E) Answer not known

169. Pricing of finished product can be done by

- (A) Cost plus pricing
- (B) Rate of Return Pricing
- (C) Variable costs pricing
- ~~(D)~~ All of the above
- (E) Answer not known

170. Ascertain which product gives more profitability from the following information :

Details	Product A	Product B	Product C
Selling price	100	150	300
Variable cost	50	70	100
Raw material consumed	1 kg	2 kg	5 kg

- ~~(A)~~ Product A
- (B) Product B
- (C) Product C
- (D) Product B and C
- (E) Answer not known

171. Non-cost factors influencing adding or dropping a product line are

- (A) The position of the competitor in market
- (B) Competitor reaction to closure of department or dropping a product
- (C) The attitude of customers
- ~~(D)~~ All of the above
- (E) Answer not known



175. Advise whether to accept or reject a foreign order from following

- (a) The capacity presently used = 50,000 units
- (b) Full capacity of the firm = 65,000 units
- (c) Purchase order from a foreign firm to buy 15,000 units @ Rs. 10/- per unit
- (d) Prime cost = Rs. 8/- per unit
- (e) Variable overheads = Rs. 1/- per unit
- (A) Not to be accepted
- ~~(B)~~ To be accepted
- (C) To be Rejected
- (D) Any of the above
- (E) Answer not known

176. Calculate the profit for 50,000 units from the following information

- (a) Fixed expenses = Rs. 1,50,000
- (b) Break even point Qty = 30,000 units
- (c) Actual production = 50,000 units
- (A) Rs. 50,000/-
- ~~(B)~~ Rs. 1,00,000/-
- (C) Rs. 1,50,000/-
- (D) Rs. 2,00,000/-
- (E) Answer not known



177. Calculate increase in variable cost from the following

- (a) Variable selling expenses – Rs. 2,00,000
  - (b) Variable administration expenses – Rs. 1,00,000
  - (c) Fixed selling expenses – Rs. 1,00,000
  - (d) Total units produced – 30,000 units
  - (e) Total units production increases by – 200 units
- (A) Rs. 1,000/-                      ~~(B) Rs. 2,000/-~~  
(C) Rs. 3,000/-                      (D) Rs. 4,000/-  
(E) Answer not known

178. Calculate contribution under Marginal costing from the following :

- (a) Output and sales – 40,000 units
  - (b) Sales price per unit – Rs. 15/-
  - (c) Material and labour cost per unit – Rs. 8/-
  - (d) Production overhead – variable Rs. 2 per unit
  - (e) Production fixed overhead – Rs. 50,000/-
- (A) Rs. 1,00,000/-                      ~~(B) Rs. 2,00,000/-~~  
(C) Rs. 3,00,000/-                      (D) Rs. 3,50,000/-  
(E) Answer not known

179. Characters of contribution are :

- (A) Contribution includes fixed cost and profit
- (B) Contribution analysis requires a knowledge of break even concept
- (C) Contribution above break even contributes to profit
- ~~(D) All of the above~~
- (E) Answer not known

180. A company has following information. Calculate Break even point in Rs.

- (a) Fixed expenses = Rs. 90,000
- (b) Sales = Rs. 3,00,000
- (c) Profit = Rs. 60,000
- (A) Rs. 1,60,000/-
- ~~(C)~~ Rs. 1,80,000/-
- (E) Answer not known
- (B) Rs. 1,70,000/-
- (D) Rs. 1,90,000/-

181. Formula for Discount for lack of marketability (DLOM) is

- (i)  $DLOM = (1/(1 + \text{marketability premium}) - 1$
- (ii)  $DLOM = 1 + (1/(1 + \text{marketability premium}))$
- (iii)  $DLOM = 1 - (1/(1 + \text{marketability premium}))$
- (iv)  $DLOM = 1 - (1/(1 - \text{marketability premium}))$
- (A) (i)
- ~~(C)~~ (iii)
- (E) Answer not known
- (B) (ii)
- (D) (iv)

182. 10 year Govt. bond yield is 7% state Bank of India's FD int. rate is 7.5% NSE sensx return over the last 1 year – 15%. Beta of the company is 1.2. What is the required return on equity?

- (i) 15.6%
- (ii) 16.6%
- (iii) 16.0%
- (iv) 15.7%
- (A) (i)
- ~~(B)~~ (ii)
- (C) (iii)
- (D) (iv)
- (E) Answer not known

183. Company's equity share capital is Rs. 50,00,000 and debt is Rs. 30,00,000. Cost of equity is 12% and rate of interest on debt is 10%. Company pays Income tax at 30%. What is the weighted Average cost of capital?

(i) 9%

(ii) 10%

(iii) 10.125%

(iv) 10.25%

(A) (i)

(B) (ii)

~~(C)~~ (iii)

(D) (iv)

(E) Answer not known

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

(i) Terminal value is calculated as at the end of each year

(ii) Terminal value needs to be added to the aggregate present value of explicit forecast period

(iii) Terminal value is calculated as at the end of the explicit period

(iv) Methods to assess terminal value do not include "No growth" method

(A) (i) and (ii)

(B) (ii) and (iii)

~~(C)~~ (i) and (iv)

(D) (iii) and (iv)

(E) Answer not known

185. \_\_\_\_\_ assumes that an individual generates work value as he or she occupies and moves along organisation roles and renders services to the enterprise.

- (i) Lev and Schwartz model
- (ii) Human capital formation model
- (iii) Flamholtz's stochastic rewards valuation model
- (iv) Mckinsey model

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

186. Relief from Royalty method estimates the value of an asset leased on the value of the Royalty payments

- (i) Made by the company to acquire ownership of asset
- (ii) from which the company is relieved due to its ownership of the asset
- (iii) received by the company from the useful life of asset
- (iv) Over and above the internal rate of return

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















