

COMBINED TECHNICAL SERVICE EXAMINATION (INTERVIEW POSTS) - II
FINANCIAL AND COST ACCOUNTANCY (434) - 07.03.2026 AN
TENTATIVE KEYS MARKED QUESTION PAPER

1. In a factory when production is increased within the relevant range then
- (A) Variable costs will vary on a per unit basis
 - ☒ (B) Variable costs will vary in total
 - (C) Fixed costs will vary in total
 - (D) Fixed and variable cost stay same level
 - (E) Answer not known
2. Calculate contribution from the following :
- | | | | |
|-----|--------------------|---|------------|
| (1) | Direct materials | – | Rs. 3,000 |
| (2) | Direct labour | – | Rs. 2,000 |
| (3) | Variable overheads | – | Rs. 1,000 |
| (4) | Fixed cost | – | Rs. 3,000 |
| (5) | Selling price | – | Rs. 10,000 |
- ☒ (A) Rs. 4,000
 - (B) Rs. 1,000
 - (C) Rs. 5,000
 - (D) Rs. 3,000
 - (E) Answer not known

3. Calculate P/V ratio from the following :

Sales — Rs. 2,00,000

Variable costs — Rs. 1,20,000

Fixed costs — 40,000

☒ (A) 40%

(B) 20%

(C) 60%

(D) 30%

(E) Answer not known

4. Calculate Cash Break-Even Point (in units) from the following :

Selling price per unit — Rs. 50

Variable cost per unit — Rs. 40

Depreciation included in above per unit — Rs. 10

Fixed cost — Rs. 2,00,000

Depreciation included in above — Rs. 40,000

Presume that there is no time lag in payments.

☒ (A) 8,000 units

(B) 10,000 units

(C) 4,000 units

(D) 5,000 units

(E) Answer not known

- (E) Answer not known

- (E) Answer not known

7. The costing method in which fixed factory overheads are added to inventory is
- (A) Direct Costing (B) Marginal Costing
☒ (C) Absorption Costing (D) Standard Costing
 (E) Answer not known
8. In Break even chart, the angle formed at the right side of the Break Even Point indicates
- ☒ (A) The profit area (B) The loss area
 (C) Low profit area (D) Low loss area
 (E) Answer not known
9. If the price of a new machine is always Rs. 2 lakhs, when it will be advantageous to replace the machine after the first year?

Year	Operating cost Rs.	Scrap value at end of year Rs.
1	1,00,000	1,20,000
2	1,30,000	80,000
3	1,50,000	60,000
4	1,80,000	40,000

- (A) Second year
☒ (B) Third year
 (C) Fourth year end
 (D) Fourth year middle
 (E) Answer not known

10. A decision about the discontinuance of a product to be taken after due consideration of the following :

- (i) Contribution made by the product
- (ii) The capacity utilisation
- (iii) Long term prospects in the market for the product
- (iv) The effect on sale of other products.

(A) (i) only

(B) (i) and (iii) only

(C) (ii) and (iii) only

☒ (D) (i), (ii), (iii) and (iv) only

(E) Answer not known

11. Match the following :

Column I

- (a) Market Based Price
- (b) Decision unit
- (c) Margin of safety
- (d) Difference between costs of two alternatives

Column II

- 1. Break even analysis
- 2. Differential cost
- 3. Transfer pricing
- 4. Zero-Base budgeting

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

12. Intra Company Transfer pricing arises where transfer of goods or services have to be made from
- (A) One department to another department of different organisation
 - (B) One division to another division of different organisation
 - ✓(C) One department/division to another department/division of same organization
 - (D) One department to Government department
 - (E) Answer not known
13. The basic objective of pricing of a product is
- (A) To recover cost of production
 - (B) To provide adequate margin for the organisation
 - ✓(C) To recover cost of production and provide adequate margin for the organisation
 - (D) Brand building
 - (E) Answer not known
14. Select most appropriate answer from following :
- When two prices for two different sections of the society are fixed by the Government the price so fixed is termed as
- ✓(A) Dual price
 - (B) Differential price
 - (C) Leader price
 - (D) Differential and leader price
 - (E) Answer not known

15. While taking pricing decisions under conversion cost method following are considered
- (A) Only Direct Material
 - (B) Only Direct Labour
 - (C) Only Factory Overhead
 - ✓(D) Only Direct Labour and Factory Overhead
 - (E) Answer not known
16. Identify the incorrect statement in context of the valuation approaches
- (A) The cost approach reflects the amount that would be required currently to replace the service capacity of an asset
 - ✓(B) Income approach should be applied when the asset has not started generating income yet and cannot reasonably be projected
 - (C) The market approach provides an indication of value by comparing the asset with identical or comparable assets
 - (D) Net Asset value or the Book Value method serves as a method of valuation of private companies where detailed information is not available
 - (E) Answer not known
17. _____ is a measure of value which tells whether a company is able to generate returns that exceed the cost of capital employed.
- (A) Cost of Capital
 - ✓(B) Economic Value Added
 - (C) Market Value Added
 - (D) Financial Profits
 - (E) Answer not known

18. An 8% Bond of Face Value of Rs. 100 is selling for Rs. 80, what would be its current yield?
- (A) 8% ☒ (B) 10%
 (C) 6.40% (D) 12.5%
 (E) Answer not known
19. If capitalisation rate is reduced by growth rate, the cash flows should also be reduced by _____
- (A) Discounted cash flow ☒ (B) Capital expenditure
 (C) Dividend payment (D) Cost of capital
 (E) Answer not known
20. Which of the following statement/s is/are incorrect?
- (i) A Lower discount would be applied to the cash flows of a government bond compared to a corporate debenture
 (ii) When price rise, Last In First Out (LIFO) method of stock valuation would result in Lower reported earnings
 (iii) Cost of the debt is always more than the cost of Equity as a company is not mandated to pay dividend (Appropriation) but it has to pay interest on debt (charge) every year
- ☒ (A) (iii) only (B) (i) only
 (C) (ii) only (D) (i) and (ii) only
 (E) Answer not known
21. Which is not a, human capital related to intangible Assets?
- (A) Trained workforce (B) Employment agreements
 (C) Union contracts ☒ (D) Design patent
 (E) Answer not known

22. Which method of Inventory valuation is most appropriate for a Super Market Chain?
- ☒ (A) FIFO (First-In-First-Out) Method
 - (B) LIFO (Last-In-First-Out) Method
 - (C) WAC (Weighted Average Cost) Method
 - (D) Standard Costing Method
 - (E) Answer not known
23. In Flamholtz's Stochastic Rewards valuation model in the valuation of human Resources, what does the model presume?
- (A) An individual generates more value only when they leave the organisation
 - ☒ (B) An individual generates work value as they occupy and move along organisational roles
 - (C) An individual generates value only during their tenure in the firm
 - (D) An individual generates value when they get selected in the organisation
 - (E) Answer not known
24. Which of the following cost does not include in the Acquisition Cost in the context of cost of Human Resources?
- (A) Selection Cost
 - (B) Placement Cost
 - (C) Recruitment Cost
 - ☒ (D) Formal Training Cost
 - (E) Answer not known

25. ABC Ltd.'s EPS for the year is Rs. 100. The current price is Rs. 2,200. Assuming that the EPS is expected to grow by 12% in the next one year, what should be the price after one year from now?
- (A) Rs. 112 ☒ (B) Rs. 2,464
(C) Rs. 2,300 (D) Rs. 124
(E) Answer not known
26. _____ enables companies to better align their organizational structure with the strategic objectives.
- ☒ (A) Better Organizational Alignment
(B) Better Process Alignment
(C) Better Alignment of projects and initiatives
(D) Better Management information
(E) Answer not known
27. Which of the following is not one of the main parts of the Kaplan-Norton balanced score card concept? Balancing _____
- (A) Financial and non financial measurements
☒ (B) Cash flows and non-cash flows
(C) Short term and long term measurements
(D) Leading and Lagging indicators
(E) Answer not known
28. In Supply Chain Management, ATP stands for _____
- (A) Acquire track & perform
☒ (B) Available to promise
(C) Active transport protocol
(D) Access to point
(E) Answer not known

29. Which is not intrinsic flows of the supply chain?
- (A) Material flow
 - (B) Commercial flow
 - (C) Information flow
 - ☒ (D) Distributor flow
 - (E) Answer not known
30. Key Performance Indicator (KPI) is defined as
- (A) A vision statement that outlines a company's successful strategy
 - (B) An executive officer's ability to lead his division
 - ☒ (C) A performance measurement tool to gauge how a company is doing
 - (D) A growth strategy that takes competition into account
 - (E) Answer not known
31. _____ benchmarking involves gathering and comparing quantitative data.
- (A) Product benchmarking
 - (B) Process benchmarking
 - ☒ (C) Performance benchmarking
 - (D) Strategic benchmarking
 - (E) Answer not known
32. Benchmarking is a/an _____ tool.
- ☒ (A) improvement
 - (B) cutting
 - (C) quality
 - (D) production
 - (E) Answer not known

33. Which one is not a dimension of quality under statistical quality control?
- (A) performance
 - (B) reliability
 - (C) durability
 - ☒ (D) non-reputation
 - (E) Answer not known
34. Which is not principles of Lean manufacturing?
- (A) value
 - (B) value stream
 - (C) flow
 - ☒ (D) put
 - (E) Answer not known
35. Which reports are prepared by analyzing past data and observing trends and patterns? This reports in an MIS system attempts to predict the circumstances for the company in the near future.
- ☒ (A) Predictive reports
 - (B) Trend reports
 - (C) Financial reports
 - (D) On-Demand reports
 - (E) Answer not known

36. Which is not objective of effective Management Information System?

- ☒ (A) to provide best services to Authorities
- (B) to gain competitive advantage
- (C) to provide information support for business planning for future
- (D) to highlight the critical factors in the operation of the business for appropriate decision making
- (E) Answer not known

37. _____ deals with the present and focuses to create and operate appropriate systems to prevent defects from occurring.

- ☒ (A) Quality Assurance
- (B) Quality Management
- (C) Quality Control
- (D) Quality Tools
- (E) Answer not known

38. What is the name of the loss for the following process?

Results in lost production opportunity (yields) that occurs during product changeovers shift change (or) other changes in operating conditions.

- (A) Idling and stoppage losses
- ☒ (B) Set-up and adjustment losses
- (C) Unexpected breakdown losses
- (D) Speed losses
- (E) Answer not known

39. Which strategy denotes following example?

Domino's pizza has been offering home delivery within 30 minutes (or) the order is free.

- (A) Cost leadership strategy
- ✓(B) Differentiation strategy
- (C) Generic strategy
- (D) Focus strategy
- (E) Answer not known

40. PESTLE is an acronym of

- (A) Political, Economic, Superpower, Technological, Legal, Environmental
- (B) Political, Eco-friendly, Superpower, Technological, Legal, Environmental
- (C) Political, Economic, Social, Technological, Legal, E-commerce
- ✓(D) Political, Economic, Socio-cultural, Technological, Legal, Environmental
- (E) Answer not known

41. NSIC support services to MSME in different areas like _____

- ✓(A) Financing for Raw material procurement
- (B) Giving subsidy
- (C) Relaxing export policies
- (D) Regulatory compliance including GST
- (E) Answer not known

42. Which is not cyber crimes against property under Information Technology Act 2000?
- (A) Squatting
 - (B) Vandalism
 - ✓(C) Warfare
 - (D) Hacking
 - (E) Answer not known
43. Digital certificates reissued by _____ under Information Technology Act 2000.
- ✓(A) Certifying authority appointed by Central Govt.
 - (B) Board of Directors
 - (C) Finance Ministry
 - (D) Supreme Court
 - (E) Answer not known
44. Which one of the following amounts to safety measure under Factories Act 1948?
- (A) Artificial humidification
 - (B) Ventilation
 - ✓(C) Fencing of factory
 - (D) First aid appliances
 - (E) Answer not known

45. Under Factories Act Sec 48 provides that if more than _____ women workers are employed there shall be provided and maintained a suitable room for the use of children under the age of _____ years of such women.
- ☒ (A) 30, 6
(B) 50, 5
(C) 100, 5
(D) 200, 6
(E) Answer not known
46. Gratuity is calculated for every completed year of service (or) part in excess of six months at the rate of _____ wages last drawn.
- (A) 30 days ☒ (B) 15 days
(C) 21 days (D) 7 days
(E) Answer not known
47. Under Gratuity act, which one of the following is to be included in the definition of wage?
- ☒ (A) Dearness allowance (B) Overtime allowance
(C) Commission (D) House rent allowance
(E) Answer not known
48. Under Employees Provident Fund Act 1952 while filing appeal to Epf Appellate tribunal the employer has to deposit _____ of the amount due from him.
- (A) 25% (B) 50%
☒ (C) 75% (D) 35%
(E) Answer not known

49. Withdrawal from Employees provident fund may be allowed for _____
- (A) Marriage of the Employer
 - (B) Post matriculation education of children
 - ✓(C) For the purchase of a dwelling place
 - (D) For illness in certain cases
 - (E) Answer not known
50. Under code on wages 2019 an employee shall be disqualified from receiving bonus _____.
- ✓(A) Conviction for sexual harassment (B) Retirement
 - (C) Retrenchment (D) Voluntary Retirement
 - (E) Answer not known
51. Time limit for payment of wages where an employee has been removed (or) dismissed from service (or) has resigned from service the wages payable to him shall be paid within _____ days of his removal, dismissal, retrenchment, (or) as the case may be, his resignation.
- (A) Thirty working days (B) Five working days
 - ✓(C) Two working days (D) Sixty working days
 - (E) Answer not known

52. Who is an insurable Employee?
- (i) Workers in mines subject to Mines Act 1952 (Sec 2 (12))
 - (ii) Workers in a railway running shed
 - (iii) All Employees in factories (or) establishments to which this Act applies shall be insured in manner as provided in Act.
- (A) (i) (B) (ii)
☒ (C) (iii) (D) (i) and (ii)
(E) Answer not known
53. Under Employees State Insurance Act 1948 the term of the members of Medical benefit council shall be
- (A) 5 years ☒ (B) 4 years
(C) 1 year (D) 3 years
(E) Answer not known
54. _____ shall be appointed to scrutinize the poll process under Companies Act 2013.
- ☒ (A) Scrutinizer (B) Certifying authority
(C) Chairman (D) Registrar
(E) Answer not known
55. An entity in favour of whom security interest is created is called _____.
- (A) Unsecured creditor (B) Financial creditor
(C) Operational creditor ☒ (D) Secured creditor
(E) Answer not known

56. What are all documents should be attached for getting licence by existing companies under section 8 of the Act?
1. The memorandum and articles of association of the company.
 2. The financial statements, the Boards reports and audit reports of the previous three financial years.
 3. A declaration by each of the persons making the application in form No. INC -15
- (A) (1) and (2) only
☒ (B) (1) and (3) only
(C) (2) and (3) only
(D) (2) only
(E) Answer not known
57. What is the paid up share capital fixed for the appointment of a women director?
- ☒ (A) Rs. 100 crores (B) Rs. 300 crores
(C) Rs. 500 crores (D) Rs. 1000 crores
(E) Answer not known
58. No independent director shall hold office for more than _____ consecutive terms.
- ☒ (A) 2 (B) 3
(C) 4 (D) 5
(E) Answer not known

59. The issue of depository receipts shall either be remitted to a bank account in _____ or deposited in an _____ bank. Operating abroad (or) any foreign bank, which is a scheduled bank under Reserve Bank of India Act, 1934.

- (A) Foreign, Foreign (B) India, Foreign
(C) Foreign, Indian ☒ (D) India, Indian
(E) Answer not known

60. The CSR Fund earmarked for on going project, needs to be spent within

- (A) One year (B) Two years
☒ (C) Three years (D) Four years
(E) Answer not known

61. Following is the extract of Balance sheet of A Ltd. for the year ended 31st March 2024:

Equity and Liabilities	31.3.2024	31.3.2023
	(Rs.)	(Rs.)
Surplus (Balance in P&L)	16,00,000	11,00,000
Dividend Payable	60,000	60,000

Other Information:

Proposed dividends for the year ended 31.3.2023 and 31.3.2024 were Rs. 6,00,000 and Rs. 7,00,000 respectively. Which of the following options is correct on Net Profit before Tax and Extraordinary item?

- (A) Rs. 12,00,000
☒ (B) Rs. 11,00,000
(C) Rs. 10,40,000
(D) Rs. 11,40,000
(E) Answer not known

62. Which of the following is incorrect with reference to buy-back of securities?
- (a) Both fully and partly paid-up securities can be bought back.
 - (b) Offer of Buy-back can be made within a period of one year reckoned from the date of closure of preceding offer of buy back.
 - (c) Buy Back must be authorised by the Articles of Association.
 - (d) Buy Back should be completed within 1 year from date of passing special resolution or as the case may be, Resolution passed by the Board.
- (A) (a), (b) and (d)
 - ☒ (B) (a) and (b) only
 - (C) (c) and (d) only
 - (D) (a) and (c) only
 - (E) Answer not known
63. Due to retrospective effect on revision of salary of Employees, the arrears of salary relating to past years, payable in current year is
- (A) Prior-period item
 - (B) Contingent item
 - (C) Extra-ordinary item
 - ☒ (D) Ordinary item requiring separate disclosure
 - (E) Answer not known

64. An equipment is a part of property, plant and equipment. It has remaining useful life of 12 months from the date of balance sheet. It is classified as
- (A) Current asset
 - ☒ (B) Fixed asset
 - (C) Either current asset or fixed asset
 - (D) Wasting asset
 - (E) Answer not known
65. Read the following statements and choose the correct option from the following.
- Statement I : Issue of Bonus shares to Equity shareholders will result in Inflow of cash.
- Statement II: Debentures issued as collateral security will result in Inflow of cash.
- (A) Both statements are correct
 - ☒ (B) Both statements are incorrect
 - (C) Statement I is correct and Statement II is incorrect
 - (D) Statement I is incorrect and Statement II is correct
 - (E) Answer not known

66. Match the following type :

- | | |
|----------------------------------|---|
| (a) Buy Back of Equity Shares | 1. ESOP/ESPP |
| (b) Right issue of Equity shares | 2. Capital Restructuring |
| (c) Bonus issue of Equity shares | 3. Offer made by the company to Existing Shareholders |
| (d) Sweat Equity shares | 4. Capitalization of Profits or Reserves |

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

67. Which of the following is an example for commercial ERP?

- | | |
|----------------------------|--------------|
| (A) ERP5 | (B) Fistera |
| ✓(C) Microsoft Dynamics AX | (D) Compiere |
| (E) Answer not known | |

68. _____ is the fundamental concept of production management and control.

- (A) BOM (Bill Of Material)
- ✓(B) MRP (Material Requirement Planning)
- (C) ERP (Enterprise Resource Planning)
- (D) SCM (Supply Chain Management)
- (E) Answer not known

69. Who are the primary users of SCM (Supply Chain Management) system?
- (A) Sales, Marketing, Customer service
 - (B) Accounting, Finance, Logistics and Production
 - ☒ (C) Customers, Resellers, Partners, Suppliers, Distributors
 - (D) Production, Purchase etc.
 - (E) Answer not known
70. Accounting Standard Board (ASB) consists of representatives from:
- (i) Regulators
 - (ii) Academicians
 - (iii) Government departments
 - (iv) Industry Representatives
- Choose the correct option.
- (A) (i), (iii), (iv)
 - ☒ (B) (i), (ii), (iii), (iv)
 - (C) (i), (ii), (iii)
 - (D) (ii), (iii), (iv)
 - (E) Answer not known

71. An item of PPE was purchased for Rs.10,00,000 on 1st April 2021. It is estimated to have a useful life of 10 years and is depreciated on a straight line basis. On 1st April 2023, the asset is revalued to Rs.10,80,000. The useful life remains unchanged on Ten years. Ignore impact of deferred Taxes. Calculate Additional depreciation by using the above information.
- (A) Rs. 8,000
 - ☒ (B) Rs. 35,000
 - (C) Rs. 10,000
 - (D) Rs. 10,800
 - (E) Answer not known
72. _____ currency is the currency of the primary economic environment in which entity operates.
- (A) Presentation
 - (B) Foreign
 - ☒ (C) Functional
 - (D) Exchange
 - (E) Answer not known

73. What is the date of approval for issue of the Financial statements of a company prepared for the reporting period from April 1, 2023 to March 31, 2024, where following dates are available?

Completion of financial statements	→ May 28, 2024
Board reviews and approves for issue	→ June 19, 2024
Available to shareholders	→ July 1, 2024
Annual General Meeting held on	→ September 30, 2024
Filed with Regulatory authority	→ October 20, 2024

- (A) September 30, 2024
- ☒ (B) June 19, 2024
- (C) October 20, 2024
- (D) July 1, 2024
- (E) Answer not known

74. Match the correct option :

- | | |
|----------------|---|
| (a) IND AS 115 | 1. Effects of changes in Foreign Exchange Rates |
| (b) IND AS 23 | 2. Provisions, Contingent Liabilities and Contingent Assets |
| (c) IND AS 37 | 3. Revenue from contract with customers |
| (d) IND AS 21 | 4. Borrowing cost |

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

75. A Co-operative Society may create _____ out of its Net profit for payment of Bonus to Non-members who are not in the societies employment.
- (A) Bonus Utilisation fund
 - ☒ (B) Bonus Equalization fund
 - (C) Reserve fund
 - (D) Non-Members fund
 - (E) Answer not known
76. Branch Account under debtors system is a _____
- (A) Real account
 - (B) Personal account
 - ☒ (C) Nominal account
 - (D) Representative Personal a/c
 - (E) Answer not known
77. The cost of goods pilfered must be debited to _____
- (A) Branch Stock a/c
 - (B) Branch adjustment a/c
 - ☒ (C) Branch Profit and Loss account
 - (D) Goods Sent to Branch Account
 - (E) Answer not known

78. Department A of M/s Bright and Co. transfers goods to Department C @ a Price that includes Markup of 25% on cost. If the closing stock of Department A is Rs. 60,000, Stock Reserve will be created for
- ☒ (A) Rs. 12,000
 - (B) Rs. 52,000
 - (C) Rs. 15,000
 - (D) Rs. 45,000
 - (E) Answer not known
79. When goods are invoiced to Branch at Invoice Price, the value of goods is adjusted by
- (A) Debiting Branch Account
 - ☒ (B) Debiting Goods sent to Branch Account
 - (C) Debiting Branch Adjustment Account
 - (D) Debiting Stock Reserve Account
 - (E) Answer not known
80. Medicines given to the office staff by a Manufacturer of medicines will be debited to
- (A) Medicines consumed account
 - ☒ (B) Salaries account
 - (C) Other expenses
 - (D) Office expenses
 - (E) Answer not known

81. The term _____ is applicable to the amounts collected for a special purpose when these are invested.
- (A) Fee
 - (B) Account
 - ☒ (C) Fund
 - (D) Investment
 - (E) Answer not known
82. Scholarship granted to students out of specific funds provided by Government will be debited to _____ in case of non-profit Organisation.
- (A) Income and Expenditure account
 - (B) Profit and Loss Account
 - (C) Receipts and Payments account
 - ☒ (D) Funds granted for Scholarship account
 - (E) Answer not known

83. Subscription of Rs. 6,00,000 had been shown in Income & Expenditure Account prepared for the year ending 31st March 2024. Additional information is as below.

Particulars	31.03.2023	31.03.2024
	Rs.	Rs.
Subscription Outstanding	55,000	75,000
Subscription Received in advance	30,000	35,000

The amount of subscription received during the year 2023-24 would be:

- (A) Rs. 5,65,000
 - (B) Rs. 6,15,000
 - (C) Rs. 6,30,000
 - ☒ (D) Rs. 5,85,000
 - (E) Answer not known
84. The Insurance Company that shifts part or all of a risk it has assumed to another Insurance company is called _____ company and the Insurance company (Second Insurance Company) on whom the risk has been transferred is called _____ company.
- (A) Reinsurer, ceding
 - (B) Transferor, Transferee
 - (C) Holding, Subsidiary
 - ☒ (D) Ceding, Reinsurer
 - (E) Answer not known

85. Section 14A of the Banking Regulation Act, 1949 lays down that a banking company shall not create a floating charge without getting a certificate from _____
- (A) State Bank of India
 - ☒ (B) Reserve Bank of India
 - (C) NABARD
 - (D) SIDBI
 - (E) Answer not known
86. The disadvantages of Enterprise Resource Planning (ERP) software are
- (i) It is a complex software
 - (ii) There may be an implementation hurdles
 - (iii) It is often too expensive for the small and medium sized organisations
 - (iv) As it is an integrated package, duplication of data entry is avoided
- (A) (i) only
 - (B) (ii) and (iv) only
 - ☒ (C) (i), (ii) and (iii) only
 - (D) (iv) only
 - (E) Answer not known

87. Wherever transactions are involving foreign exchange, Non-Monetary assets are carried in the books of Banks at the _____
- (A) Purchase cost
 - (B) Depreciated cost
 - ☒ (C) Historical cost
 - (D) Market value
 - (E) Answer not known
88. A cash credit amount will be treated as NPA (Non Performing Asset) if interest and installment of Principal amount remain overdue/out of order for a period more than
- (A) 270 days
 - (B) 180 days
 - (C) 360 days
 - ☒ (D) 90 days
 - (E) Answer not known

89. Choose the wrong matches type.

Which of the following is incorrectly paired in the context of Accounting for Electricity companies.

- (1) APDRP – Accelerated Power Development and Research Programme
- (2) SLD charges – Service Line cum Development charges
- (3) CERC – Central Electricity Regulatory Commission
- (4) CEA – Chief Electricity Authority
- ☒ (A) (1) and (4) are Incorrect
- (B) (2) and (3) are Incorrect
- (C) (3) and (4) are Incorrect
- (D) (1) and (3) are Incorrect
- (E) Answer not known

90. While preparing Accounts of Banking Companies, Calculate Rebate @ 5% on Bills discounted for a Bill amounting to Rs. 4,00,000 having Bill Term for 3 months. Date of Bill is 2/01/2023 and the books of accounts of the Bank is closed on 31.03.2023

- (A) Rs. 20,000
- ☒ (B) Rs. 274
- (C) Rs. 4,932
- (D) Rs. 4,877
- (E) Answer not known

91. Product life cycle is a pattern of expenditure, sale level, revenue and profit over the period beginning from
- ☒ (A) Idea generation to the deletion of the product from product range
 - (B) Introduction to growth
 - (C) Growth to maturity
 - (D) Maturity to decline
 - (E) Answer not known
92. Target costing is the answer to
- ☒ (A) Market driven prices
 - (B) Sellers market
 - (C) No profit situation
 - (D) No loss situation
 - (E) Answer not known
93. Which of the following is not the aim of Kaizen process?
- (A) to make processes efficient
 - (B) to focus on the reduction of waste
 - (C) to eliminate unnecessary work steps
 - ☒ (D) add extra cost at each stage
 - (E) Answer not known
94. Which of the following is not a secondary activity of value chain?
- (A) Procurement
 - (B) Human Resource Development
 - ☒ (C) Service
 - (D) Technology Development
 - (E) Answer not known

95. Business process Reengineering refers to
- ☒ (A) A complete redesign of a process
 - (B) Redesigning work flow
 - (C) Redesigning products
 - (D) Redesigning the organisational structure
 - (E) Answer not known
96. When you wait until the manufacture of a product has been completed and then record all of the related issuances of inventory from stock that were required to create the product, it is called
- (A) Forensic Accounting
 - ☒ (B) Back-flush Accounting
 - (C) Tax accounting
 - (D) Lean accounting
 - (E) Answer not known
97. Which of the following statements are True/False?
- (1) Back flush costing is best paired with just in time system.
 - (2) In Back flush costing, work in process account is removed in the process
- (A) (1) & (2) False
 - ☒ (B) (1) & (2) True
 - (C) (1) False (2) True
 - (D) (1) True (2) False
 - (E) Answer not known

98. The term cost driver is used in _____
- ☒ (A) Activity Based Costing (B) Absorption Costing
(C) Standard Costing (D) Marginal Costing
(E) Answer not known
99. A company operates throughput accounting system. The details of product X per unit are as under
- Selling price (Rs.) 50
Material cost (Rs.) 20
Conversion cost (Rs.) 15
Time on bottleneck resources – 10 members.
The return per hour for product X is
- (A) Rs. 210
(B) Rs. 300
☒ (C) Rs. 180
(D) Rs. 90
(E) Answer not known
100. Another name for super variable costing is _____
- (A) Unit costing (B) Batch costing
(C) Manufacturing costing ☒ (D) Throughput costing
(E) Answer not known

101. Cost Accounting is basically _____ in its approach while Management Accounting is _____ in its approach.

- ☒ (A) Historical and futuristic
- (B) Futuristic and historical
- (C) Futuristic and complimentary
- (D) Historical and Statutory
- (E) Answer not known

102. Management Accounting has a _____ scope than Cost Accounting.

- (A) Narrower
- ☒ (B) Wider
- (C) Equal
- (D) Complimentary
- (E) Answer not known

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

- (1) Management Accounting deals both with quantitative and qualitative information
- (2) Management Accounting helps in interpretation of data

- (A) (1) & (2) are False
- ☒ (B) (1) & (2) are True
- (C) (1) True (2) False
- (D) (1) False (2) True
- (E) Answer not known

104. Management Accounting analyses data with the help of _____

- (A) Auditors
- (B) Statutory forms
- (C) Tax authorities
- ☒ (D) Tools & Techniques
- (E) Answer not known

105. Management Accounting provides invaluable information to management in performing
- ☒ (A) All management functions
 - (B) Coordinating functions
 - (C) Controlling functions
 - (D) Organising functions
 - (E) Answer not known
106. How long will it take to produce the 4th unit with 80% learning if the first unit took 75 hours?
- ☒ (A) 48 hours
 - (B) 60 hours
 - (C) 12 hours
 - (D) 24 hours
 - (E) Answer not known
107. In the learning curve model $Y = aX^b$, b stands for _____
- (A) Average time per unit
 - (B) Cumulative number of units
 - (C) Average time per unit for 'X' units
 - ☒ (D) Learning coefficient
 - (E) Answer not known
108. Which of the following statements are True/False?
- (1) Learning curves are based on doubling of output.
 - (2) The steeper the learning curve, the faster is the decrease in time
- (A) (1) True (2) False
 - (B) (1) False (2) True
 - ☒ (C) (1) & (2) True
 - (D) (1) & (2) False
 - (E) Answer not known

109. Which of the following statement is true?

- (1) Learning curve displays the relationship between process time per unit and cumulative number of units produced.
- (2) Learning curves are most easily developed for one off type orders.
- (3) Learning curve are based on normal distribution.
- (4) The standard time for a process is determined from the learning curve when cumulative production is 50 units.
- ☒ (A) 1 (B) 2
- (C) 3 (D) 4
- (E) Answer not known

110. A 100% learning curve implies that _____

- (A) Organisational learning has taken place
- (B) The learning curve can be universally applied
- ☒ (C) No learning has been achieved
- (D) Direct labour is reduced 100% for each doubling of production
- (E) Answer not known

111. Low turnover of stock ratio indicates _____.

- (A) Solvency position
- (B) Monopoly position
- (C) Profitability position
- ☒ (D) Over investment in inventory
- (E) Answer not known

112. B Ltd. has a liquidity ratio of 2 : 1. If its inventory is Rs. 15,000 and total current liabilities are Rs. 30,000 the current ratio is

- (A) 5.2 : 1
- (B) 2.1 : 1
- (C) 2.4 : 1
- ☒ (D) 2.5 : 1
- (E) Answer not known

113. Vertical analysis of financial statements is made on the basis of _____

- (A) Multiple set of financial statements
- (B) Different schedules attached to financial statements
- ☒ (C) Only one year is taken up for review
- (D) Multiple years are taken up review
- (E) Answer not known

114. Trend percentages are calculated for _____

- (A) All items in the statements
- (B) Items which are not related to each other
- ☒ (C) Items which are inter related to one another
- (D) The current year only
- (E) Answer not known

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

- (1) Financial statements are prepared on the basis of realisable values.
- (2) Comparative balance sheet is very useful in studying the trends in an enterprise.

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

116. Under customs act what is the relevant date for determination of rate of exchange for the case of import?

- ☒ (A) Date on which bill of entry is presented u/s 46
- (B) Date on which a shipping bill is presented u/s 50
- (C) Date on which import order send by respective authority
- (D) Imported goods arrived in the factory
- (E) Answer not known

117. What is the place of supply in case of services consisting of hiring of means of transport other than?

- (i) Air crafts and
- (ii) Vessels except yachts

As per GST

- ☒ (A) Place of supply of services shall be the location of the service provider
- (B) Place of supply of services shall be the location of the service receiver
- (C) Place of supply of services shall be the location where supply provided
- (D) Place of supply of services shall be the place where highest percentage of services provided
- (E) Answer not known

118. Rati Computers supplies laptop worth Rs. 52,000 along with laptop bag worth Rs. 3,000 to a customer for Rs. 55,000

Laptop tax rate = 18%

Laptop bag tax rate = 28%

Identify the tax rate applicable along with value

- ☒ (A) 18% will be charged on the entire value of Rs. 55,000
- (B) 18% will be applicable for 52,000 and 28% applicable for 3,000
- (C) 28% will be charged on the entire value of Rs. 55,000
- (D) 18% will be charged for 52,000 for laptop and laptop bag Rs. 3,000 is exempt No GST is payable
- (E) Answer not known

119. Identify for which items CGST/IGST has not yet been levied

- (i) Petroleum crude
- (ii) High speed diesel
- (iii) Edible ice
- (iv) Motor spirit
- (v) Natural gas
- (vi) Aviation turbine fuel

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

120. The various elements used for determining the place of supply of service are

- (i) Location of service provider
- (ii) Location of service receiver
- (iii) Place where the activity takes place/place of performance
- (iv) Place where the service is consumed
- (v) Place of supply is not applicable for service

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

121. Determine Time of supply in the following case :

Voucher issued to a recipient of machinery at the time of delivery of such machinery, for availing repair services worth Rs. 5,000 valid for 1 year.

Date of issuance of voucher – 01-Nov-20

Redemption of voucher – 14-Dec-20

Last date for acceptance of voucher – 30-Oct-21

☒ (A) 01-Nov-20

(B) 14-Dec-20

(C) 15-Nov-20

(D) 30-Oct-21

(E) Answer not known

122. Determine the time of supply in the following case assuming that GST is payable under reverse charge.

(i) Date of payment by recipient of services – 10.10.21

(ii) Date of issue of invoice by supplier of services – 29.08.21

(A) 29.08.2021

(B) 29.09.2021

(C) 29.10.2021

☒ (D) 10.10.2021

(E) Answer not known

123. Determine the value of supply :

Contract price of supply of goods is Rs. 14,000 inclusive of all taxes and GST is 18%

- (A) Rs. 14,000
- ☒ (B) Rs. 11,864
- (C) Rs. 2,136
- (D) Rs. 16,136
- (E) Answer not known

124. Form to be filled for filing application of Registration is _____.

- (A) REG-02
- ☒ (B) REG-01
- (C) REG-03
- (D) REG-04
- (E) Answer not known

125. Find the odd one out from GST portal

- (A) Electronic Credit Ledger
- (B) Electronic Cash Ledger
- ☒ (C) Electronic Payment Ledger
- (D) Electronic Liability Ledger
- (E) Answer not known

126. E Way Bill should be accepted by recipient within _____ from generation or delivery of goods whichever is earlier.
- (A) 24 Hours
 - (B) 48 Hours
 - ☒ (C) 72 Hours
 - (D) 36 Hours
 - (E) Answer not known
127. Offences other than Fraud etc. [On account of Demand order under Section 73] by registered person Quantum of penalty payable is _____ or _____ Tax/Input Tax Credit involved whichever is higher.
- (A) Rs. 5,000 ; 5%
 - ☒ (B) Rs. 10,000 ; 10%
 - (C) Rs. 5,000 ; 10%
 - (D) Rs. 10,000 ; 5%
 - (E) Answer not known
128. As per Customs Act, upto 200 Nautical Miles from base line is called as _____.
- (A) Territorial Waters
 - (B) Indian Customs Water
 - ☒ (C) Exclusive Economic Zone
 - (D) High Seas
 - (E) Answer not known

129. Identify the correct statements :

E-Invoice not required in case of following

- (i) Banking Company
- (ii) Insurance Company
- (iii) Goods Transport Agency
- (iv) SEZ unit
- (v) E-Commerce operator
- (A) (ii), (iii) and (iv) only
- (B) (iv) and (v) only
- (C) (i), (ii) and (v) only
- ☒ (D) (i), (ii), (iii) and (iv) only
- (E) Answer not known

130. If a person is engaged in business only in one state then Turnover threshold limit of Rs. 10 lakhs is applicable for 4 North Eastern States for goods/service/both

- (i) Manipur; Mizoram; Nagaland and Tripura
- (ii) Assam; Manipur; Arunachala Pradesh & Tripura
- (iii) Manipur; Puduchery; Telangana; Sikkim
- (iv) Manipur; Meghalaya; Mizoram; Nagaland
- ☒ (A) (i)
- (B) (ii)
- (C) (iii)
- (D) (iv)
- (E) Answer not known

131. Updated Return is filed U/s _____.

- (A) 139(1)
- (B) 139(3)
- ☒ (C) 139(8A)
- (D) 139(5)
- (E) Answer not known

132. Penalty is payable, when assessee is in default, and tax is due then penalty U/s 221 is _____.

- ☒ (A) Cannot exceed tax arrears
- (B) Equal to tax arrears
- (C) 25% of tax amount in arrear
- (D) 50% of tax amount in arrear
- (E) Answer not known

133. Find out amount of TDS to be deducted under the following circumstances :

Date : 01.08.2017
Annual premium : 10,000
Sum assured : 90,000
Amount due : 95,000
TDS : ?

- (A) Rs. 9,500
- (B) Rs. 19,000
- (C) Rs. 10,000
- ☒ (D) No TDS
- (E) Answer not known

134. Find out the rate of TDS applicable U/s 192A TDS on premature withdrawal of accumulated balance from employer PF which is taxable if the amount exceed Rs. 50,000.
- (A) 12%
 - (B) 8.33%
 - ☒ (C) 10%
 - (D) No TDS
 - (E) Answer not known
135. Minimum Alternate Tax [MAT] U/s 115 JB for unit located in IFSC having income solely in convertible forex rate is _____.
- (A) 15%
 - (B) 18%
 - ☒ (C) 9%
 - (D) 22%
 - (E) Answer not known
136. Interest received on Compensation/Enhanced Compensation is taxable under the head _____.
- (A) Profit and Gains of Business or Profession
 - (B) Capital Gain
 - (C) Not taxable
 - ☒ (D) Income from other sources
 - (E) Answer not known

137. Mr. Ajay sells a property to Mr. Devan, Identify when is the transfer said to have taken place from the following dates.

Date of Agreement 01.04.2024

Date of Possession 15.08.2024

Date of Payment 14.02.2025

Date of Registry 30.04.2025

(A) 30.04.2025 ☒ (B) 15.08.2024

(C) 14.02.2025 (D) 01.04.2024

(E) Answer not known

138. Compute the remuneration allowable to partner in case of Book profit is Rs. 10 lakhs, for the Assessment Year 2025-2026.

(A) 5.4 lakhs ☒ (B) 7.8 lakhs

(C) 8 lakhs (D) 3.67 lakhs

(E) Answer not known

139. As per Rule 7A of Income Tax sale of rubber products, latex or crepes obtained from rubber plants grown by seller in India is _____% Agriculture Income _____% Business Income.

☒ (A) 65%; 35% (B) 35%; 65%

(C) 75%; 25% (D) 60%; 40%

(E) Answer not known

140. Winning from Lotteries, Crossword Puzzles, race including horse races, card games, gambling or betting of any form taxable at _____ rate.
- (A) Maximum Marginal Rate (B) As per slab rate
(C) 25% ☒ (D) 30%
(E) Answer not known
141. U/s 24(b) of Income Tax Act, 1961 Interest on borrowed Capital allowed as deduction under default tax regime [115 BAC] for self occupied property is Rs. _____.
- (A) Maximum Rs. 2 lakhs (B) Maximum Rs. 2.5 lakhs
☒ (C) Not allowed (D) Maximum Rs. 75,000/-
(E) Answer not known
142. _____ and _____ can be carried forward for set off even though return of loss has not been filed before the due date.
- ☒ (A) Loss under head "Income from House property", unabsorbed depreciation
(B) Income from House property, Business Loss
(C) Business Loss, unabsorbed depreciation
(D) Unabsorbed depreciation, Loss under capital gains
(E) Answer not known

143. Where the house property owned by co-owners is _____ by each of the co-owners, the annual value of the property of _____ will be Nil and _____ shall be entitled to a deduction of Rs. 30,000/Rs. 2,00,000 as the case may be u/s 24 (b) on account of interest on borrowed capital (shifting out of the default tax regime U/s 115 BAC (1A))

- ☒ (A) self occupied, each co-owner, each co-owner
- (B) let out property, any one owner, each co-owner
- (C) self occupied, any one owner, any one owner
- (D) let out property, each co-owner, any one owner
- (E) answer not known

144. Objects of Tax deducted at source and tax collected at source.

- (1) Quicker realisation of tax.
- (2) Effective realisation of tax
- ☒ (A) (1) and (2) correct
- (B) (1) and (2) incorrect
- (C) (1) only correct
- (D) (2) only incorrect
- (E) Answer not known

145. Conditions to be satisfied for issue a notice of demand u/s 156, requiring the assessee to pay advance tax.

- (i) The assessee has already been assessed by way of a regular assessment in any previous year.
- (ii) Such order must be made in writing & through speed post.
- (iii) Such order can be passed at anytime during the financial year but not after last day of March.
- (A) Statement (i) and (ii) correct
- ☒ (B) Statement (i) only correct
- (C) Statement (iii) only correct
- (D) Statement (ii) only correct
- (E) Answer not known

146. An _____ expresses the auditors opinion on the truth and fairness of results of the entity and financial condition besides cash flow statements.

- (A) Audit Conclusion
- ☒ (B) Audit Report
- (C) Audit Evidence
- (D) Audit Planning
- (E) Answer not known

147. What is primary objective of an audit?

- (A) To detect and prevent fraud only
- ☒ (B) To verify the accuracy of accounting records and express an opinion on financial statements
- (C) To prepare financial statements for the organisation
- (D) To ensure compliance with all tax regulations
- (E) Answer not known

148. 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 ensures 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
149. Which of the following is not an advantage of audit?
- (A) It provides high quality financial information
 - (B) It acts as a moral check on employees
 - ☒ (C) It enhances risk of management bias
 - (D) It helps in safeguarding interests of shareholders
 - (E) Answer not known
150. What is the primary difference between an audit and a review?
- (A) An audit provides limited assurance, while a review provides reasonable assurance
 - (B) An audit involves fewer procedures than a review
 - ☒ (C) An audit provides reasonable assurance, while a review provides limited assurance
 - (D) A review is unrelated to financial statements
 - (E) Answer not known

151. During auditing in an EDP environment, the auditor facing the following problems ;

- (i) Absence of supporting vouchers
- (ii) Lack of visible audit trail
- (iii) Garbage in garbage out
- (iv) Storage problem
- ☒ (A) (i), (ii) and (iv) only
- (B) (ii) and (iii) only
- (C) (i), (ii), (iii) only
- (D) (iii), (ii) and (iv) only
- (E) Answer not known

152. _____ are the property of auditors and the auditors may utilize the same at his discretion.

- (A) Working pad
- (B) Reports
- (C) Evidences
- ☒ (D) Working papers
- (E) Answer not known

153. What are the basis for the modification of opinion in an audit report?
- ☒ (A) Misstatements due to fraud, material misstatement of financial statements
 - (B) Errors in accounting statement, disagreement with management
 - (C) Auditor's personal opinion, failure to obtain sufficient evidence
 - (D) Limited time for audit, insufficient budget
 - (E) Answer not known
154. Which of the following best distinguishes a 'report' from a certificate under the Companies Act 2013.
- ☒ (A) A report provides an opinion based on examination, while certificates confirms it
 - (B) A report is issued only by internal Auditors, where as certificate is issued by statutory Auditor
 - (C) A report is mandatory for all companies, but certificate is optional
 - (D) A report is a financial documents, while certificate pertains to legal compliance
 - (E) Answer not known
155. Under Sec. 145 of Companies Act, 2013, which of the following reports must be signed
- (A) Director's Report
 - (B) Compliance Report
 - ☒ (C) Auditor's Report
 - (D) Corporate Governance Report
 - (E) Answer not known

156. When should an auditor express a qualified opinion?

- (A) When the auditor disagree with management over accounting treatments
- ✓(B) When the auditor is unable to obtain sufficient appropriate audit evidence but believe that the possible effects are material but not pervasive
- (C) When the auditor finds no material misstatements in financial reports
- (D) When the auditor cannot express any opinion due to a lack of evidence
- (E) Answer not known

157. What are the objectives of the Auditor as per SA 700 (Revised)?

- (A) To prepare the financial statements and present them in accordance with reporting framework
- ✓(B) To form an opinion on the financial statements and express it through a written report
- (C) To review the internal controls of the entity and recommend improvements
- (D) To detect fraud or error in the financial statements
- (E) Answer not known

158. When using information produced by the entity, the auditor must evaluate whether it is sufficiently reliable. Which of the following is NOT part of this evaluation?
- (A) Ensuring the information is accurate and complete
 - (B) Evaluating whether the information is sufficiently precise and detailed
 - ✓(C) Ensuring the information is free from any management influence
 - (D) Obtaining audit evidence about the accuracy of the information
 - (E) Answer not known
159. Which of the following is not an advantage of an audit programme?
- (A) It acts as a guide for audit of coming years
 - (B) It fixes responsibility of assistants
 - ✓(C) It serves as a shelter for assistants
 - (D) It serves as a proof of work done by auditor
 - (E) Answer not known
160. Which of the following is not considered in planning an audit generally?
- (A) Understanding of legal and regulatory framework of an entity
 - (B) Need to consider determination of materiality
 - ✓(C) Evaluating audit evidence
 - (D) Need to consider involvement of expert
 - (E) Answer not known

161. A Director is punishable if he holds directorship more than _____ Companies, at the same time.
- (A) 25
 - ☒ (B) 20
 - (C) 15
 - (D) 10
 - (E) Answer not known
162. Before vouching entries in the bought ledger the auditor should ascertain that the system of _____ as to purchases and purchase returns is operating satisfactorily.
- (A) Internal Control
 - ☒ (B) Internal Check
 - (C) Internal Audit
 - (D) Internal Vouching
 - (E) Answer not known
163. What is the difference between internal audit and external audit?
- ☒ (A) Internal audit is conducted by Employees of the organisation while external audit is performed by a professional who is independent of the entity.
 - (B) Internal audit focuses only on financial statements, while external audit reviews operational efficiency
 - (C) Internal audit is required by law while external audit is optional.
 - (D) Internal audit reports to shareholders, while external audit reports to management.
 - (E) Answer not known

164. Which of the following is the primary objective of internal controls in the accounting system?

- (A) To ensure employees are paid on time
- ☒ (B) To prevent fraud and errors
- (C) To provide a clear job description for each employee
- (D) To reduce the cost of accounting software
- (E) Answer not known

165. State which of the statements are True / False.

- (1) External Auditor's responsibility to owners of the entity who have appointed him.
- (2) External Auditors is responsible to the management of entity
- ☒ (A) (1) True (2) False
- (B) (1) False (2) True
- (C) (1) and (2) True
- (D) (1) and (2) False
- (E) Answer not known

166. State which of the statements are True/False.

- (1) Internal Audit is conducted by a staff of auditors functioning as full time salaried employees
- (2) Internal Audit is done by a separate set of professional having professional audit qualifications.
- (A) (1) and (2) are True
- (B) (1) and (2) are False
- ☒ (C) (1) True (2) False
- (D) (1) False (2) True
- (E) Answer not known

167. According to Section 204(1) of the Companies Act, 2013 which of the following companies is required to annex a Secretarial Audit Report with it's Board's Report?

- (A) Every Public Company with a turnover of 50 crore rupees (or) more
- ☒ (B) Every Public Company with paid-up share capital of 50 crore rupees or more
- (C) Every Company with loans (or) borrowings from banks or Public Financial Institutions of 1 crore rupees or more
- (D) Every Private Company with a paid up share capital of 50 crore rupees or more
- (E) Answer not known

168. What is the primary purpose of a secretarial audit?

- (A) To audit the financial statements of a company
- ☒ (B) To verify compliance with non-financial aspects and regulations
- (C) To evaluate the company's investment portfolio
- (D) To conduct an in-depth review of the company's financial records
- (E) Answer not known

169. The applicability of Cost Audit under Companies (Cost Records & Audit) – Rules 2014 for regulated industries having overall annual turnover during immediate preceding financial year is _____

- (A) Rs. 25 crores or more
- (B) Rs. 35 crores
- ☒ (C) Rs. 50 crores or more
- (D) Rs. 100 crores
- (E) Answer not known

170. Which of the following is NOT a social objective of cost audit?

- (A) Verifying whether the pricing of products is justified based on quality
- (B) Removing disparities in the pricing of product and services
- (C) Ensuring efficient utilisation of resources
- ☒ (D) Preparing financial statements for the company
- (E) Answer not known

171. Which one is not a type of modified opinion in the independent Auditor's report?
- ☒ (A) A clean opinion
 - (B) A qualified opinion
 - (C) An adverse opinion
 - (D) A disclaimer of opinion
 - (E) Answer not known
172. The responsibility of the audit of the accounts of the co-operative institutions primarily rest with
- (A) Central Government
 - ☒ (B) Co-operative department of State Government
 - (C) State Government
 - (D) Board of Directors
 - (E) Answer not known

173. Which of the following is incorrect with respect to audit of an Educational Institutes?

- (i) In case of a University, the auditor should study the act of Legislative that brought it into existence and also the relevant Rules
- (ii) In case of audit of Grants from Government or Local body, if any grant is in terms of a percentage of actual expenditure, the auditor should examine the unapproved expenses that are not eligible for grant
- (iii) While auditing for Educational Institutions, Income from donations or funds for specific purposes should be treated as General Income.

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

174. The audit of Educational Institution comes under the category of _____ audit.

- (A) Statutory
- (B) Thematic Audit
- (C) Independent
- ☒ (D) Special
- (E) Answer not known

175. According to Section 56 (h) of Chapter V of the Banking Regulation Act 1949, no co-operative bank shall commence or carry on business of banking in India unless the aggregate value of its paid up capital and reserves is _____
- (A) more than two lakh rupees
 - (B) more than five lakh rupees
 - (C) not less than five lakh rupees
 - ☒ (D) not less than one lakh rupees
 - (E) Answer not known
176. The current market price of a share is Rs. 600. An investor buys 100 shares. After one year, he sells the shares at a price of Rs. 720 per share. He also received a dividend of 30% on FV per share. Assuming the FV per share is Rs. 10, find the total return for the investor
- (A) 30%
 - (B) 25%
 - ☒ (C) 20.5%
 - (D) 22.5%
 - (E) Answer not known
177. _____ quantify how a security or portfolio will react if a single risk factor changes.
- (A) Scenario analysis
 - ☒ (B) Sensitivity analysis
 - (C) Sample analysis
 - (D) Sovereign analysis
 - (E) Answer not known

178. Calculate Debt Equity Ratio from the following :

Preference share capital	—	Rs. 1,00,000
Equity share capital	—	Rs. 2,00,000
Capital Reserves	—	Rs. 50,000
Profit and Loss Account	—	Rs. 50,000
12% Mortgage Debentures	—	Rs. 1,00,000
Unsecured Loans	—	Rs. 50,000
Bills payable	—	Rs. 20,000
Creditors	—	Rs. 40,000

- (A) 1.00
- (B) 2.00
- ☒ (C) 0.375
- (D) 0.50
- (E) Answer not known

179. Calculate Current Ratio from the following :

A business has current assets of Rs. 30,000 including stock of goods Rs. 5,000. Its current liabilities one of Rs. 15,000 and the Current Ratio is 2. However, if the business has maintained a stock of goods Rs. 15,000, then Current Asset will be :

- (A) 2
- ☒ (B) 1.6
- (C) 3
- (D) 4
- (E) Answer not known

180. Cash from operations is equal to

- (i) Net profit plus increase in outstanding expenses
- (ii) Net profit plus increase in debtors
- (iii) Net profit plus increase in stock
- (iv) Net profit plus increase in machinery

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

181. In Analysis of financial statements, the provision for tax is treated as

- (i) Current Liability
- (ii) Non-current Liability
- (iii) Current Asset
- (iv) Fixed Asset

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

182. A Fund Flow statement considers the following to match the “Funds raised” and “Funds applied” during a particular period of time.

- (i) Capital nature of funds raised and applied.
- (ii) Revenue nature of funds raised and applied.
- (iii) Gross profit at the end of financial year.
- (iv) Net profit at the end of financial year.
- ☒ (A) (i) and (ii) only (B) (iii) and (iv) only
- (C) (i) and (iii) only (D) (ii) and (iv) only
- (E) Answer not known

183. Depreciation is included as a cost in which of the following techniques?

- ☒ (A) Accounting rate of return (B) Net Present value
- (C) Internal rate of return (D) Net income method
- (E) Answer not known

184. An outlay of cash that has already been incurred in the past and cannot be reversed in the present and do not have any impact on decision making is known as _____

- (A) Opportunity cost (B) Fixed cost
- ☒ (C) Sunk cost (D) Variable cost
- (E) Answer not known

185. Capital Budgeting decisions generally needed for _____

(i) Expansion and Diversification

(ii) Replacement and Research

(iii) Buying or Leasing Decisions

(iv) Selling or Leasing Decisions

(A) (i) only

(B) (iii) only

☒ (C) (i), (ii), (iii) only

(D) (iv) only

(E) Answer not known

186. DuPont analysis deals with _____.

(a) Analysis of current assets

(b) Analysis of profit

(c) Capital budgeting

(d) Analysis of fixed assets

(A) (a) and (b)

(B) (c) and (d)

(C) (c) alone

☒ (D) (b) alone

(E) Answer not known

187. Minimum level of EBIT needed to satisfy all the fixed financial charges is called

(A) Earning per share

☒ (B) Financial Break even point

(C) Earning before interest

(D) Net profit

(E) Answer not known

188. Which of the following statement is True/False?

- (1) The degree of operating leverage is defined as the percentage change in the earnings after tax and interest to a given percentage in sales.
- (2) The Degree of financial leverage is defined as the percentage change in EPS due to a given percentage change in EBIT.
- (A) (1) & (2) True (B) (1) & (2) False
- ☒ (C) (1) False (2) True (D) (1) True (2) False
- (E) Answer not known

189. As per the CAPM model, the required rate of return on equity is given by the following relationship _____.

- (A) $k_e = R_m + (R_f - R_m)\beta_e$
- (B) $k_e = R_m \times \beta_e$
- (C) $k_e = R_f \times \beta_e$
- ☒ (D) $k_e = R_f + (R_m - R_f)\beta_e$
- (E) Answer not known

190. Which of the following statements are TRUE?

Financial Leverage is defined as

- (a) Use of funds with a product cost to increase EPS.
- (b) Use of funds with a contribution to increase EBIT.
- (c) Use of funds with a fixed cost to increase EPS.
- (d) Use of funds with a fixed cost to increase EBIT.
- (A) (a) & (b) (B) (c) & (d)
- (C) (b) alone ☒ (D) (c) alone
- (E) Answer not known

191. The most crucial financial decision of a firm relates to selection of an asset or investment proposal whose benefits are likely to be arise in future over the life time of the project is known as :
- (A) Revenue Budget (B) Cash Budget
☒ (C) Capital Budgeting (D) Material Budget
(E) Answer not known
192. Which of the following instrument is not dealt in capital market?
- (i) Commercial Paper
(ii) Debenture
(iii) Sweat Equity
(iv) New issue of Equity Shares
☒ (i) only
(B) (ii) and (iii) only
(C) (i) and (ii) only
(D) (i) and (iii) only
(E) Answer not known
193. In India commercial papers are issued as per the lines issued by _____
- (A) Securities and Exchange Board of India
☒ (B) Reserve Bank of India
(C) Forward Market Commission
(D) State Bank of India
(E) Answer not known

194. The term 'net 50' implies that the customer will make payment
- (A) Exactly on 50th day
 - (B) Before 50th day
 - ☒ (C) Not later than 50th day
 - (D) After 50th day
 - (E) Answer not known
195. What type of factoring listed below is basically used as a method of financing book debts where the client continues to administer credit and operate sales ledger?
- (i) Advance Factoring
 - (ii) Maturity Factoring
 - (iii) Bulk/Agency Factoring
 - (iv) Non-Notification Factoring
- (A) (i) only
 - (B) (i) and (ii) only
 - ☒ (C) (iii) only
 - (D) (iii) and (iv) only
 - (E) Answer not known
196. A system of inventory management with an approach to have zero inventories in stores and material should be purchased only when it is actually required for production is known as _____
- (i) Just in time inventory management
 - (ii) Demand pull system of inventory
 - (iii) Pull through system of inventory
 - (iv) Sales push system of inventory
- (A) (i) only
 - (B) (ii) only
 - ☒ (C) (i), (ii) and (iii) only
 - (D) (iv) only
 - (E) Answer not known

197. Calculate revised working capital from the following :

A Ltd. is having Rs. 3,00,000 in current assets and Rs. 1,50,000 in current liabilities. The company raises Rs. 50,000 in cash by issue of new shares.

- (A) Rs. 1,50,000 (B) Rs. 1,00,000
☒ (C) Rs. 2,00,000 (D) Rs. 50,000
(E) Answer not known

198. The shareholders wealth is maximised only when _____ of share is maximized.

- (A) Net worth of shareholder (B) Capital enhancement
☒ (C) Market value (D) Profit
(E) Answer not known

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

- (1) Profit maximization is superior to wealth maximization.
(2) In making financial decisions, the finance manager should aim at increasing the value of the shareholder's stake in the firm.

- (A) (1) & (2) False ☒ (C) (1) False (2) True
(C) (1) & (2) True (D) (1) True (2) False
(E) Answer not known

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

- (1) Shareholders and Managers have the principal-agent relationship.
- (2) An agency problem results when managers as agents of owners place personal goals ahead of corporate goals.

- (A) (1) & (2) False ☒ (1) & (2) True
 - (C) (1) True (2) False (D) (1) False (2) True
 - (E) Answer not known
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