

PROVISIONAL ANSWER KEY

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Alphacode	A

Question1:-Newly elected Secretary General of UNO ?

- A:-Antonio Guteress
- B:-Ban Ki Moon
- C:-Boutros Gali
- D:-Kurt Waldheim

Correct Answer:- Option-A

Question2:-Who won Man Booker Prize 2016 ?

- A:-Paul Beatty
- B:-Ben Okri
- C:-J. M. Coetzee
- D:-Yann Martel

Correct Answer:- Option-A

Question3:-Who is the first woman who climbed Mount Everest ?

- A:-Tamae Watanabe
- B:-Malavath Purna
- C:-Arunima Sinha
- D:-Junko Tabei

Correct Answer:- Option-D

Question4:-The Preamble of our Constitution makes no mention of

- A:-Justice
- B:-Fraternity
- C:-Liberty
- D:-Adult Franchise

Correct Answer:- Option-D

Question5:-First Principal of CMS College, Kottayam ?

- A:-Henry Baker
- B:-Benjamin Bailey
- C:-Joseph Fenn
- D:-Thomas Norton

Correct Answer:- Option-B

Question6:-First Diwan of Travancore

- A:-Sir C. P. Ramaswami Iyer
- B:-Raja Kesava Das
- C:-C. Rajagopalachari
- D:-Ramayyan Dalawa

Correct Answer:- Option-B

Question7:-First Trade Union formed in Kerala

- A:-Labour Union
- B:-Labour Front
- C:-Thiruvithamkoor Labour Association
- D:-Thiruvithamkoor Labour League

Correct Answer:- Option-C

Question8:-First autobiography in Malayalam was written by

- A:-Benjamin Bailey
- B:-Vaikom Pachu Moothathu
- C:-Vengayil Kunjiraman Nair
- D:-V. C. Balakrishna Panicker

Correct Answer:- Option-B

Question9:-Author of Malabar Manual

A:-Lt. Ward and Conner

B:-T. K. Velu Pillai

C:-P. Shangunni Menon

D:-William Logan

Correct Answer:- Option-D

Question10:-The peculiar dance form of Kerala

A:-Bharatanatyam

B:-Kuchippudi

C:-Mohiniyattam

D:-Koodiyattam

Correct Answer:- Option-C

Question11:-The poetic work written by Kumaran Asan on the basis of the book The Gospel of Buddha

A:-Duravastha

B:-Leela

C:-Karuna

D:-Nalini

Correct Answer:- Option-C

Question12:-Author of Jatikkummi ?

A:-Pandit K. P. Karuppan

B:-Kumaran Asan

C:-Sri Narayana Guru

D:-Muloor

Correct Answer:- Option-A

Question13:-Which palace is known as Mural Pagoda ?

A:-Dutch Palace, Bolgatty

B:-Hill Palace, Thrippunithura

C:-Krishnapuram

D:-Padmanabhapuram

Correct Answer:- Option-D

Question14:-The magazine started by Namboothiri Yuvajana Sangham in 1920

A:-Kahalam

B:-Paura Prabha

C:-Unni Namboothiri

D:-Yuvajana Vartha

Correct Answer:- Option-C

Question15:-The brain behind Ezhava Memorial

A:-T. K. Madhavan

B:-G. P. Pillai

C:-R. Sankar

D:-Dr. Palpu

Correct Answer:- Option-D

Question16:-Samatwa Samajam was founded by

A:-Thyeaud Ayya

B:-Vaikunta Swamikal

C:-Brahmananda Sivayogi

D:-Vagbhatananda

Correct Answer:- Option-B

Question17:-Sree Narayana Sevika Samajam, Aluva, was founded by

A:-Parvathi Ayyappan

B:-Arya Pallom

C:-Devaki Narikkattiri

D:-Priyadatta Kallatt

Correct Answer:- Option-A

Question18:-First Printing Press was established in which District ?

A:-Thiruvananthapuram

B:-Kollam

C:-Kottayam

D:-Alappuzha

Correct Answer:- Option-C

Question19:-Herman Gundert belonged to which missionary movement ?

- A:-CMS
- B:-Basel Mission
- C:-LMS
- D:-Zenana Mission

Correct Answer:- Option-B

Question20:-Who was the author of the poem 'Ente Gurunathan' about Gandhiji ?

- A:-Vallathol
- B:-Ulloor
- C:-Kumaran Asan
- D:-Mannathu Padmanabhan

Correct Answer:- Option-A

Question21:-Which of the following statement is not correct in relation to reduction of share capital ?

- A:-A special resolution must be passed for the reduction of share capital
- B:-Reduction of capital is subject to confirmation by the court
- C:-Articles of association must authorise the company to reduce its share capital
- D:-None of the above

Correct Answer:- Option-D

Question22:-Which of the following statement is not correct in relation to redemption of preference shares ?

- A:-Partly paid up preference shares cannot be redeemed
- B:-Capital redemption reserve cannot be used for issuing bonus shares
- C:-Premium on redemption of preference shares can be provided out of share premium account
- D:-None of the above

Correct Answer:- Option-B

Question23:-Which one of the following transactions will affect the flow of fund (Fund flow statement) ?

- A:-Cash sale of goods
- B:-Goods sold on credit
- C:-Machinery sold to a creditor to settle his account
- D:-Providing depreciation for a fixed asset

Correct Answer:- Option-C

Question24:-Which among the following profit is taken to calculate the Earnings per share ?

- A:-Earnings after paying interest, tax and dividend to preference shareholders
- B:-Earnings after paying interest and tax, but before paying any type of dividend
- C:-Earnings after paying interest, but before paying tax and any type of dividend
- D:-Earnings before paying interest, tax and any type of dividend

Correct Answer:- Option-A

Question25:-Which of the following method is not used for the computation of Purchase consideration ?

- A:-Ratio of exchange method
- B:-Net asset method
- C:-Net payment method
- D:-None of the above

Correct Answer:- Option-D

Question26:-What is the value of stock if Current ratio is 2.5, Liquid ratio is 1.5 and Working capital is Rs. 30,000 ?

- A:-10,000
- B:-20,000
- C:-30,000
- D:-50,000

Correct Answer:- Option-B

Question27:-Which of the following is available for redemption of preference shares ?

- A:-Security Premium Account
- B:-Capital Redemption Reserve
- C:-Workmen's Compensation Fund
- D:-None of the above

Correct Answer:- Option-C

Question28:-Which of the following cannot be used for issuing bonus shares ?

- A:-Capital redemption Reserve
- B:-Securities Premium collected in cash
- C:-Capital reserve arising due to revaluation of assets
- D:-Debenture Redemption Reserve after redemption of debentures

Correct Answer:- Option-C

Question29:-Rate of underwriting commission should not exceed

A:-2½% of the issue price of shares

B:-5% of the issue price of shares

C:-5% of the market price or 2½% of the issue price of shares whichever is less

D:-2½% of the market price or 5% of the issue price of shares whichever is less

Correct Answer:- Option-B

Question30:-Open underwriting is an agreement for underwriting

A:-The whole issue of shares or debentures

B:-A part of the whole shares or debentures

C:-Shares or debentures not subscribed by the public

D:-To buy a fixed number of shares or debentures

Correct Answer:- Option-C

Question31:-Which of the following is not an intangible asset ?

A:-Goodwill

B:-Computer software

C:-Copy rights and patents

D:-None of the above

Correct Answer:- Option-D

Question32:-Which of the following is not classified as 'Inventories' ?

A:-Work-in-progress

B:-Stores and spares

C:-Loose tools

D:-None of the above

Correct Answer:- Option-D

Question33:-Which of the following can be ignored for paying dividend out of revenue profit ?

A:-Arrears of depreciation

B:-Accumulated losses (losses during earlier years)

C:-Transfer a certain percentage of profit to reserves

D:-None of the above

Correct Answer:- Option-D

Question34:-Which of the following is an objective of Internal Reconstruction ?

A:-For eliminating competition

B:-For eliminating fictitious assets

C:-For securing larger share in the market

D:-All the above

Correct Answer:- Option-B

Question35:-Which of the following is not correct for debenture issue ?

A:-Debentures can be issued for cash

B:-Debentures can be issued in lieu of dividend

C:-A company can buy its own debentures

D:-Debentures can be issued for consideration other than cash

Correct Answer:- Option-B

Question36:-Which of the following is not miscellaneous expenditure ?

A:-Preliminary expenses

B:-Research and Development expenditure

C:-Brokerage on issue of shares

D:-Goodwill yet to be written off

Correct Answer:- Option-B

Question37:-Which of the following will affect the trial balance ?

A:-Loan given to employee was accounted as salary paid

B:-Repairs to building debited to Building A/c

C:-Sales return was accounted as purchase

D:-None of the above

Correct Answer:- Option-D

Question38:-Payout ratio indicates as to

A:-What proportion of net profit has been used for paying dividend ?

B:-What proportion of revenue has been used for meeting expenses ?

C:-What proportion of earnings per share has been used for paying dividend ?

D:-What proportion of net profit has been used for paying interest and tax ?

Correct Answer:- Option-C

Question39:-Determination of the amount of provision for doubtful debts in accounting is

A:-Policy

B:-Estimate

C:-Parameter

D:-None of the above

Correct Answer:- Option-B

Question40:-Change in method of depreciation is a change in

A:-Accounting Policy

B:-Accounting Method

C:-Measurement Discipline

D:-None of the above

Correct Answer:- Option-A

Question41:-_____ method is most suitable in times of decreasing the price of raw materials in the market.

A:-FIFO

B:-LIFO

C:-Base stock

D:-Average cost

Correct Answer:- Option-A

Question42:-Which among the following results in the over absorption of overheads ?

A:-Actual volume of output is less than the estimated level of production

B:-Overhead actually incurred is more than the estimated overhead

C:-Standard overhead recovery rate fixed is more than the actual

D:-None of the above

Correct Answer:- Option-C

Question43:-Breakeven point will not be changed if

A:-P/V ratio is decreased

B:-Sales volume is decreased

C:-Selling price per unit is decreased

D:-Variable cost per unit is decreased

Correct Answer:- Option-B

Question44:-Margin of safety is increased when

A:-Variable cost per unit is increased

B:-Fixed cost is decreased

C:-Selling price per unit is decreased

D:-Sales volume is decreased

Correct Answer:- Option-B

Question45:-Calculate Fixed cost if P/V ratio is 40% and Margin of Safety is Rs. 30,000, which is 15% of sales

A:-Rs. 68,000

B:-Rs. 70,000

C:-Rs. 75,000

D:-Rs. 1,70,000

Correct Answer:- Option-A

Question46:-Which among the following is correct ?

A:-Fixed Overhead Volume Variance = Capacity Variance + Calendar Variance + Efficiency Variance

B:-Fixed Overhead Capacity Variance = Volume Variance + Calendar Variance + Efficiency Variance

C:-Fixed Overhead Cost Variance = Capacity Variance + Volume Variance + Efficiency Variance

D:-None of the above

Correct Answer:- Option-A

Question47:-Which among the following is not a costing technique ?

A:-Process Costing

B:-Standard Costing

C:-Marginal Costing

D:-Budgetary Control

Correct Answer:- Option-A

Question48:-Which of the following is not treated as selling and distribution overhead in cost accounts ?

A:-Advertisement

B:-Cash discount

C:-Salesmen salary

D:-None of the above

Correct Answer:- Option-B

Question49:-Materials requisition denotes

A:-An authorisation to store keeper to issue materials

B:-Formal demand to the purchase department to purchase an item

C:-List of materials required for a particular job

D:-None of the above

Correct Answer:- Option-A

Question50:-Which of the following is included in Cost accounts ?

A:-Bad debt

B:-Loss due to strike

C:-Income tax paid

D:-Underwriting commission

Correct Answer:- Option-A

Question51:-Which of the following item is not added/subtracted to/from purchase price to arrive at the material cost price in cost accounting ?

A:-Trade discount allowed by the suppliers

B:-Quantity discount allowed by the suppliers

C:-Cash discount allowed by the suppliers

D:-Excise duty paid for the goods purchased

Correct Answer:- Option-C

Question52:-Which of the following is not a method of pricing of material issue ?

A:-HIFO Method

B:-Inflated Price Method

C:-Standard Price Method

D:-None of the above

Correct Answer:- Option-D

Question53:-Time booking means

A:-Correct recording of employees' attendance time

B:-Recording actual time taken by worker on various jobs

C:-Recording of employees' attendance, absence, normal loss and abnormal loss of working hours

D:-All the above

Correct Answer:- Option-B

Question54:-Rowan Plan is an example of

A:-Time rate system

B:-Piece rate system

C:-Incentive scheme

D:-Differential piece rate system

Correct Answer:- Option-C

Question55:-Over-absorbed or under-absorbed overheads may be disposed off by

A:-Use of supplementary rate

B:-Write off to Costing Profit and Loss Account

C:-Carry forward to the next year's account

D:-All the above

Correct Answer:- Option-D

Question56:-Prime cost plus variable overheads is known as

A:-Cost of sales

B:-Production cost

C:-Marginal cost

D:-Total cost

Correct Answer:- Option-C

Question57:-In process costing, _____ will not affect the cost of inventory.

A:-Normal loss

B:-Abnormal loss

C:-Standard loss

D:-Seasonal loss

Correct Answer:- Option-B

Question58:-In sugar industry, molasses is

- A:-Joint product
- B:-Bye-product
- C:-Waste
- D:-Scrap

Correct Answer:- Option-B

Question59:-Which of the following entry is applicable in relation to abnormal gain in process account ?

- A:-Process A/c is debited and Abnormal Gain A/c is credited
- B:-Abnormal Gain A/c is debited and Normal loss A/c is credited
- C:-Abnormal gain A/c is debited and Costing Profit and loss A/c is credited
- D:-None of the above

Correct Answer:- Option-D

Question60:-Which of the following is added to costing profit to arrive at financial profit ?

- A:-Income Tax paid
- B:-Under absorption of overheads
- C:-Rent received
- D:-Interest on debentures paid

Correct Answer:- Option-C

Question61:-Which of the following is not a long term financial decision ?

- A:-Dividend decision
- B:-Financing decision
- C:-Liquidity decision
- D:-Investment decision

Correct Answer:- Option-C

Question62:-Contingent investments mean

- A:-Choice of one investment necessitates undertaking one or more other investment (s)
- B:-Investments made during emergency situations in which no emphasis for profit
- C:-Investments made for disposing when a contingency occurs in future
- D:-None of the above

Correct Answer:- Option-A

Question63:-Which of the following is not applicable to Mutually Exclusive Investments ?

- A:-They serve the same purpose
- B:-They compete with each other
- C:-If one is undertaken, others will have to be excluded
- D:-None of the above

Correct Answer:- Option-D

Question64:-Which of the following is not correct in the case of NPV Method ?

- A:-Appropriate discount factor is identified using the opportunity cost of capital
- B:-Expected net profit in the whole life of the asset is taken into account for discounting
- C:-Annual depreciation to be provided for the asset is ignored for evaluating the project
- D:-Salvage value of the asset is discounted for the evaluation

Correct Answer:- Option-B

Question65:-Which of the following method does not consider the time value of money ?

- A:-NPV Method
- B:-ARR Method
- C:-Profitability Index Method
- D:-None of the above

Correct Answer:- Option-B

Question66:-Which of the following statement is not correct ?

- A:-NPV of a project declines as the discount rate increases
- B:-NPV will be negative if discount rate is lower than IRR
- C:-Project is rejected if IRR is lower than the opportunity cost of capital
- D:-None of the above

Correct Answer:- Option-B

Question67:-When Profitability Index (PI) is zero,

- A:-Value of discounted future cash inflows and outflows are same
- B:-The firm will be running at BEP and hence no return on investment
- C:-Expected total revenues are equal to total variable cost (excluding depreciation)
- D:-None of the above

Correct Answer:- Option-A

Question68:-Which method is most suitable to a firm if the demand of its product is based on latest technology ?

- A:-Payback Period Method
 - B:-Profitability Index Method
 - C:-Net Present Value Method
 - D:-Average Rate of Return Method
- Correct Answer:- Option-A

Question69:-Just-In-Time (JIT) Management is a model used for the management of

- A:-Inventory
 - B:-Debtors
 - C:-Casual workers
 - D:-Production
- Correct Answer:- Option-A

Question70:-Which of the following statement is wrong in relation to Miller-Orr-Model ?

- A:-Upper and lower limits of cash are fixed
 - B:-It assumes the uniform pattern of cash inflows and outflows
 - C:-It rectifies the shortcoming of Baumol's Model
 - D:-None of the above
- Correct Answer:- Option-B

Question71:-Which of the following statement is correct in relation to Baumol's Model ?

- A:-It helps in determining a firm's optimum cash balance
 - B:-It assumes that cash payments of the firm occur uniformly over a period of time
 - C:-As per this model, cash and inventory management problems are one and the same
 - D:-All the above
- Correct Answer:- Option-D

Question72:-Which among the following is a remedy for under capitalisation ?

- A:-Redeem long-term debt by issue of fresh equity shares
 - B:-Issue bonus shares by capitalising accumulated earnings
 - C:-Issue of right shares by capitalising accumulated earnings
 - D:-None of the above
- Correct Answer:- Option-D

Question73:-Which among the following is a reason for over capitalisation ?

- A:-Under-estimation of future earnings
 - B:-Liberal dividend policy
 - C:-Depreciation charged at a lower rate
 - D:-None of the above
- Correct Answer:- Option-A

Question74:-Float management is related to

- A:-Cash
 - B:-Goodwill
 - C:-Inventory
 - D:-Fixed assets
- Correct Answer:- Option-A

Question75:-Lock box system is used to

- A:-Reduce the chances of delay and fraud in collection process of cash/cheque
 - B:-Control the unauthorised withdrawal of cash from cash box
 - C:-Control the unauthorised access of financial documents
 - D:-None of the above
- Correct Answer:- Option-A

Question76:-Reverse split means

- A:-Cancellation of preference shares by redemption
 - B:-Increasing the number of outstanding shares by issuing bonus shares or right shares
 - C:-Increasing the face value of shares by consolidating the denomination of existing shares
 - D:-Increasing the number of outstanding shares without any change in the total capital
- Correct Answer:- Option-C

Question77:-Which of the following theories says that the value of a firm does not change due to change in dividend paid ?

- A:-Walter's Model
- B:-Gorden's Model
- C:-Modigliani and Miller
- D:-None of the above

Correct Answer:- Option-C

Question78:-Bird-in-the-hand theory is related to

- A:-Cost of capital
- B:-Capital budgeting
- C:-Dividend
- D:-None of the above

Correct Answer:- Option-C

Question79:-Stable dividend policy means

- A:-Constant dividend per share
- B:-Constant percentage of earnings
- C:-Minimum rate of dividend per share plus extra dividend when the company has huge profits
- D:-All the above

Correct Answer:- Option-D

Question80:-Scrip dividend means

- A:-Dividend in the form of new shares rather than in cash
- B:-Arrear dividend paid to preference shareholders in the form of assets
- C:-Issue of transferable promissory note to pay shareholders at a later date
- D:-Dividend paid before a company's annual general meeting of company as advance

Correct Answer:- Option-C

Question81:-Teaming and lading denotes

- A:-Book keeping fraud
- B:-Delayed accounting
- C:-Hiding shortage of cash
- D:-All the above

Correct Answer:- Option-D

Question82:-Audit conducted between two Periodical or Balance Sheet audit is known as

- A:-Interim audit
- B:-Post audit
- C:-External audit
- D:-None of the above

Correct Answer:- Option-A

Question83:-Audit note book is maintained by

- A:-Chief auditor
- B:-Internal auditor
- C:-Audit clerk
- D:-None of the above

Correct Answer:- Option-C

Question84:-Who is the owner of Audit working paper ?

- A:-Auditor
- B:-Client
- C:-Company
- D:-None of the above

Correct Answer:- Option-A

Question85:-Which of the following does not affect the independence of an auditor ?

- A:-Integrity
- B:-Objectivity
- C:-Materiality
- D:-Professional Behavior

Correct Answer:- Option-C

Question86:-Auditing planning need not cover

- A:-Acquiring knowledge about the client's accounting system
- B:-Establishing expected degree of reliance
- C:-Determining the amount of expense to be incurred
- D:-Co-ordinating the work to be performed

Correct Answer:- Option-C

Question87:-The technique used to evaluate the internal control system in the organisation

- A:-Risk assessment procedure
- B:-Narrative records
- C:-Observation

D:-Enquiry with management

Correct Answer:- Option-B

Question88:-Audit documentation does not include

A:-Audit programme

B:-Issues Memoranda

C:-Engagement letter

D:-Letter of confirmation and representation

Correct Answer:- Option-C

Question89:-The principle for verification of intangible assets are

A:-Existence, Ownership, Valuation, Internal control

B:-Records and registers, Ownership, Valuation, Internal control

C:-Rights, Existence, Ownership, Valuation

D:-Existence, Rights, Revaluation of asset, Internal control

Correct Answer:- Option-B

Question90:-In which of the following situation the auditor will qualify his report ?

A:-He is not satisfied with the accounts presented to him

B:-He finds some discrepancy in the treatment of an item

C:-Management is not ready to make the desired changes

D:-All the above

Correct Answer:- Option-D

Question91:-The best audit report is

A:-Modified report with qualified opinion

B:-Modified report with disclaimer of opinion

C:-Unmodified report with qualified opinion

D:-Unmodified report with unqualified opinion

Correct Answer:- Option-D

Question92:-Goodwill is

A:-Fictitious, but may not be intangible asset

B:-Intangible, but may not be fictitious asset

C:-Intangible and Fictitious asset

D:-None of the above

Correct Answer:- Option-B

Question93:-Which of the following is not a Deferred Revenue Expenditure ?

A:-Experimental expenditure

B:-Plant rearrangement and removing costs

C:-Development expenditure in the case of plantations

D:-None of the above

Correct Answer:- Option-D

Question94:-Which among the following is not a Contingent liability ?

A:-Claims against the company not acknowledged as debt

B:-Liability in respect of bills discounted by the company, but not yet matured

C:-Arrears of dividend on cumulative preference shares issued by the company

D:-None of the above

Correct Answer:- Option-D

Question95:-Wasting assets are those assets which are

A:-Having low realisable value and hence sold as scrap

B:-Having high rate of depreciation and maintenance cost

C:-Exhausted in the process of working

D:-Having huge investment, but low return

Correct Answer:- Option-C

Question96:-Which of the following matter requiring qualification in audit report ?

A:-Contingent liability not disclosed

B:-Inadequate provision for doubtful debts

C:-Investment shown at cost price when its market price is far below

D:-All the above

Correct Answer:- Option-D

Question97:-Which of the following profit can be used for the payment of dividend ?

A:-Profit on sale of fixed assets

B:-Profit on revaluation of assets

C:-Profit on re-issue of forfeited shares

D:-None of the above

Correct Answer:- Option-A

Question98:-In which of the following area where different accounting policies can be adopted ?

A:-Providing depreciation

B:-Valuation of inventory

C:-Valuation of investments

D:-All the above

Correct Answer:- Option-D

Question99:-Which of the following statement is not correct ?

A:-Internal auditor is appointed by the shareholders of the company

B:-Employees of the company can be appointed as the internal auditor

C:-Internal audit is not compulsory

D:-None of the above

Correct Answer:- Option-A

Question100:-Teaming and lading means

A:-Bookkeeping fraud related to cash

B:-Misappropriation of goods

C:-Delayed payments to creditors

D:-Delayed payments to creditors and immediate collection from debtors

Correct Answer:- Option-A