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Question Booklet Alpha Code

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Question Booklet Sl. No.

Total Number of Questions : 100

Time : 90 Minutes

Maximum Marks : 100

**INSTRUCTIONS TO CANDIDATES**

1. The Question Paper will be given in the form of a Question Booklet. There will be four versions of Question Booklets with Question Booklet Alpha Code viz. **A, B, C & D**.
2. The Question Booklet Alpha Code will be printed on the top left margin of the facing sheet of the Question Booklet.
3. The Question Booklet Alpha Code allotted to you will be noted in your seating position in the Examination Hall.
4. If you get a Question Booklet where the alpha code does not match to the allotted alpha code in the seating position, please draw the attention of the Invigilator **IMMEDIATELY**.
5. The Question Booklet Serial Number is printed on the top right margin of the facing sheet. If your Question Booklet is un-numbered, please get it replaced by new Question Booklet with same alpha code.
6. The Question Booklet will be sealed at the middle of the right margin. Candidate should not open the Question Booklet, until the indication is given to start answering.
7. Immediately after the commencement of the examination, the candidate should check that the Question Booklet supplied to him/her contains all the 100 questions in serial order. The Question Booklet does not have unprinted or torn or missing pages and if so he/she should bring it to the notice of the Invigilator and get it replaced by a complete booklet with same alpha code. This is most important.
8. A blank sheet of paper is attached to the Question Booklet. This may be used for rough work.
9. **Please read carefully all the instructions on the reverse of the Answer Sheet before marking your answers.**
10. Each question is provided with four choices **(A), (B), (C)** and **(D)** having one correct answer. Choose the correct answer and darken the bubble corresponding to the question number using Blue or Black Ball Point Pen in the OMR Answer Sheet.
11. **Each correct answer carries 1 mark and for each wrong answer 1/3 mark will be deducted. No negative mark for unattended questions.**
12. No candidate will be allowed to leave the examination hall till the end of the session and without handing over his/her Answer Sheet to the Invigilator. Candidates should ensure that the Invigilator has verified all the entries in the Register Number Coding Sheet and that the Invigilator has affixed his/her signature in the space provided.
13. Strict compliance of instructions is essential. Any malpractice or attempt to commit any kind of malpractice in the Examination will result in the disqualification of the candidate.

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1. Profit and loss account is prepared from  
A) Real account      B) Nominal account    C) Both A) and B)    D) None of these
2. The rate of interest allowed to partners for giving loans to the firm is  
A) 8%                      B) 7%                      C) 6%                      D) None of these
3. Del-credere commission is allowed to  
A) Consignor                      B) Consignee  
C) Warehouse keeper              D) Manager
4. The share of goodwill brought in cash by the new partner will be credited to the old partners in their  
A) Old profit sharing ratio              B) New profit sharing ratio  
C) Gaining ratio                      D) Sacrificing ratio
5. The amount of accumulated profits at the time of admission of a partner is transferred to  
A) Partners' capital account              B) Revaluation account  
C) Goodwill account                      D) Capital reserve account
6. In the event of dissolution of a firm, individual assets of the partners are first used for the payment of the  
A) Firms' liabilities                      B) Partners' personal liabilities  
C) Creditors                              D) None of these
7. Amount set aside to meet losses due to bad debts is a  
A) Reserve                      B) Liability                      C) Provision                      D) None of these
8. Goods given as samples should be credited to  
A) Advertisement account              B) Sales account  
C) Goodwill account                      D) Purchases account
9. The conservatism concept is applied in the area were  
A) Inventories are valued at cost price or market price whichever is less  
B) Depreciating fixed assets over their useful lives  
C) Disclosing the market value of securities  
D) All of these
10. Depreciation is computed in an accounting package according to the principle laid down in  
A) Accounting standards                      B) Accounting concepts  
C) Accounting principles                      D) None of these

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11. In optimum capital structure, value of the firm will be at  
A) Maximum            B) Minimum            C) Low            D) None of these
12. The process of buying securities in a market where price is low and selling where it is high is known as  
A) Speculation            B) Hedging            C) Arbitrage            D) None of these
13. \_\_\_\_\_ is a method commonly used to lower the market price of shares by increasing the number of shares belonging to each share holder.  
A) Bonus issue            B) Right issue            C) Stock split            D) Buy-back
14. \_\_\_\_\_ is the level of inventory at which total cost of inventory is minimal.  
A) Re-ordering level    B) Minimum level    C) Maximum level    D) EOQ
15. \_\_\_\_\_ is the measure of a total risk of a firm.  
A) Financial leverage            B) Operating leverage  
C) Combined leverage            D) All of these
16. \_\_\_\_\_ is the intermediate approach between Net Income and Net Operating Income approach.  
A) MM approach            B) Walter's model  
C) Gordon's approach            D) Traditional approach
17. \_\_\_\_\_ is the cost arising out of failure of customers to pay on due time.  
A) Delinquency cost            B) Collection cost  
C) Default cost            D) None of these
18. \_\_\_\_\_ is the corporate net profits distributed among shareholders of the company.  
A) Interest            B) Dividend            C) Bonus            D) Commission
19. Which of the following statements are true about cash management ?  
1. Cash management strategies are adopted to minimise the operating cash balance requirements.  
2. The higher the period of cash cycle, the higher is the cash turnover.  
A) Only statement 1 is true            B) Only statement 2 is true  
C) Both statements are true            D) Both statements are false
20. According to MM theory, the market price of the share \_\_\_\_\_ even after the payment of dividend.  
A) Increased            B) Decreased  
C) Unchanged            D) None of these

21. Read the following statements and select the correct choice given below :
- Sunk cost is irrecoverable and is not relevant to the present decision making
  - Period cost is also known as variable cost
- Only statement i is correct
  - Only statement ii is correct
  - Both statements i and ii are correct
  - Both statements i and ii are incorrect
22. The standard labour time allowed to produce the product X is 280 hours and the actual time taken to produce the same is 300 hours. Standard wage rate is Rs. 500 per hour and actual wage rate is Rs. 460 per hour. Find Labour Rate Variance.
- Rs. 11,200
  - Rs. 9,200
  - Rs. 10,000
  - Rs. 12,000
23. The most suitable pricing method for material issues, at the time of rise in prices is
- FIFO
  - LIFO
  - Simple average method
  - Weighted average method
24. If time allowed for a job is 20 hours and normal wage rate per hour is Rs. 50, what will be the total earnings of a worker who complete the job in 16 hours, as per Halsey plan ?
- Rs. 800
  - Rs. 1,000
  - Rs. 900
  - Rs. 950
25. Which of the following statement(s) about overheads are correct ?
- Overheads cannot be directly traced to a product or service
  - Overheads can be fixed, variable or semi-variable
  - Rent and utilities are treated as overheads
- Only statements i and ii are correct
  - Only statements ii and iii are correct
  - All statements are correct
  - All statements are incorrect
26. The profit-volume ratio can be improved by
- increasing variable cost per unit
  - decreasing selling price per unit
  - increasing selling price per unit
  - None of these
27. The process of recording actual time spent by a worker on various jobs during his period of attendance in the factory is called
- time keeping
  - time booking
  - mustering
  - All of these

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28. Which of the following statements regarding material losses is/are true ?
- i. Spoilages are units failed to reach required standard of quality and not rectified by applying some additional cost.
  - ii. Material scraps have small recovery value even without further processing.
  - iii. Defectives are imperfect products and can be rectified with additional cost.
- A) Only statement ii is true                      B) Only statements i and ii are true  
C) Only statements ii and iii are true        D) All statements are true
29. If total sales amounts to Rs. 2,00,000 and Profit-Volume ratio is 30%, then the total variable cost will be
- A) Rs. 80,000              B) Rs. 1,40,000              C) Rs. 60,000              D) None of these
30. Which of the following statements are correct ?
- i. Cost reduction focuses on reducing per unit cost of goods and services.
  - ii. Cost reduction tries to achieve temporary reduction in cost.
  - iii. Cost reduction is to be achieved without sacrificing quality.
- A) All statements are correct                      B) All statements are incorrect  
C) Only statements i and ii are correct        D) Only statements i and iii are correct
31. Which of the following is/are not included in the functions of management suggested by Henry Fayol ?
- i. Staffing
  - ii. Directing
  - iii. Co-ordinating
  - iv. Controlling
- A) Only iii                      B) Both i and ii              C) Both iii and iv              D) All of these
32. Who among the following belongs to contributors to classical theories of management ?
- i. F.W. Taylor
  - ii. Henry Fayol
  - iii. Gilbreth
- A) Only i                      B) Both i and ii              C) Both i and iii              D) All of them
33. The process of short circuiting 'the chain of superiors from ultimate authority to the lowest level in the organisation' is referred to as
- A) Scalar chain                      B) Unity of command  
C) Unity of direction                      D) Gang plank
34. Description of minimum knowledge, skill and abilities that are required to perform a job in an organisation satisfactorily are termed as
- A) Job enrichment    B) Job description    C) Job specification    D) Job evaluation

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35. In management, which among the following is not true about planning function ?  
 A) Planning is goal oriented                      B) Planning is a one-time process  
 C) Planning is pervasive                              D) Planning involve choice
36. Rearrange the following steps in controlling process in the correct sequential order.  
 i. Compare actual performance with standards  
 ii. Find deviations from standard  
 iii. Establish standards  
 iv. Measure actual performance  
 v. Take corrective action  
 A) iv, iii, v, ii, i              B) i, ii, iii, iv, v              C) iv, i, ii, v, iii              D) iii, iv, i, ii, v
37. Which among the following needs is not included in the McClelland's three need theory of motivation ?  
 A) Need for affection                              B) Need for power  
 C) Need for achievement                              D) Need for affiliation
38. Which of the following are the leadership styles mentioned in the Managerial grid theory of Blake and Mouton ?  
 i. Impoverished manager  
 ii. Middle of the road manager  
 iii. Country club manager  
 iv. Team manager  
 A) Only i, ii and iii      B) Only i, iii and iv      C) Only iii and iv      D) All of these
39. Which of the following statements about Total Quality Management (TQM) is/are correct ?  
 i. TQM is a customer driven initiative.  
 ii. TQM focuses on everyone to take responsibility for quality.  
 A) Only statement i is correct  
 B) Only statement ii is correct  
 C) Both statements i and ii are correct  
 D) Both statements i and ii are incorrect
40. Which of the following are the On-the-job training methods ?  
 i. Job rotation  
 ii. Coaching  
 iii. Apprenticeship  
 iv. Conference  
 A) Only i, ii and iii      B) Only i, iii and iv      C) Only ii, iii and iv      D) All of these

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41. Which among the following is/are the reason/s for inverse relation between price and demand ?
- i. Substitution effect
  - ii. Income effect
  - iii. Speculation effect
  - iv. Giffen goods
- A) Only i                      B) Only i and ii              C) Only i, ii and iii      D) All of these
42. Read the following statements and select the right alternative given below.
- i. In administered pricing, prices are fixed by Board of Directors of companies.
  - ii. In full cost pricing, a fair amount of profit is added along with the cost price.
- A) Statement i is correct and statement ii is incorrect  
B) Statement ii is correct and statement i is incorrect  
C) Both statements i and ii are correct  
D) Both statements i and ii are incorrect
43. If any change in price does not affect quantity demanded, it can be due to
- A) Unitary elastic demand                      B) Perfectly inelastic demand  
C) Relatively elastic demand                      D) Relatively inelastic demand
44. Which of the following statements is/are correct ?
- i. Normal price refers to the long period price at which long term demand equals to short term supply.
  - ii. The cost element has greater impact on the determination of long run price.
- A) Only statement i is correct                      B) Only statement ii is correct  
C) Both statements are correct                      D) Both statements are incorrect
45. The internal economies of scale does not include
- A) Economies of vertical integration                      B) Economies of risk spreading  
C) Marketing economies                      D) Economies of disintegration
46. Which theory of Joel Dean on advertising outlays mentions, “the more profitable and the more liquid the financial position of the business, the more advertising should be undertaken” ?
- A) Percentage of sales approach                      B) All you can afford approach  
C) Competitive parity approach                      D) None of these
47. Which of the following statements is/are correct ?
- i. Marginal product is the change in total product resulting from a change in variable input.
  - ii. Mathematically, marginal product is the slope of the average product curve.
- A) Only statement i is correct  
B) Only statement ii is correct  
C) Both statements i and ii are correct  
D) Both statements i and ii are incorrect

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48. The statistical methods of demand forecasting does not include
- A) Trend projection methods
  - B) Barometric methods
  - C) Opinion poll methods
  - D) Econometric methods
49. Which of the following is not a business cycle theory ?
- A) Pure monetary theory
  - B) Clark's dynamic theory
  - C) Schumpeter's innovation theory
  - D) Monetary over-investment theory
50. Read the following statements and select the correct answer from the following.
- i. Cross elasticity of demand is negative for substitute goods.
  - ii. Cross elasticity of demand is positive for complementary goods.
- A) Statement i is correct and statement ii is incorrect
  - B) Statement ii is correct and statement i is incorrect
  - C) Both statements i and ii are correct
  - D) Both statements i and ii are incorrect
51. The legal document that outlines company's financial securities for sale known as
- A) Table A
  - B) Prospectus
  - C) Articles of association
  - D) Memorandum of association
52. A person becomes a member when he/she
- A) The subscriber of memorandum of the company
  - B) Agrees in writing to become the member
  - C) Both A) and B)
  - D) None of these
53. Which type of company can commence its business from the date of incorporation as per Companies Act, 1956 ?
- A) Public company
  - B) Private company
  - C) No company unless they submit a declaration 180 days from incorporation
  - D) Limited company
54. A company can change its name by passing
- A) Ordinary resolution with the approval of central govt.
  - B) Special resolution with the approval of central govt.
  - C) Both A) and B)
  - D) None of these

55. Which among the following document explains the fundamental conditions upon which alone company is allowed to be incorporated ?
- A) Memorandum of association
  - B) Articles of association
  - C) Table A
  - D) Prospectus
56. The doctrine that explains person dealing with the company is presumed to know the contents of public documents
- A) Doctrine of ultra vires
  - B) Doctrine of intra vires
  - C) Doctrine of constructive notice
  - D) Doctrine of indoor management
57. Which among the following Section under Companies Act, 1956 explains the provisions about statement in lieu of prospectus ?
- A) Sec. 71
  - B) Sec. 70
  - C) Sec. 72
  - D) Sec. 71 A
58. An unlisted company can issue sweat equity shares as per
- A) Sec. 54 of Companies Act, 2013
  - B) Sec. 53 of Companies Act, 2013
  - C) Sec. 52 of Companies Act, 2013
  - D) Sec. 53 A of Companies Act, 2013
59. The first annual general meeting of a company must be held
- A) Within 3 months from the closing of first financial year
  - B) Within 6 months from the closing of first financial year
  - C) Within 9 months from the closing of first financial year
  - D) Within 10 months from the closing of first financial year
60. Who cannot file a petition for winding up of a company ?
- A) Registrars
  - B) Company itself
  - C) Promoters
  - D) Contributory
61. Placing of securities that are unquoted known as
- A) Stock exchange placing
  - B) Private placing
  - C) Offer for sale
  - D) Right issue
62. Which among the following methods, cost of raising is very high ?
- A) Public issue through prospectus
  - B) Offer for sale
  - C) Private placement
  - D) Right issue



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70. The first exchange for small companies in India  
A) NSE                      B) BSE                      C) OTCEI                      D) None of these
71. Which is the exception to the general rule taxation of previous year's income during the assessment year ?  
A) Income of persons leaving India during the current assessment year  
B) Transfer of property to avoid tax  
C) Income from pension of a retired employee  
D) Both A) and B)
72. Mr. A is an employee in Textiles company at a salary of rupees 36,000 per month. He is a member of Recognised Provident Fund to which he and his employer contribute 14% of his salary. During the year he was given a credit of rupees 10,000 as interest on the provident balance of rupees 1,00,000. The taxable amount of Annual accretion is  
A) Rs. 70,480              B) Rs. 9,140              C) Rs. 46,000              D) Rs. 8,640
73. Mr. Santhosh resides in Kanpur. He gets a basic salary of rupees 2,00,000 per annum, Dearness Pay of rupees 1,00,000 per annum and HRA of rupees 1,60,000 per annum. He pays a rent of rupees 1,80,000 per annum. Determine the amount of HRA chargeable to tax.  
A) Rs. 20,000              B) Rs. 1,20,000              C) Rs. 40,000              D) Rs. 1,60,000
74. In the case of let out house the interest on loan deductible u/s 24 taken for the purchase, construction or repair of the house property relating to the previous year is  
A) Rs. 2,00,000                                      B) No limit  
C) Rs. 30,000                                        D) None of the above
75. Which one of the following is an allowable deduction while calculating the Profits and Gains of Business or Profession ?  
A) Excise duty                                      B) Income tax  
C) Interest on own capital                      D) Wealth tax
76. Under Section 54 B, which one of the capital gain is exempted from tax ?  
A) Capital gain arising on the transfer of property used for residence  
B) Capital gain on compulsory acquisition of lands and buildings  
C) Capital gains arising from the transfer of agricultural land  
D) Capital gain arising from the transfer of assets in the case of shifting of industrial undertaking from urban area
77. Mrs. X is getting a family pension of rupees 30,000 per annum. The taxable amount of family pension is  
A) Rs. 15,000              B) Not taxable              C) Rs. 20,000              D) Rs. 30,000

A

78. The deduction allowable under Section 80 GG of the Income Tax Act to an individual having the following income : Business income rupees 2,95,000, interest on debentures rupees 5,000. Rent paid by him for a house occupied by him for the purpose of his residence is rupees 6,500 p.m. He deposited during the year rupees 50,000 in PPF.
- A) Rs. 60,000      B) Rs. 62,500      C) Rs. 50,000      D) Rs. 53,000
79. The taxable income of an individual during the P.Y. 2021-22 is rupees 4,35,000. The rebate available to him under Section 87 A is
- A) Rs. 12,500      B) Rs. 9,250      C) Not available      D) Rs. 2,500
80. Mr. Kumar spent an amount of rupees 1,10,000 during the P.Y. 2021-2022 for the maintenance and medical treatment of his brother who is severely disabled and depended on him. How much is the deduction available under Section 80 DD to him ?
- A) Rs. 75,000      B) Rs. 1,10,000      C) Rs. 1,25,000      D) Rs. 50,000
81. Which one of the following is the correct combination of demographic segmentation variables ?
- A) Age, sex, area and climate  
B) Age, religion, sex and occupation  
C) Religion, income, population density and personality  
D) Attitude, occupation, family size and education
82. The following sub-components namely transportation, inventory control and warehousing are included in which element of marketing mix ?
- A) Place      B) Price      C) Promotion      D) Product
83. The number of different product lines offered by a company in its product mix is called
- A) Length      B) Depth      C) Consistency      D) Width
84. Mr. X purchased a new 55-inch television and after the purchase he feels that the picture clarity is not good and the audio effect is also too bad, the mental dissatisfaction of the consumer is called
- A) Consumer's remorse      B) Cognitive dissonance  
C) Post purchase dissonance      D) All of these
85. Which one of the following is not a stage in AIDAS theory of personal selling ?
- A) Satisfaction      B) Attention  
C) Attitude      D) Interest and desire
86. Which one of the following is not a consumer promotion scheme ?
- A) Push money      B) Coupons  
C) Sweepstakes      D) Premium offer

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87. Maruti Suzuki spends huge amounts for advertising and sales promotion for increasing the sales of their cars, the strategy is called  
A) Push blend            B) Pull blend            C) Put blend            D) None of these
88. A high quality car manufacturer adds a lower priced car to its line of prestige cars by reducing the quality and sells the same at lower price. It is called  
A) Product line contraction            B) Trading up  
C) Trading down            D) Product positioning
89. When a product passes through this stage of product life cycle, competition become severe, sales increases but at a decreasing rate and profit has started falling. This stage is known as  
A) Introduction            B) Maturity            C) Growth            D) Decline
90. The strategy of highlighting one powerful positive feature of the product in advertising to win against competition is known as  
A) Unique sales promotion  
B) Unique strategy proposition  
C) Unique selling proposition  
D) United selling proposition
91. "An Auditor is a watch dog and not a bloodhound" This decision was observed in the case of  
A) London and General Bank  
B) Delightful Cigarette Company  
C) Allen Craig and Company  
D) Kingston Cotton Mills Co. Ltd.
92. Expenses paid for the installation of a machinery is debited to the sundry expense account. This is an example for  
A) Compensating error            B) Error of principle  
C) Error of omissions            D) Error of commission
93. Current file and permanent file are the part of  
A) Audit working papers            B) Audit note book  
C) Audit evidence            D) Audit programme
94. Which one of the following is not a method for obtaining Audit Evidence ?  
A) Computation            B) Observation  
C) Enquiry and confirmation            D) Statistical analysis

**A**

95. Letter of weakness is associated with
- A) Internal check
  - B) Internal audit
  - C) Internal control
  - D) External audit
96. Accounting Standard 2 deals with
- A) Valuation of investments
  - B) Valuation of inventories
  - C) Valuation of fixed assets
  - D) Valuation of fictitious assets
97. When cash is received from Mr. X, no entry is made in the cash book by the cashier and he makes a personal use of the same. Subsequently on receipt of remittance from Mr. Y the amount recorded as cash received from Mr. X and this process continues. This malpractice by the cashier is called
- A) Lapping
  - B) Teeming and Lading
  - C) Short Banking
  - D) All of these
98. A casual vacancy of an auditor in a company caused by resignation of an auditor can be filled by
- A) Board of Directors
  - B) By the Central Government
  - C) By the company (Shareholders) in General meeting
  - D) Comptroller and Auditor General of India
99. Which one of the following is a Civil Liability of an auditor of a company ?
- A) Liability for misfeasance
  - B) Liability for misstatement in prospectus
  - C) Liability for failure to assist investigation
  - D) Liability for failure to return property, books or papers
100. Investigation is compulsory in the case of
- A) Partnership firm
  - B) Joint stock companies
  - C) Sole proprietorship
  - D) None of the above
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