

099/2024

Maximum : 100 marks

Time : 1 hour and 30 minutes

1. The charging of depreciation on fixed assets is based on :
(A) Money Measurement Concept (B) Cost Concept
(C) Dual Aspect Concept (D) Concept of Conservatism
2. Accounting Standard (AS) 2 deals with :
(A) Revenue Recognition (B) Cash flow statements
(C) Valuation of inventories (D) Accounting for Fixed Assets
3. The Proforma invoice in consignment is prepared by :
(A) Consignor (B) Consignee
(C) Both Consignor and Consignee (D) Agent
4. Opening stock is Rs. 8,000, closing stock is Rs. 5,000 and cost of goods sold is Rs. 90,000, the amount of purchase will be :
(A) Rs. 77,000 (B) Rs. 93,000
(C) Rs. 88,000 (D) Rs. 87,000
5. Prepaid salary is :
(A) an Income (B) an Asset
(C) a liability (D) none of these
6. X and Y are partners who share profit and loss in the ratio 3 : 2, a new partner C is admitted with $\frac{1}{5}$ th share in profit. The new profit sharing ratio is :
(A) 6 : 4 : 5 (B) 6 : 5 : 4
(C) 12 : 8 : 5 (D) 8 : 5 : 6
7. At the time of dissolution of a firm, assets are transferred to realization account at :
(A) Cost price (B) Market price
(C) Revalued price (D) None of these
8. Imprest system is related with :
(A) Sales book (B) Purchase book
(C) Petty cash book (D) Sales return book

9. Which of the following is an example of fictitious asset?
- (A) Loss on issue of Debentures (B) Preliminary expenses
(C) Discount on issue of shares (D) All of these
10. Del credere commission in consignment is given by the consignor to the consignee :
- (A) For the sale of newly launched product
(B) For bearing the risk of bad debts
(C) For loss of goods in consignment
(D) None of these
11. Under capitalization is characterized by :
- (A) Higher earnings (B) Lower earnings
(C) Low market value of shares (D) Capital is not efficiently employed
12. The variability of _____ caused by the financial leverage is the financial risk.
- (A) EPS (B) EBIT
(C) Contribution (D) None of these
13. Capital budgeting is related to :
- (A) Short term capital
(B) Long term capital
(C) Short term and Long term capital
(D) Current Assets
14. Which of the following is not a time adjusted method of capital budgeting?
- (A) Rate of Return Method (B) Net Present Value Method
(C) Internal Rate of Return Method (D) Profitability Index Method
15. The risk-free rate of return of Modern Traders is 8% and its expected return from market is 36%. If the company has an equity Beta of 80%, what will be the cost of the company's equity as per CAPM?
- (A) 36 (B) 38.4
(C) 36.4 (D) 30.4
16. Operating leverage is calculated by :
- (A) $EBIT \div Contribution$ (B) $Contribution \div Sales$
(C) $Sales \div Contribution$ (D) $Contribution \div EBIT$
17. Which of the following method is used for raising capital in primary market?
- (A) IPO (B) Right issue
(C) Private placement (D) All of these

18. Which of the following is not an assumption of MM Approach of Dividend policy?
 (A) Perfect Capital Market (B) Absence of Taxes
 (C) Variable Investment policy (D) Absence of Risk
19. Relevance theory of Dividend is formulated by :
 (A) Modigliani and Miller (B) Walter and Gordon
 (C) Max Weber (D) None of these
20. EOQ in the following case is :
 Annual Consumption 10,000 kg, Cost of placing an order Rs. 50, Cost per kg of material Rs. 8, Storage cost 8% on average inventory
 (A) 2,500 (B) 1,500
 (C) 2,000 (D) 3,000
21. Positive approach to reduce expenditure is termed as :
 (A) Cost Control (B) Cost Reduction
 (C) Cost Audit (D) Cost Accounting
22. FIFO is not suitable for which of the below case :
 (A) The size and cost of units are large
 (B) Materials are identified as belonging to a particular purchased lot
 (C) Not more than two or three different receipts of materials are on a materials card at one time
 (D) Most recent costs are charged against current production and sales
23. Budget which is prepared for use unaltered over a long period of time :
 (A) Basic Budget (B) Long term budgets
 (C) Short Term budgets (D) None of the above
24. Formula used for Margin of safety :
 (A) Present sales – Breakeven Sales (B) Profit/PV Ratio
 (C) Profit/Contribution per Unit (D) All of the above
25. The type of standard best suitable for control purpose :
 (A) Normal standard (B) Basic standard
 (C) Ideal standard (D) Expected standard
26. What are the different Control Ratios?
 (A) Capacity Ratio (B) Calendar Ratio
 (C) Efficiency Ratio (D) All of the Above

27. Which is a component of an Overhead?
 (A) Direct Expenses (B) Indirect Expenses
 (C) Both (A) and (B) (D) None of the above
28. Break-Even chart is a graphic relationship between :
 (A) Volume (B) Cost
 (C) Profit (D) All of the above
29. Process costing is not suitable for :
 (A) Hospital (B) Food production
 (C) Oil Refining firms (D) Paint Manufacture
30. Cost Incurred when a business unit closes :
 (A) Imputed Cost (B) Historical Cost
 (C) Shutdown Cost (D) Sunk Cost
31. TQM stands for :
 (A) Traditional Quality Management (B) Total Quality Management
 (C) Total Quality Maintenance (D) Total Quality Manager
32. “Management is the art of getting things done through others” – defined by :
 (A) J.D. Monney (B) Peter Drucker
 (C) Mary Parker Follet (D) WG Scott
33. Human Behaviour School was contributed by :
 (A) Lyndall Urwick (B) Harold Koontz
 (C) Elton Mayo (D) Peter Drucker
34. Which is not a factor of motivation?
 (A) Leadership Style (B) Reward System
 (C) Repetition Practice (D) Structure of work
35. Leadership quality does not include :
 (A) Integrity (B) Resilience
 (C) Empathy (D) Being rich
36. Repeatedly used plans are called :
 (A) Standing Plans (B) Strategic Plans
 (C) Tactical Plans (D) All of the above

37. Maslow's Hierarchy of Needs in correct order :
- (A) Physiological, Safety, Love, Self Esteem, Self-actualisation
 (B) Psychological, Love, Safety, Self-actualisation, Self Esteem
 (C) Physiological, Love, Safety, Self Esteem, Self-actualisation
 (D) None of the above
38. Induction is a process of :
- (A) Welcoming (B) Orientation
 (C) Socialisation (D) All of the above
39. Controlling is backward looking function because :
- (A) It relates to future course of action
 (B) Finds out deviation and aims at improving future performance
 (C) Post-mortem analysis
 (D) None of the above
40. Which theory on leadership that makes an assumption that all leadership qualities are inherited?
- (A) Great Man Theory (B) Trait Theory
 (C) Behaviorist Theory (D) Transformation Theory
41. Cross elasticity of demand between tea and coffee is :
- (A) Positive (B) Infinity
 (C) Negative (D) Zero
42. Match the following :
- | Group (A) | | Group (B) | |
|----------------------------------|------------------------------------------------------------------------------|-----------|--|
| (i) Cross elasticity of demand | (a) Responsiveness of demand to change in income | | |
| (ii) Elasticity of demand | (b) Responsiveness of demand to change in price | | |
| (iii) Price elasticity of demand | (c) Responsiveness of demand to change in price of related goods | | |
| (iv) Income elasticity of demand | (d) Responsiveness of quantity demanded to change in its demand determinants | | |

Codes :

- | | | | |
|---------|------|-------|------|
| (i) | (ii) | (iii) | (iv) |
| (A) (a) | (b) | (c) | (d) |
| (B) (b) | (c) | (a) | (d) |
| (C) (c) | (d) | (b) | (a) |
| (D) (d) | (a) | (c) | (b) |

43. A market situation in which there are only few sellers and each seller is able to influence the market price is called :
- (A) Monopoly (B) Duopoly
(C) Oligopoly (D) Monopolistic
44. The combinations of two variable inputs that help a firm to produce a particular quantity of output is known as :
- (A) Isocost (B) Isoquants
(C) Isocurve (D) All of these
45. Kinked demand curve explains :
- (A) Price rigidity (B) Price flexibility
(C) Demand rigidity (D) Demand flexibility
46. Which of the following are the assumptions of perfect competition?
- (A) There are large number of buyers and sellers in the market
(B) There is freedom of entry into or exit from the industry
(C) Homogeneous product
(D) All of these
47. Identify the situations in which law of demand does not apply :
- (A) Giffen goods
(B) Status goods
(C) Anticipation regarding changes in price
(D) All of these
48. Which of the basic properties belongs to indifference curve?
- (A) Convex to the origin
(B) Indicate a higher level of satisfaction
(C) A negative slope
(D) All of these
49. Negative income elasticity denote :
- (A) Inferior goods (B) Substitute goods
(C) Superior goods (D) All of these
50. Market with single seller and single buyer is called :
- (A) Monopoly (B) Bilateral monopoly
(C) Monopsony (D) None of these

51. Which of the following persons can file a petition for winding up?
(A) The registrar (B) The company
(C) Contributory (D) All of the above
52. The companies which are formed under Companies Act, 1956 are :
(A) Registered Companies (B) Statutory Companies
(C) Chartered Companies (D) None of these
53. When winding up takes place shareholders are described as :
(A) Contributory (B) Legal heirs
(C) Creditors (D) Preferential creditors
54. Minimum number of directors in a Private Company is :
(A) One (B) Two
(C) Three (D) Four
55. A meeting of the Board of Directors must be held at least once in :
(A) Every month (B) Every two months
(C) Every three months (D) Every four months
56. Extra ordinary general meetings may be convened by :
(i) Board of Directors on its own
(ii) Board of Directors on requisition
(iii) Requisitionists
(iv) Company Law Board
Which of the above alternatives is correct?
(A) (i) only (B) (ii), (iii) and (iv)
(C) (i) and (iii) (D) (i), (ii), (iii) and (iv)
57. Maximum number of members in case of a public company is :
(A) 7 (B) 50
(C) 200 (D) No limit
58. Class meeting is a meeting of :
(A) Meeting of creditors (B) Meeting of shareholders
(C) Meeting of directors (D) Final meeting at dissolution
59. Private company can start its business immediately after the issue of :
(A) Certificate of commencement of business
(B) Certificate of incorporation
(C) Both
(D) None of the above

60. Memorandum of Association should be in form _____ in case of a company limited by shares.
- (A) Table B (B) Table C
(C) Table D (D) None of these
61. When listed company makes public issue to raise additional capital it is :
- (A) FPO (B) IPO
(C) PPO (D) E-IPO
62. An accounting tool used to record the value of an asset with respect to its current market price :
- (A) Mark to Market (B) Market to Market
(C) Current to Market (D) Market to Mark
63. A market where gilt edged securities can be bought and sold is :
- (A) Industrial securities market (B) Government Securities market
(C) Mortgages market (D) Financial Guarantee market
64. Shares of companies that are relatively unaffected by the ups and downs in general conditions :
- (A) Blue chip shares (B) Defensive shares
(C) Growth shares (D) Income shares
65. Oldest stock exchange in India :
- (A) Bombay stock exchange (B) Calcutta stock exchange
(C) Madras stock exchange (D) Kochi stock exchange
66. Issue of shares to the existing share holders is :
- (A) Right issue (B) Public issue
(C) Private issue (D) Book built issue
67. The process of holding the entire supply of a particular security with a view to dictating terms is called :
- (A) Wash sales (B) Arbitrage
(C) Rigging the market (D) Cornering
68. Prospectus which does not have details of price, number of shares or amount of issue :
- (A) Red herring prospectus
(B) Deemed prospectus
(C) Abridged prospectus
(D) Shelf prospectus

69. Government bond is :
- (A) Short term security
 - (B) Long term security
 - (C) Medium term security
 - (D) Either short-term or long term security
70. Speculators who neither buy nor sell securities in the market, but still trade on them are called :
- (A) Wolves
 - (B) Stags
 - (C) Lamé Ducks
 - (D) Bears
71. Which of the following statement is true for determining the residential status of person?
- (A) Stay in India should be for a continuous period
 - (B) Stay should be in any one place in India
 - (C) Both (A) and (B)
 - (D) Neither (A) nor (B)
72. The HRA paid to an employee residing in Agra is exempt up to the lower of actual HRA, excess of rent paid over 10% of salary or whichever is less :
- (A) 40% of salary
 - (B) 50% of salary
 - (C) 60% of salary
 - (D) 75% of salary
73. Capital gains on depreciable assets will always be :
- (A) Short-term Capital Gains
 - (B) Long-term Capital Gains
 - (C) Tax-free
 - (D) None of these
74. The deduction allowable in respect of family pension taxable under Income from Other Sources is :
- (A) $33\frac{1}{3}$ % of the pension
 - (B) 30% of the pension or Rs. 15,000 whichever is less
 - (C) $33\frac{1}{3}$ % of the pension or Rs. 15,000 whichever is less
 - (D) Nil
75. Income arising to a minor married daughter is :
- (A) to be assessed in the hands of minor married daughter
 - (B) to be clubbed with the income of that parent whose total income, before including minor's income is higher
 - (C) completely exempt from tax
 - (D) to be clubbed with the income of her husband who is major

76. A person is completely blind, he will avail deduction u/s 80 U :
- (A) Rs. 50,000 (B) Rs. 75,000
(C) Rs. 1,00,000 (D) Rs. 1,25,000
77. Under which section of the following a HUF is not entitled to a deduction from its gross total income?
- (A) 80 C (B) 80 G
(C) 80 D (D) 80 P
78. The rate of Health and Education cess is :
- (A) 2% (B) 3%
(C) 4% (D) 5%
79. What is the basic exemption limit for Mrs. X (resident in India) who is of the age of 80 years as on 31-3-2024?
- (A) Rs. 5,00,000 (B) Rs. 3,00,000
(C) Rs. 2,50,000 (D) Rs. 2,00,000
80. Income under the head Income from Other Sources is taxable on :
- (A) Due basis
(B) Receipt Basis
(C) On the basis method of accounting regularly employed by the Assessee
(D) Due or receipt basis whichever is earlier
81. The value of a brand expressed in terms of money called :
- (A) Brand attributes (B) Brand umbrella
(C) Brand Equity (D) Brand loyalty
82. Which of the following is a Pull strategy?
- (A) Consumer promotion (B) Sales force promotion
(C) Trade promotion (D) None of the above
83. Market segmentation on the basis of customer enthusiasm :
- (A) Geographic segmentation (B) Socio-economic segmentation
(C) Attitude segmentation (D) Psychographic segmentation
84. The purpose of Customer Relationship Management is to :
- (A) Design direct marketing efforts (B) Develop pricing models
(C) Process transactions faster (D) All of the above

85. The method of inflating prices and offering a discount later :
- (A) Value pricing (B) Psychological discounting
(C) Markup pricing (D) Perceived value pricing
86. Marketing technique used in the case of overfull demand :
- (A) De marketing (B) Remarketing
(C) Synchro marketing (D) Target marketing
87. The classification of standardized products in to well classified groups known as :
- (A) Segmentation (B) Specification
(C) Standardization (D) Gradation
88. The demand of product and size of market expands in which stage of product Life Cycle?
- (A) Introduction stage (B) Growth stage
(C) Maturity stage (D) Decline stage
89. The marketing channel used by “Tupperware” called :
- (A) Direct marketing channel (B) Horizontal marketing channel
(C) Indirect marketing channel (D) Forward marketing channel
90. The promotion strategy that calls for the use of sales force and trade promotion through well defined channels :
- (A) Pull strategy (B) Push strategy
(C) Blocking strategy (D) Integrated strategy
91. Which among the following is closely linked to risk acceptance?
- (A) Risk prevention (B) Risk correction
(C) Risk tolerance (D) Risk detection
92. The internal audit assessments which belong to specific governance process called :
- (A) Whistleblower process (B) Financial reporting process
(C) Fraudulent risk assessment process (D) Risk management audit process
93. The photograph of the auditee’s workplace taken by an internal auditor corresponds to which type of evidence?
- (A) Testimonial evidence (B) Documentary evidence
(C) Analytical evidence (D) Physical evidence

94. Which of the following is a type of audit sampling?
- (A) Attribute sampling (B) Random sampling
(C) Stratified sampling (D) All of the above
95. The liabilities of an auditor can be :
- (A) Civil (B) Criminal
(C) Civil and criminal (D) Financial
96. The objective of vouching is to :
- (A) Detect fraud (B) Verify the accuracy of transactions
(C) Evaluate the internal control system (D) Prepare audit report
97. An audit which is conducted throughout the year called :
- (A) Continuous audit (B) Internal audit
(C) Statutory audit (D) External audit
98. An auditor should be :
- (A) An insurer (B) An accountant
(C) A watchdog (D) A blood hound
99. Which among the following factors are to be considered by the internal auditor while applying analytical procedures?
- (A) Significance of the area being examined
(B) Precision in the prediction of results of analytical audit
(C) Adequacy of the system of internal control
(D) All of the above
100. The process of financial audit begins with :
- (A) Reporting (B) Planning
(C) Internal control (D) Testing

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