

**COMBINED TECHNICAL SERVICES EXAMINATION
(INTERVIEW POSTS) - II
COMPUTER BASED TEST
DATE OF EXAM: 18.11.2024 AN
PAPER – II – FINANCIAL AND COST
ACCOUNTANCY
(FINAL STANDARD) (CODE: 434)**

1. The system which determines what cost "should be" in advance of production is called
- (A) Marginal costing (B) Operating costing
(C) Process costing ~~(D) Standard costing~~
(E) Answer not known
2. In a factory where standard costing system is followed, the production department consumed 1100 kgs of a material @ Rs.8 per kg for product 'X' resulting in material price variance of Rs.2200 (F) and material usage variance of Rs.1,000 (A). What is the standard material cost of actual production of product 'X'?
- (A) Rs.11,000 (B) Rs.20,000
(C) Rs.14,000 ~~(D) Rs.10,000~~
(E) Answer not known
3. A Ltd gives the following data for the cost pool budgeted units 5,000
No of employees 75 budgeted cost Rs.7,500.
Actual cost incurred:
Actual units 5,500, Actual employees 77, Actual cost Rs.8085
Calculate total variance for the pool.
- (A) Rs.585 (A) ~~(B) Rs.165 (F)~~
(C) Rs.5,550 (F) (D) Rs.385 (A)
(E) Answer not known

7. Fixed overhead cost variance is the aggregate of the _____ variance and _____ variance.

- (A) Expenditure and Volume
- (B) Expenditure and Usage
- (C) Price and Capacity
- (D) Price and Mix
- (E) Answer not known

8. Fixed cost per unit decrease when

- (A) Production volume increases
- (B) Production volume decreases
- (C) Variable cost per unit decreases
- (D) Prime cost per unit decreases
- (E) Answer not known

9. Given fixed cost is Rs.8,000

Break even point Rs.20,000

Variable cost per unit Rs.60

Calculate profit when sales are Rs.40,000

- (A) Rs.80,000
- (B) Rs.8,000
- (C) Rs.16,000
- (D) Rs.8,200
- (E) Answer not known

10. In a year in which closing stock of finished goods is larger than the opening stock _____ costing will show a higher profit compared to that under _____ costing.
- (~~A~~) Absorption, Marginal (B) Marginal, Absorption
 (C) Standard, Marginal (D) Operating, Standard
 (E) Answer not known
11. If sales are Rs.2,00,000, fixed cost Rs.30,000. P/V Ratio 40%, the amount of profit will be
- (~~A~~) Rs.50,000 (B) Rs.80,000
 (C) Rs.12,000 (D) Rs.30,000
 (E) Answer not known
12. Angle of incidence is the angle formed at
- (~~A~~) The break even point at which sales line cuts the total cost line
 (B) The point at which sales line cuts the fixed cost line
 (C) The point at which contribution line cuts the fixed cost line
 (D) The point at which variable cost line cuts the fixed cost line
 (E) Answer not known
13. If margin of safety is Rs.2,40,000 (40% of sales) and P/V ratio is 30%. Calculate the amount of profit on sales of Rs.9,00,000
- (A) Rs.2,70,000 (B) Rs.1,08,000
 (C) Rs.1,26,000 (~~D~~) Rs.1,62,000
 (E) Answer not known

14. Under Marginal Costing, Select contribution calculation formula where
- (i) S = Sales value
 - (ii) DM = Direct Material
 - (iii) DL = Direct Labour
 - (iv) VOH = Variable Overhead Production
 - (v) FOH = Fixed Overhead
 - (vi) C = Contribution
- (A) $C = S - (DM + DL + VOH + FOH)$
- ~~(B)~~ $C = S - (DM + DL + VOH)$
- (C) $C = S - (VOH + FOH)$
- (D) $C = S - (DM + VOH + FOH)$
- (E) Answer not known
15. Leader price is the price fixed by the Government keeping in view
- ~~(A)~~ The cost and efficiency of a major manufacturer of the product
- (B) The different zones in a geographical locations
- (C) Indigenous and imported products
- (D) Of experimental basis
- (E) Answer not known
16. Which one of the following is not considered as a method of transfer pricing?
- (A) Negotiated transfer pricing
- (B) Market price based transfer pricing
- ~~(C)~~ Fixed cost based transfer pricing
- (D) Opportunity cost based transfer pricing
- (E) Answer not known

24. Learning curve is also known

- (A) Growth curve
- (B) Production curve
- (C) Exponential curve
- (D) Experience curve
- (E) Answer not known

25. As per the theory of learning curve the time required to produce an item follows a _____ with each doubling of production.

- (A) Geometric progression
- (B) Arithmetic progression
- (C) Common ratio
- (D) Uniform pattern
- (E) Answer not known

26. Which of the following statements are true?

- (1) Learning curve is based on doubling of output
 - (2) In service sectors, the concept of learning curve is not applicable
 - (3) Costs tend to decline more for standardized products and processes
- (A) (1) True (2) and (3) False
 - (B) (1) and (2) True (3) False
 - (C) (1), (2) and (3) are True
 - (D) (1) and (3) are True (2) False
 - (E) Answer not known

27. Which Accounting Ratio will be useful in indicating the following symptoms?

Return on shareholders funds being much higher than the overall return on investment.

- (A) Debt Equity Ratio (B) Current Ratio
(C) Inventory Turnover Ratio (D) Interest Coverage Ratio
(E) Answer not known

28. Which of the following statements are true?

- (1) Equity to fixed interest bearing securities is Acid Test Ratio.
(2) Rate of Return on capital employed is a Turnover Ratio.
(3) Debt Equity Ratio is a solvency ratio.

- (A) (1) False (2) False (3) True (B) (1) True (2) and (3) False
(C) (1) and (2) True (3) False (D) (1), (2) and (3) are False
(E) Answer not known

29. Observing changes in the financial variables across the years.

- (A) Vertical Analysis (B) Horizontal Analysis
(C) Critical Analysis (D) Inter firm Comparison
(E) Answer not known

30. Calculate Debt Service (Interest-Coverage) Ratio from the following information.

Net profit as per P & L A/c = Rs. 70,000

Income Tax deducted = Rs. 30,000

Interest on debentures deducted = Rs. 20,000

- (A) 5 times ~~(B)~~ 6 times
(C) 7 times (D) 4 times
(E) Answer not known

31. Which of the following statements are true?

- (1) Vertical analysis is also known as dynamic analysis
(2) The statement of sources and uses of funds is a tool for financial statement analysis

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

32. The two statements that are generally included in the definition of financial statements are

- (A) Cost Sheet and Cash Flow Statement
(B) Cash Flow Statement and Funds Flow Statement
(C) Statement of changes in financial position and statement of changes in working capital
~~(D)~~ Income Statement and Balance sheet
(E) Answer not known

33. A Company has a Break Even Point when sales are Rs. 3,20,000 and variable cost at that level of sales are Rs. 2,00,000. How much would contribution margin increase or decrease if variable expenses are dropped by Rs. 30,000?

- (A) Increase by 27.5% (B) Decrease by 9.375%
(C) Increase by 37.5% ~~(D) Increase by 9.375%~~
(E) Answer not known

34. Calculate Margin of Safety if the company is earning a Profit of Rs. 36,000

Fixed cost = Rs. 1,80,000

Variable cost pu = Rs. 2

Selling price = Rs. 20

- (A) Rs. 4,000 ~~(B) Rs. 40,000~~
(C) Rs. 42,000 (D) Rs. 44,000
(E) Answer not known

35. Find out the selling price per unit if BEP is to be brought down to 9,000 units.

Variable cost per unit = Rs. 75

Selling price per unit = Rs. 100

Fixed costs = Rs. 2,70,000

- (A) Rs. 102 (B) Rs. 115
~~(C) Rs. 105~~ (D) Rs. 150
(E) Answer not known

36. A manufacturing company is producing Product A which is sold in the market at Rs. 45 per unit and the number of units that can be sold is 30,000. The cost of each unit – Materials Rs. 12 Wages Rs. 9 and Overheads Rs. 6. Margin of safety is Rs. 4,12,500. Calculate the fixed cost.
- (A) Rs. 3,70,000 (B) Rs. 7,30,000
(C) Rs. 3,57,000 ~~(D)~~ Rs. 3,75,000
(E) Answer not known
37. Management Accounting is basically concerned with
- (A) Recording of transactions
(B) Problem of choice
(C) Causative relationship
~~(D)~~ Problem of choice and causative relationship
(E) Answer not known
38. Management Accounting is also known as
- (A) Price Level Accounting (B) Historical Cost Accounting
(C) Financial Accounting ~~(D)~~ Decision Accounting
(E) Answer not known
39. Management Accounting and Cost Accounting are
- (A) neutral in effect (B) contradictory in nature
~~(C)~~ complementary in nature (D) not related to each other
(E) Answer not known

40. Accounting designed for use in operational needs of the business is termed as
- (A) Financial Accounting (B) Cost Accounting
 (C) Management Accounting (D) Operations Accounting
(E) Answer not known
41. "Acceptances, endorsements and other obligations" is categorized under schedule _____, in Balance sheet of Banking Companies.
- (A) Contingent liabilities
(B) Advances
(C) Other liabilities and provisions
(D) Other assets
(E) Answer not known
42. From following calculate the claims incurred for Insurance Co.
Claims paid – Direct business – 700 crore
Claims paid – Reinsurance business – 100 crore
Claims received – Rs. 50 crore
Claims payable opening balance – 20 crore
Claims payable closing balance – 30 crore
- (A) 660 crores (B) 740 crores
(C) 640 crores (D) 760 crores
(E) Answer not known

43. Unclaimed dividend is classified under
- (A) Other current liability (B) Current asset
(C) Long term liability (D) Loans and advances
(E) Answer not known
44. Dividend received by a financial enterprise is a
- (A) Financing activity (B) Investing activity
 (C) Operating activity (D) Commercial activity
(E) Answer not known
45. From the following calculate the net load on goods sent to branch
goods sent to Branch (Cost to Head office) = Rs. 1,80,000. Goods
returned by branch to H.O. = Rs. 25,000. Goods are invoiced to
branch at cost plus 25%.
- (A) Rs. 50,000 (B) Rs. 40,000
(C) Rs. 37,500 (D) Rs. 52,500
(E) Answer not known
46. For converting value of fixed asset of a foreign branch, the _____
rates are applied.
- (A) Average (B) Closing
 (C) Historical (D) Market
(E) Answer not known

47. Stock and debtor system of branch operations are popularly known as
- (A) Synthetic method
 - (B) Cost basis method
 - (C) Whole sale price basis method
 - (D) Analytical method
 - (E) Answer not known
48. Under stock and debtor system for recording branch transactions the value of goods loss by fire as _____ in the Branch Stock Account.
- (A) Credited at Invoice Price
 - (B) Debited at Invoice Price
 - (C) Credited at Cost Price
 - (D) Debited at Cost Price
 - (E) Answer not known
49. Cost Center Accounting controlled by _____ module of E.R.P.
- (A) F.A.
 - (B) C.O.
 - (C) P.P.
 - (D) M.M.
 - (E) Answer not known
50. The sales Rs. 160 lakh. Purchases Rs. 120 lakh. The company sells goods 20% below cost. What is the cost of closing stock of opening stock is Rs. 100 lakh
- (A) 20 lakh
 - (B) 100 lakh
 - (C) 80 lakh
 - (D) 60 lakh
 - (E) Answer not known

51. How do you incorporate the following fund in a balance sheet of a club?

Medal distribution fund – Opening – Rs.90,000/-

Medal distribution fund investments – Rs.1,20,000/-

Interest on fund investments – Rs.10,000/-

Medal distributed – Rs.25,000/-

(A) Rs.95,000/-

(B) Rs.15,000/-

(C) Rs.35,000/-

(D) Rs.75,000/-

(E) Answer not known

52. According to the central co-operative societies act _____ of the profits of a co-operative society should be transferred to a reserve fund before distribution of dividend or payment of bonus to its members.

(A) 20%

(B) 25%

(C) 30%

(D) 35%

(E) Answer not known

53. As per section 29 of the co-operative societies act 1912, a registered co-operative society can only grant loan to its members, though with prior approval of the registrar, it may grant loan to

(A) Non members

(B) Other registered co-operative societies

(C) All co-operative societies

(D) General public

(E) Answer not known

54. In case of electricity company, depreciation on assets is calculated based on the rates notified by
- (A) Companies Act 2013
 - (B) State Electricity Commission
 - (C) Central Electricity Regulatory Commission
 - (D) Income Tax Act 1961
 - (E) Answer not known
55. Interest on cash credit classified and comes under _____ of banking company final accounts.
- (A) Schedule 13
 - (B) Schedule 14
 - (C) Schedule 12
 - (D) Schedule 15
 - (E) Answer not known
56. Rates of provision for doubtful debts in case of standard assets of bank is
- (A) 40%
 - (B) 0.40%
 - (C) 4%
 - (D) 15%
 - (E) Answer not known
57. The IRDA issued a circular under _____ of the insurance act, which mandates insurers to comply with Ind As and its implementation road map issued by MCA
- (A) Section 35
 - (B) Section 34
 - (C) Section 36
 - (D) Section 37
 - (E) Answer not known

58. Calculate value of inventories as per Ind As-2. Cost of stock Rs.60,000/- (Being Obsolete). It can be used for production purposes after incurring Rs.10,000/- for modification. The same can be used as raw material for production, the purchase price of same amounts to Rs.40,000/-
- (A) Rs.60,000/- (B) Rs.40,000/-
 (C) Rs.50,000/- (D) Rs.30,000/-
 (E) Answer not known
59. As per ASIO, carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated
- (A) Intangible losses (B) Gains
 (C) Impairment losses (D) Provisions
 (E) Answer not known
60. Full form of IFRS
- (A) Indian Financial Reporting Standards
 (B) International Financial Reporting Standards
 (C) Indian Financial Regulating Standards
 (D) International Financial Regulating Standards
 (E) Answer not known
61. According to section _____, any dispute as to gratuity arise under payment of gratuity act, 1972, the employer shall deposit with the controlling authority the gratuity to be payable to him.
- (A) Section 7 (2) (b) (B) Section 7 (4) (a)
 (C) Section 7 (4) (b) (D) Section 7 (4) (c)
 (E) Answer not known

62. Under the payment of Gratuity Act, an employee is required to submit a fresh nomination within _____ days of acquiring a family.

(i) 30

(ii) 60

(iii) 90

(iv) 180

(A) (i)

(B) (ii)

~~(C)~~ (iii)

(D) (iv)

(E) Answer not known

63. As per the minimum wages act 1948, daily hours of duty of the employee normally include periods of inaction during which the employee may be on duty but is not called upon to display either physical activity or sustained assertion, is known as

(A) Inter employment

(B) Normal employment

(C) Employment on piece rate

~~(D)~~ Intermittent employment

(E) Answer not known

64. Which section of payment of bonus act deals with set on and set off of allocable surplus?

(i) S.15

(ii) S.14

(iii) S.13

(iv) S.18

~~(A)~~ (i)

(B) (ii)

(C) (iii)

(D) (iv)

(E) Answer not known

65. Accessing someone's computer without the right authorisation of the owner and does not disturb, alter, misuse or damage data or system by using wireless inter connection, is called
- (A) Squatting (B) Vandalism
(C) Hacking ~~(D) Tresspass~~
(E) Answer not known
66. The right to privacy in India was declared a fundamental right by the Hon'ble supreme court of India in the year:
- (A) 2016 ~~(B) 2017~~
(C) 2018 (D) 2019
(E) Answer not known
67. Non payment of minimum wages by the employer or contravention of any rule or order made under S.13 of the minimum wages act will attract penalty as under:
- (i) Imprisonment for a term which may extend to 6 months.
(ii) Fine which may extend to Rs.500.
(iii) Imprisonment for a term which may extend to 6 months or fine which may extend to Rs.1,000 or both.
(iv) Imprisonment for a term which may extend to 6 months or fine which may extend to Rs.500 or both
- (A) (i) (B) (ii)
(C) (iii) ~~(D) (iv)~~
(E) Answer not known

68. The responsibility of fixing the minimum rate of wages is that of the _____ Govt.

- (i) Central Govt.
- (ii) Appropriate Govt.
- (iii) Respective State Govt.
- (iv) Competent Authority

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

69. Sec. 2 (d) of minimum wages act 1948 states that the index number ascertained and declared by the competent authority by notification in the official gazette is known as

- ~~(A)~~ Cost of living index number
- (B) Whole – sale price index number
- (C) Cost of machinaries index number
- (D) Cost to profit index number
- (E) Answer not known

70. Under ESI Act, seasonal factory is one which is engaged for a period of not exceeding _____ months in a year.

(i) 3

(ii) 6

(iii) 5

(iv) 7

(A) (i)

(B) (ii)

(C) (iii)

~~(D)~~ (iv)

(E) Answer not known

71. As per section 37 of ESI Act 1948, the valuation of assets and liabilities of ESI needs to be undertaken at the interval of _____ years.

(A) 3 years

(B) 10 years

~~(C)~~ 5 years

(D) 1 year

(E) Answer not known

72. Application for setting a side an order or decree made under MSMED Act shall be entertained by any court only if the applicant (not being a supplier) has deposited with it _____ of the amount in terms of the order or decree.

(i) 50%

(ii) 60%

(iii) 75%

(iv) 40%

(A) (i)

(B) (ii)

~~(C)~~ (iii)

(D) (iv)

(E) Answer not known

75. As per S. 22 (1) of the insolvency and bankruptcy code, the first meeting of committee of creditors will be held within _____ days of its constitution.

(i) 5 days

(ii) 7 days

(iii) 10 days

(iv) 14 days

(A) (i)

(B) (ii)

(C) (iii)

(D) (iv)

(E) Answer not known

76. Identify which of the following statements are false as regards EPF Act.

(i) The PF scheme is applicable to the tea factories in the state of Assam.

(ii) Where the pay of an employee exceeds Rs.15,000 the contribution to insurance scheme is restricted to Rs. 15,000

(iii) Contribution to pension scheme is recoverable when the employee crosses 58 years of age

(iv) The employer cannot reduce wages of an employee to avoid his liabilities under the act

(A) (i) and (iii)

(B) (i), (ii) and (iii)

(C) (i), (iii) and (iv)

(D) (iii) and (iv)

(E) Answer not known

77. The minimum administrative charge payable by the Employee to the fund, under the EPF Act is

(i) Rs. 100

(ii) Rs. 500

(iii) Rs. 1,000

(iv) Rs. 2,500

(A) (i) ~~(B)~~ (ii)

(C) (iii) (D) (iv)

(E) Answer not known

78. Choose the correct answer

(i) Section 2(m) of the factories act defines a factory

(ii) Section 2(k) of the factories act defines a factory

(iii) Section 2(l) of the factories act defines a factory

(iv) Section 2(n) of the factories act defines a factory

(A) (ii) (B) (iv)

~~(C)~~ (i) (D) (iii)

(E) Answer not known

82. Time preference of money prevails because
- (A) Goods will become dearer after a time period
 - ~~(B)~~ The worth of present money is more than future money
 - (C) Money facilitates purchase of necessary amenities in time
 - (D) Time is gold
 - (E) Answer not known
83. The formula to find present value of cash inflow is _____ where, R is rate of Interest and n is no of years.
- ~~(A)~~ Cash inflow $\times \frac{1}{(1 + R)^n}$
 - (B) Cash inflow $\times (1 + R)^n$
 - (C) $(1 + R)^n \times \frac{1}{\text{cash inflow}}$
 - (D) $(1 + n)^R \times \text{cash inflow}$
 - (E) Answer not known
84. Certificate of Deposit cannot be issued by
- (i) State Bank of India
 - (ii) Scheduled commercial banks
 - (iii) Regional Rural banks
 - (iv) Foreign Banks
- (A) (iv)
 - ~~(B)~~ (iii)
 - (C) (ii)
 - (D) (i)
 - (E) Answer not known

95. Return on Investments depends on _____ and _____
- (A) Net Profit ratio and Asset turnover ratio
 - (B) Net Profit ratio and working capital
 - (C) Net Profit ratio and Debt equity ratio
 - (D) Net Profit ratio and Capital turnover ratio
 - (E) Answer not known
96. Increase in Income received in Advanced is a
- (A) Inflow of operating activity
 - (B) Outflow of operating activity
 - (C) Inflow of financing activity
 - (D) Outflow of financing activity
 - (E) Answer not known
97. In February, pepper future traded at 16.80. The February Rs.18.00 call at 0.45 and the February Rs.18.00 put at Rs.0.53 both are options on the February future. Find out the cost of pepper.
- (A) Rs.13.17
 - (B) Rs.17.42
 - (C) Rs.17.87
 - (D) Rs.17.12
 - (E) Answer not known
98. Systematic risk does not contain
- (A) Market risk
 - (B) Interest rate risk
 - (C) Purchase power risk
 - (D) Financial risk
 - (E) Answer not known

99. Your company's share is quoted in the market at Rs.20 currently. The company pays a dividend of Rs.1 per share and the investor expects a growth rate of 5% per annum. Compute the cost of equity capital.

- (A) 12% (B) 11%
 (C) 10% (D) 10.55%
(E) Answer not known

100. Assertion [A] : Both NPV and IRR always gives same results for choosing the projects

Reason [R]: NPV and IRR may give conflicting results when project have unequal lives

- (A) [A] is true but [R] is false
(B) Both [A] and [R] are true, and [R] is the correct explanation of [A]
 (C) [A] is false, [R] is true
(D) Both [A] and [R] are true but [R] is not the correct explanation of [A]
(E) Answer not known

101. The cash flows method, used by the internal rate of return and net present value methods are:

- (i) Future cash flows
(ii) Lean cash flows
(iii) Discounted cash flows
(iv) Vertical cash flows
(A) (i) (B) (ii)
 (C) (iii) (D) (iv)
(E) Answer not known

102. As the risk free rate increases, the cost of debt for companies will:

- (i) increase
- (ii) decrease
- (iii) remain unchanged
- (iv) either increase or decrease depending on other factors
- ~~(A)~~ (i) (B) (ii)
- (C) (iii) (D) (iv)
- (E) Answer not known

103. The rate of return that the providers of capital (bond holders and shareholders) require as compensation for their contribution of capital is:

- (i) Cost of equity
- (ii) Cost of debt
- (iii) Cost of capital
- (iv) Weighted average cost of capital
- (A) (i) (B) (ii)
- ~~(C)~~ (iii) (D) (iv)
- (E) Answer not known

108. _____ is the yield actually earned by the investor on his investment and depends on the reinvestment rate and the holiday period chosen by him.

- (i) Realised yield
- (ii) Yield to maturity
- (iii) Current yield
- (iv) Coupon
- (A) (i) (B) (ii)
- (C) (iii) (D) (iv)
- (E) Answer not known

109. Which of the following is/are correct?

- (i) Economic Value Added = NOPAT – Currency Cost of Capital
- (ii) Economic Value Added = NOPAT – (Capital Employed × Cost of Capital)
- (iii) Economic Value Added = NOPAT + Currency Cost of Capital
- (iv) Economic Value Added = Market Value Added – Cost of Capital
- (A) (i) and (ii) (B) (i) and (iii)
- (C) (ii) and (iv) (D) (i) and (iv)
- (E) Answer not known

110. _____ should consider the costs of getting the assets into saleable condition as well as those of the disposal activity.

- (i) Liquidation value
- (ii) Fair value
- (iii) Going concern value
- (iv) Fair market value

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

111. In case the business is not expected to mature at the end of the explicit forecast period, the terminal value may assume that the free cash flows will continue for _____ thereafter.

- (i) 3 Yrs.
- (ii) 5 Yrs.
- (iii) 10 Yrs.
- (iv) Infinite period

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

112. Who has made the statement "Companies that grow and earn a return on capital that exceeds their cost of capital create value?"

(i) Black Scholes

(ii) Adam Smith

(iii) Alfred Marshall

(iv) Michael Porter

(A) (i)

(B) (ii)

(iii)

(D) (iv)

(E) Answer not known

113. Value of inventory as per the Balance Sheet is Rs. 2,00,000. A registered valuer has observed that the inventory has been over valued by 25 %. Find out the value of inventory to be shown in the Balance Sheet.

(i) Rs. 2,00,000

(ii) Rs. 1,60,000

(iii) Rs. 2,40,000

(iv) Rs. 2,50,000

(A) (i)

(ii)

(C) (iii)

(D) (iv)

(E) Answer not known

114.	Inventory control methods	Explanation
	(a) JIT System	1. Divide the items into the categories in the descending order of their usage rate
	(b) ABC Analysis	2. Divides items into categories in the descending order of their critical use
	(c) FSND Analysis	3. Inventory arrives at factory just few hours they are put to use
	(d) VED Analysis	4. Items of inventory are classified according to value of usage

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

115. Certain costs which are excluded in valuing inventory are:

- (i) Abnormal amount of raw materials, labour or other production costs
 - (ii) Storage costs unless they are essential to the production process
 - (iii) Normal wasted materials, labor or other production costs
 - (iv) Selling costs
- | | |
|-----------------------------------|-------------------------|
| (A) (i), (ii) and (iv) | (B) (i), (ii) and (iii) |
| (C) (ii), (iii) and (iv) | (D) (iv) only |
| (E) Answer not known | |

116. A franchise is a contractual agreement under which the franchiser grants the franchisee

(i) The right to sell certain products or service or to use certain trade names or trade marks

(ii) The right to use certain trade names or trade marks only

(iii) The power to acquire certain trade names or trade marks

(iv) The right to acquire certain products or services or to use certain trade names or trade marks

(A) (i) (B) (ii)

(C) (iii) (D) (iv)

(E) Answer not known

117. Ind As 38 requires the goodwill to be valued as under if an asset is generated internally:

(i) At fair value of the asset

(ii) Expenditure incurred during development phase

(iii) At acquisition cost

(A) (i) or (iii) (B) (i) or (ii)

(C) (ii) only (D) (iii) and (ii)

(E) Answer not known

118. High P/E generally reflects _____ risk and/or _____ growth prospects for earnings.

(i) Lower, higher

(ii) Higher, lower

(iii) Higher, higher

(iv) Lower, lower

(A) (i)

(B) (ii)

~~(C)~~ (iii)

(D) (iv)

(E) Answer not known

119. If a firm has a P/E ratio of 15 and a ROE of 14 %, what is the ratio of market value to book value of equity?

(i) 2.1

(ii) 1.5

(iii) 1.6

(iv) 3.0

~~(A)~~ (i)

(B) (ii)

(C) (iii)

(D) (iv)

(E) Answer not known

120. What adjustment is made while using the discounted cash flow method to value cyclical companies?

(i) Use high discount rate

(ii) Use bank rate for discounting

(iii) Normalise earnings

(iv) Use high growth rate

(A) (i) and (ii)

(B) (i) and (iv)

(C) (ii) and (iv)

~~(D)~~ (iii)

(E) Answer not known

121. The _____ ratios are used to compare financial statements of different size companies or the same company over different periods.

(A) Liquidity

(B) DuPont

~~(C)~~ Common size

(D) Price earning

(E) Answer not known

122. The pricing of niche products is appropriate to

(i) Perceived value pricing

(ii) Penetration pricing

(iii) Differential pricing

(iv) Full cost pricing

~~(A)~~ (i)

(B) (ii)

(C) (iii)

(D) (iv)

(E) Answer not known

125. Faulty equipment or operation causes major losses, which do not include:

- (i) Unexpected breakdown losses
 - (ii) Speed losses
 - (iii) Man hour losses
 - (iv) Quality defect and rework losses
- (A) (i) (B) (ii)
~~(C)~~ (iii) (D) (iv)
(E) Answer not known

126. TQM is a/an _____ organizational effort designed to _____ quality at every level.

- (i) strategic; maintain
 - (ii) integrated; improve
 - (iii) integrated; maintain
 - (iv) strategic; improve
- (A) (i) ~~(B)~~ (ii)
(C) (iii) (D) (iv)
(E) Answer not known

129. Choose the correct statement in respect of Bench trending:

- (i) Bench trending is the process of evaluating the business performance with the standard metrics in the industry.
 - (ii) Bench trending is used for monitoring the performance and operations for bringing improvements and setting a direction.
 - (iii) Bench trending is a business process measured for its performance.
 - (iv) Bench trending is a method used for bridging the gaps and improving performance levels.
- (A) (ii) and (iii) ~~(B)~~ (ii) and (iv)
(C) (i) and (ii) (D) (i) and (iv)
(E) Answer not known

130. Based on the nature of business Benchmarking is classified into :

- (i) Internal benchmarking, external benchmarking, product benchmarking and strategic benchmarking.
 - (ii) Process benchmarking, performance benchmarking, industry benchmarking and internal benchmarking.
 - (iii) External benchmarking, industry benchmarking product benchmarking and process benchmarking.
 - (iv) Internal benchmarking, competitive benchmarking, industry benchmarking and generic benchmarking
- (A) (i) (B) (ii)
(C) (iii) ~~(D)~~ (iv)
(E) Answer not known

131. A firm's marginal revenue is defined as :

- (i) The ratio of total revenue to total quantity produced.
- (ii) The additional output produced by lowering the price.
- (iii) The additional revenue received due to technical innovation.
- (iv) The additional revenue received when selling one more unit of output.

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

132. Return on assets is a synthesis of two ratio's

- (A) Profitability ratio and liquidity ratio
- (B) Liquidity ratio and Activity ratio
- ~~(C)~~ Activity ratio and Profitability ratio
- (D) All the above
- (E) Answer not known

133. In supply chain, the Original Equipment Manufacturer (OEM) is sometimes referred to as :

- (i) Original Machinery Manufacturer
- (ii) Original Plant Manufacturer
- (iii) Original Brand Manufacturer
- (iv) Original Parts Manufacturer

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

134. Supply chain is also known as _____ when the links are considered as value adding activities.

- (i) Value added chain
- (ii) Value addition chain
- (iii) Value chain
- (iv) Value enhancement

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

135. In statistical quality control, the expected process variation (natural tolerance) is commonly taken to be

- (A) $\mu \pm 1\sigma$
- (B) $\mu \pm 2\sigma$
- ~~(C)~~ $\mu \pm 3\sigma$
- (D) $\mu \pm s/\sqrt{n}$
- (E) Answer not known

136. General Electric implemented Six Sigma in 1995, they presented seven key roles. In this key role 'Black belts' are

- ~~(A)~~ Full time professionals
- (B) Experts in methodology etc.
- (C) Part time professionals
- (D) Core team members
- (E) Answer not known

137. Information, as required at different levels of management, can be classified as :

(i) Operational, Administrative and Technical.

(ii) Operational, Financial and Marketing.

(iii) Operational, Tactical and Strategic.

(iv) Operational, Financial and Strategic

(A) (i) (B) (ii)

~~(C)~~ (iii) (D) (iv)

(E) Answer not known

138. Assertion [A] : Master Data is a permanent data, which once created is not expected to change frequently.

Reason [R] : Non master data is not permanent data is expected to change frequently ie transaction data.

(A) [A] is True but [R] is False

(B) Both [A] and [R] are true and [R] is the correct explanation of [A]

(C) [A] is false, [R] is True

~~(D)~~ Both [A] and [R] are true and [R] is not the correct explanation of [A]

(E) Answer not known

139. What is the primary objective of carrying out SWOT Analysis?

- (i) to evaluate marked trends.
- (ii) to assess financial performance
- (iii) to develop strategic plans
- (iv) to manage human resources

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

140. Which of the following is a key benefit of using SWOT Analysis?

- (i) it guarantees success
- (ii) it simplifies complex situation
- (iii) it focuses only on financial performance
- (iv) it eliminates the need for strategic planning

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

141. Who is responsible buyer to deduct TDS on certain sums for purchase of goods as per Sec 194Q of Income Tax Act?

- (A) Buyer means a person whose sales from his business exceed Rs. 10 crore during previous year
- (B) Buyer means a person whose sales during previous year exceed Rs. 5 crore during the previous year
- (C) Buyer means a person whose purchase exceeds Rs. 5 crore during previous year
- (D) Buyer means a person whose purchase exceeds Rs. 10 crore during previous year
- (E) Answer not known

142. Which is not an Indian Income?

- (A) Income received in India during the previous year
- (B) Income accrued in India during the previous year
- (C) Income received outside India and accrued in India during the previous year
- (D) Income is not received and does not accrued in India
- (E) Answer not known

143. The circulars issued by CBDT are binding on

- (A) Assessee
- (B) Income Tax Authorities
- (C) Both of the above
- (D) Foreign Govt.
- (E) Answer not known

144. R a person of Indian origin visited India on 03.10.2023 and plans to stay here for 185 days. During 4 years prior to previous year 2024-25, he was in India for 750 days. Earlier to that he was never in India. For AY 2024-25. Residential status shall be?

- (A) Resident and Ordinarily Resident in India
- (B) Resident but not Ordinarily Resident in India
- (C) Non-Resident
- (D) Deemed Resident
- (E) Answer not known

145. Mr. Anirudha is working with X & Co. a partnership firm. During the year the employer firm gifted a diamond ring worth Rs. 80,000 to wife of Mr. Anirudha. Find out taxable perquisites in the hands of Mr. Anirudha.

- (A) Rs. 3,000
- (B) Rs. 5,000
- (C) Rs. 75,000
- (D) Rs. 30,000
- (E) Answer not known

146. Salary is taxable on

- (A) Receipt basis
- (B) Due basis
- (C) Due or receipt basis whichever is earlier
- (D) Due (or) receipt basis whichever is later
- (E) Answer not known

147. Interest credited to recognized provident fund is

- (A) Fully Taxable
- (B) Fully Exempt
- (C) Exempt upto 12% of salary
- (D) Exempt upto 9.5% p.a.
- (E) Answer not known

148. Under Tax collected at source which one is not included under specified goods?

- (A) Tender leaves
- (B) Scrap
- (C) Specified minerals i.e. coal, lignite and iron-ore
- (D) Motor car value of Rs. 5,00,000/-
- (E) Answer not known

149. The rate of tcs applicable for parking lot, toll plaza, mining and quarrying

- (A) 1%
- (B) 0.1%
- (C) 2%
- (D) 5%
- (E) Answer not known

150. In case enterprise is engaged in the manufacture (or) production of goods pertaining to any industry where the investment in plant and machinery > Rs. 25 lakhs ≤ 5 crores as per Income Tax act

- (A) Micro Enterprises
- (B) Medium Enterprises
- (C) Small Enterprise
- (D) None of the above
- (E) Answer not known

151. Y Ltd is a company incorporated in Mauritius (turnover more than 50 cr). It has 10 shareholders. Who are Indian citizens and resident in India? The company has active business outside India and is controlled wholly from outside India by a team of professionals. What is residential status of Y Ltd for the AY 2024-25?
- (A) Indian Company
 - (B) Non resident Indian company
 - (C) Foreign company
 - (D) Resident Foreign company
 - (E) Answer not known
152. While computing book profit U/S 115JB, one of the following is required to be reduced from the net profit?
- (A) Unabsorbed depreciation as per books of account
 - (B) Brought forward business loss as per books of account
 - (C) Brought forward loss (or) unabsorbed depreciation whichever is less as per books of account
 - (D) Income tax paid (or) payable is not already debited to the statement of profit and loss
 - (E) Answer not known

153. When a non resident taxable person is required to apply for registration under GST act?

- (A) Within 30 days from the date on which he becomes liable to registration
- (B) Within 60 days from which the date on which he becomes liable to registration
- (C) At least 5 days prior to the commencement of Business
- (D) Within 10 days from the date on which he becomes liable to registration
- (E) Answer not known

154. Determine whether the following would be treated as supply of goods (or) services as per schedule II temporary transfer (or) permitting use (or) enjoyment of any intellectual property right.

- (A) Supply of service
- (B) Supply of goods
- (C) Supply of intellectual property
- (D) Both supply of goods and services
- (E) Answer not known

155. Find out exclusion from value u/s 15(12) value of taxable supply

- (i) Discounts given before (or) at the time of supply and recorded in the invoice
- (ii) Post supply discount/incentive, if known till supply and linked to invoices, and proportionate ITC reversed by the receipt on basis of document by supplier
- (iii) Taxes other than GST charged separately

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

156. Within how many days on application for revocation of cancellation of registration can be made?

- (A) Within 90 days from the date of issue of the cancellation order
- (B) Within 30 days from the date of the cancellation order
- (C) Within 30 days from the date of service of the cancellation order
- (D) Within 90 days from the date of service of the cancellation order
- (E) Answer not known

157. Kalim and Associates made an application for cancellation of GST registration in the month of March due to closure of his business. Its application for cancellation of GST registration was approved on 14th September. In the given case, Kalim and Associates is
- (A) required to file final return on (or) before 13th December
 - (B) not required to file final return
 - (C) required to file final return on (or) before 30th September
 - ~~(D)~~ required to file final return on (or) before 14th September
 - (E) Answer not known
158. Goods and Services coming to SEZ units from domestic tariff area are treated as
- (A) Deemed Exports
 - ~~(B)~~ Exports from India
 - (C) Import into India
 - (D) Deemed Imports
 - (E) Answer not known
159. Services provided by Govt by way of the following is exempted under GST
- (i) Water Supply
 - (ii) Transport
 - (iii) Public health
 - ~~(A)~~ (i) and (iii) only
 - (B) (i) and (ii) only
 - (C) (ii) and (iii) only
 - (D) (i), (ii) and (iii)
 - (E) Answer not known

160. Which type duty is levied for these conditions?

- (i) An article is imported in to India in increased quantities
 - (ii) Such article is imported so as to cause (or) threaten to cause serious injury to the domestic industry
- (A) Customs duty
 - (B) Safeguard duty
 - (C) Protective duty
 - (D) Anti dumping duty
 - (E) Answer not known

161. The key derivation for target cost is

- (A) Target Cost = Price – Profit
- (B) Target Cost = Fixed Cost + Variable Cost
- (C) Target Cost = Fixed Cost + Contribution
- (D) Target Cost = Sales – Total Cost
- (E) Answer not known

162. Which of the following is NOT a benefit of Target Costing?

- (A) Reduces costs through more effective and efficient design
- (B) Increases Communication and Cooperation among departments
- (C) Helps firm to achieve desired profitability on new or redesigned products
- (D) Optimises member of direct labour hours needed in producing a good/service
- (E) Answer not known

163. The difference between the target selling price and target profit margin is
- (A) Allowable cost
 - (B) Target Profit
 - (C) Relevant Cost
 - (D) Irrelevant Cost
 - (E) Answer not known
164. Activities in Kaizen Costing include elimination of _____, _____, and distribution process, as well as the elimination of unnecessary work steps in any of these areas.
- (A) Waste in designing, Technical
 - (B) Waste in production, Assembly
 - (C) Waste in services, Assembly
 - (D) Waste in sales, purchase
 - (E) Answer not known
165. Which of the following is not an aspect of Kaizen Costing?
- (A) Customer Orientation
 - (B) Adaptability to changing environment
 - (C) Good Labour Management Relations
 - (D) Increasing Waste
 - (E) Answer not known
166. 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

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

- (i) Value Analysis is a function oriented, structured, multi disciplinary team approach to solving problems
 - (ii) Value Analysis and value Engineering are closely related terms and used interchangeably
- (A) (i) and (ii) are True
 - (B) (i) True (ii) False
 - (C) (i) False (ii) True
 - (D) (i) and (ii) are False
 - (E) Answer not known

168. Which of the following statements are True?

- (i) Value chain is a set of activities that an organisation carries out to create value for its customers
 - (ii) Value analysis aims to simplify products and process, thereby increasing efficiency
- (A) (i) and (ii) are False
 - (B) (i) and (ii) are True
 - (C) (i) True (ii) False
 - (D) (i) False (ii) True
 - (E) Answer not known

169. In through put costing how to calculate productivity?

- (A) Through put ÷ Operating Expenses
- (B) Through put ÷ Operating Incomes
- (C) Through put ÷ Non Operating Expenses
- (D) Through put ÷ Net profit
- (E) Answer not known

170. Cost per unit under through put accounting and Marginal costing are mainly different because

- (A) Labour is not considered in through put accounting
- ~~(B)~~ Direct Labour is considered fixed in throughput accounting
- (C) Total cost is considered in Throughput accounting
- (D) Variable cost is considered in Marginal costing
- (E) Answer not known

171. Which of the following statements are True?

In Throughput Accounting

- (i) $\text{Return on Investment} = \frac{\text{Net Profit}}{\text{Investment}}$
- (ii) $\text{Investment Turns} = \frac{\text{Throughput}}{\text{Operating Expense}}$
- ~~(A)~~ (i) True and (ii) False
- (B) (i) False and (ii) True
- (C) (i) and (ii) are False
- (D) (i) and (ii) are True
- (E) Answer not known

172. In calculating lifecycle costs of a product which of the following items would be included.

- (i) Planning and design cost
- (ii) Preliminary and detailed design cost
- (iii) Testing cost
- (iv) Production cost
- (v) Distribution cost
- (A) (i), (ii) and (iii)
- (B) (i), (iii) and (v)
- (C) (i), (ii), (iii) and (v)
- ~~(D)~~ (i), (ii), (iii), (iv) and (v)
- (E) Answer not known

173. Product life cycle is a pattern of expenditure, sales level, revenue and profit over the period beginning from new idea generation to the _____ of product from product range.

- (A) Development
- ~~(B)~~ Deletion
- (C) Marketing
- (D) Design
- (E) Answer not known

174. Business Process Reengineering can entail _____ but it can also bring _____.

- ~~(A)~~ high risks, big rewards
- (B) low risks, low rewards
- (C) low risks, big rewards
- (D) high risks, low rewards
- (E) Answer not known

175. Which of the following statements are True?

- (i) Business Process Reengineering refers to a complete redesign of a process with an emphasis on finding creative new means to accomplish an objective
 - (ii) Companies do not adopt any new value system in Business Process Reengineering
- (A) (i) True (ii) False
(B) (i) False (ii) True
(C) Both (i) and (ii) are True
(D) Both (i) and (ii) are False
(E) Answer not known

176. The companies that would benefit from back flush costing include companies

- (A) Which have fast manufacturing lead time
(B) Whose inventory vary from period to period
(C) Companies that require audit trails
(D) Which produce only one product
(E) Answer not known

177. Back flush costing is a product cost accounting approach that flashes back the cost from the _____ of process.

- (A) End (B) Beginning
(C) Middle (D) Beginning and end
(E) Answer not known

178. Find out various types of analysis involved in activity based management.

- (1) Cost Driver analysis
- (2) Activity analysis
- (3) Performance analysis
- (4) Cost reduction analysis
- (A) (1), (2), (4) only
- (B) (1), (3), (4) only
- (C) (2), (3), (4) only
- ~~(D)~~ (1), (2), (3) only
- (E) Answer not known

179. The examples of irrelevant costs

- (1) Sunk costs
- (2) Committed costs
- (3) Unavoidable costs
- (4) Absorbed costs
- (A) (1), (2) and (4) only
- (B) (1), (2) and (3) only
- (C) (1), (3) and (4) only
- ~~(D)~~ (1), (2), (3), (4)
- (E) Answer not known

180. ABC management

- (A) Accurately identifies sources of profit and loss
- (B) Assigns costs using measure of service consumed
- (C) Recognizes the casual relationship of cost drivers to activities
- ~~(D)~~ All of the above
- (E) Answer not known

181. What is the example of limited assurance engagement?

- (A) Review engagement
- (B) Audit engagement
- (C) Assurance engagement
- (D) Reasonable assurance engagement
- (E) Answer not known

182. How much percentage of unencumbered term deposits should be maintained by the Nidhi Company as per Nidhi Rules 2014 to meet out liability?

- (A) 10%
- (B) 30%
- (C) 20%
- (D) 5%
- (E) Answer not known

183. As per CARO 2020 , every Nidhi Companies should maintain Net Owned Funds to Deposits in the ratio of

- (A) 1 : 20
- (B) 1 : 10
- (C) 10 : 30
- (D) 50 : 75
- (E) Answer not known

184. Which is related with the documentary audit evidence?

- (A) Internal control techniques
- (B) Observing physical verification of inventory by client's staff
- (C) Discussion with the management and various officers of the client
- (D) Fixed deposit certificate, loan agreement, sales bill
- (E) Answer not known

185. What type of assertions given by management about presentation and disclosure?

- (A) Valuation and allocation
- (B) Existence
- (C) Completeness, accuracy
- (D) Rights and obligations
- (E) Answer not known

186. Which is not related with audit engagement letter as per SA-210?

- (A) Management responsibility
- (B) Need for use of Tax audit
- (C) Basis of computation of Audit fees
- (D) Billing arrangement
- (E) Answer not known

187. Specific event to be reported under secretarial audit report.

- (1) Changes in the capital structure of the company
- (2) Capacity expansion and utilization of the company
- (3) Entering into joint ventures agreements etc.
- (A) (1) and (2) only
- (B) (2) and (3) only
- (C) (3) and (1) only
- (D) (1), (2), (3)
- (E) Answer not known

188. Which form is applicable for filing of cost audit report with the Central Government?

- (A) CRA-1
- (B) CRA-2
- (C) CRA-3
- (D) CRA-4
- (E) Answer not known

189. The auditor shall express an _____ when the auditor, having obtained sufficient, appropriate audit evidence, concludes that misstatements individually (or) in the aggregate are both material and pervasive to the financial statements.

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

190. While doing audit of co-operative societies classification of over due debts to be made by auditors?

- (1) From six months to five years
(2) Over due above five years
(3) From six months to one year
(4) Over due above one year
(A) (3) and (4) only ~~(B)~~ (1) and (2) only
(C) (3), (4), (1) only (D) (1), (2), (3), (4)
(E) Answer not known

191. The primary objective of preparation of Field Balance Sheet of Self-help group is to ascertain.

- (A) Cash in hand ~~(B)~~ Cash at bank
(C) Fixed deposit ~~(D)~~ Retained earnings
(E) Answer not known

192. Audit of Hospitality sector does not cover

- (A) Travel and Tourism ~~(B)~~ Educational Institutions
(C) Hotels (D) Cinema Halls
(E) Answer not known

193. In case of nationalised banks, the remuneration of an auditor is fixed by

- (A) RBI (Reserve Bank of India) (B) Central Government
(C) Board of Directors (D) Share holders of Banks
(E) Answer not known

194. To consider the L.L.P. as a small L.L.P. the contribution limit is _____ and turnover limit is _____ for immediately Preceding Financial Year.

- (A) 25 lakh, 50 lakh (B) 25.lakh, 40 lakh
(C) 40 lakh, 50 lakh (D) 40 lakh, 100 lakh
(E) Answer not known

195. Persons who are not eligible for appointment as auditors of a multi-state co-operative society?

- (a) A body corporate
(b) An officer (or) employee of the multi-state co-operative society
(c) A person who is a member (or) who is in the employment of an officer (or) employee of the multi-state co-operative society
- (A) (a) and (b) only (B) (a) and (c) only
(C) (c) and (b) only (D) (a), (b), (c)
(E) Answer not known

199. Which is not techniques for evaluation of Internal Control System?

- (1) Narrative record
- (2) Check list
- (3) Detective control
- (4) Reconciliations
- (A) (3) and (2) only
- (B) (4) and (1) only
- ~~(C)~~ (3) and (4) only
- (D) (3) and (1) only
- (E) Answer not known

200. _____ relates to the production process, quality control, pricing strategies etc. It is one of Internal control.

- (A) Accounting control
 - (B) Inventory control
 - (C) Production control
 - ~~(D)~~ Administrative control
 - (E) Answer not known
-