

COMBINED ACCOUNTS SERVICES EXAMINATION IN
TAMIL NADU STATE TREASURIES AND ACCOUNTS SERVICE AND IN
VARIOUS BOARDS / CORPORATIONS

COMPUTER BASED TEST

PAPER - I

FUNDAMENTALS OF FINANCIAL ACCOUNTING COST ACCOUNTING
TAXATION AND OTHER LAWS
(INTERMEDIATE STANDARD)

1. The technique of zero base budgeting suggests that an organisation should not only makes decision about the proposed new programmes, but it also should review, from time to time, the appropriateness of the existing programme.
- ~~(A)~~ True (B) Partly True
(C) False (D) Not Relevant
(E) Answer not known
2. From the following which one is NOT Benefits from zero based Budgeting.
1. ZBB facilitates improvement in communication and coordination amongst staff
 2. Detailed cost benefit analysis isn't required
 3. Doesn't create awareness amongst mangers about the input cost is created which helps the organisation to become cost conscious
 4. A lot of brain storming is required
- (A) 1 and 4 ~~(B)~~ 2 and 3
(C) 3 and 1 (D) 2 and 4
(E) Answer not known

3. Which steps involved in Applications of zero based budgeting?
1. Alternatives for each decision package are considered in order to select better and cheaper options
 2. Based on the cost and benefit analysis a particular decision packages should be selected and resources are allocated to the selected package
 3. ZBB facilitates improvement in communication co-ordination amongst staff
 4. Classification into functions, programmes (or) activities
- (A) 2 (B) 1
~~(C)~~ 1 and 2 (D) 4 and 2
 (E) Answer not known
4. GTA limited provides Goods Transport Agency Services. The agency provided services to Mr. X, an unregistered individual. Which of the following BEST DESCRIBES the tax impact under GST?
- (A) RCM applies to this transaction
 (B) Supplier must pay tax under forward charge
~~(C)~~ GTA (supplier) need not pay GST as supply of service is exempt through exemption
 (D) GTA must charge GST @ 5% to the recipient
 (E) Answer not known
5. Production Budget is derived as
- (A) Identify business concerns in the production
~~(B)~~ A forecast of the production for the budget period of an organisation
 (C) Assess the failure in the production process
 (D) Fix the target for a particular period
 (E) Answer not known

6. The summary of Budget incorporating its functional budgets which is finally approved, adopted and employed, which is normally presented in the form of projected profit and loss account and balance sheet, is known as
- (A) ~~Master Budget~~ (B) Fixed Budget
 (C) Flexible Budget (D) Cash Budget
 (E) Answer not known
7. At 60% capacity unit produced 240. Material cost Rs. 10 per unit. Calculate material cost in value @ 80% capacity.
- (A) 2,400 (B) ~~3,200~~
 (C) 2,000 (D) 3,500
 (E) Answer not known
8. A Budget which is prepared to ascertain indirect labour, indirect material and indirect expenses, besides manufacturing overheads both variance and fixed is known as
- (A) Materials Budget (B) ~~Factory Overhead Budget~~
 (C) Cost of Production Budget (D) Production Budget
 (E) Answer not known
9. Calculate Quantity to be produced from the information given below :
- | | | |
|---------------|-------|-------|
| Sales | 20000 | units |
| Opening stock | 4000 | units |
| Closing stock | 5000 | units |
- (A) 19000 units (B) ~~21000~~ units
 (C) 29000 units (D) 11000 units
 (E) Answer not known

12. "A favourable budget variance is always an indication of efficient performance". Do you agree, give reason?

(a) A favourable variance indicates, saving on the part of the organisation hence it indicates efficient performance of the organisation

(b) A favourable variance doesn't necessarily indicate efficient performance, because such a variance might have, been arrived at by not carrying out the expenses mentioned in the budget

(c) Only unfavourable variances shown

(A) (a) (B) (c)

~~(C)~~ (b) (D) (a) and (c)

(E) Answer not known

13. Activity ratio depicts

(a) Whether actual capacity utilized exceeds (or) falls short of the budgeted capacity

(b) Whether the actual hours used for actual production were more (or) less than the standard hours

(c) Whether actual activity was more (or) less than the budgeted capacity

(A) (a) (B) (b) and (c)

(C) (a) and (b) ~~(D)~~ (c)

(E) Answer not known

14. Budgetary control and standard costing systems are said to be inter related but they are not inter dependant.
- (A) False ~~(B) True~~
 (C) Partly True (D) Not Acceptable
 (E) Answer not known
15. What are all the main responsibilities of the Budget committee/Budget Officer?
1. Follow-up action to be taken on the budget reports
 2. Prepare an overall budget working report
 3. Prepare the periodical budget report and shouldn't circulate to departments
 4. Responsibility shouldn't control expenditure
- ~~(A)~~ 1 and 2 (B) 3 and 4
 (C) 4 and 2 (D) 1 and 3
 (E) Answer not known
16. Classify selling expenses
1. Travelling expenses
 2. Lorry expenses
 3. Depreciation
 4. Shop Window Displays
 5. General expenses
- (A) 5 ~~(B) 1~~
 (C) 2 (D) 4
 (E) Answer not known

17. Management control process involves two separate but closely related activities namely (viz)
- (A) Planning and Accounting
 - (B) Coordination and Auditing
 - ~~(C)~~ Planning and Control
 - (D) Control and Costing
 - (E) Answer not known
18. Budgets can be classified into different categories from different points of view and the common classification may be
- (A) According to Time
 - (B) According to Function
 - (C) According to Flexibility
 - ~~(D)~~ All the above
 - (E) Answer not known
19. An executive who is having supervisory responsibility and having knowledge of technical side of the business, besides the Finance knowledge is called as
- (A) Chief Officer
 - ~~(B)~~ Budget Controller
 - (C) Director
 - (D) Organiser
 - (E) Answer not known

20. The Master budget is prepared by _____ on the basis of co-ordinated functional budgets and becomes the target for the company during the _____ period, then it is finally approved by the _____
- (A) Budget Committee, Budget, Committee
 - (B) Planning Committee, Budget, Committee
 - (C) Director, Financial, Committee
 - (D) Budget Committee, Financial, Committee
 - (E) Answer not known
21. A lodging home has 50 single rooms. Occupancy during season is 80% and during off season is 40%. Assume month to be 30 days. Find total no. of room days in a year. Period season is 6 months and off season 6 months.
- (A) 7,200
 - (B) 3,600
 - (C) 5,400
 - (D) 10,800
 - (E) Answer not known
22. In case of steam company, cost per unit is calculated on the basis of
- (A) Therms produced
 - (B) LBS produced
 - (C) Kwh produced
 - (D) Tonnes produced
 - (E) Answer not known

23. Mine 'X' and 'Y' are located at 10 kms and 15 kms from the site. The cost per tonne – km for X is Rs. 3 and for Y it is Rs. 1.5. From where coal is to be secured?
- (A) Only from mine 'X'
~~(B)~~ Only from mine 'Y'
(C) Equally between 'X' and 'Y'
(D) In the proportion of 10 : 15 between 'X' and 'Y'
(E) Answer not known
24. Choose the correct pair in transport costing
- (i) Standing charges – Tyres and Tubes
(ii) Maintenance charges – Paintings
(iii) Operating charges – Petrol
- (A) (i) and (ii) only ~~(B)~~ (ii) and (iii) only
(C) (i) and (iii) only (D) (i), (ii) and (iii)
(E) Answer not known
25. Job costing method is adopted in
- (i) Furniture making
(ii) Paper making
(iii) Oil exploration
(iv) Printing units
- (A) (i) and (ii) only (B) (i) and (iii) only
~~(C)~~ (i) and (iv) only (D) All the above
(E) Answer not known

26. Compute the factory overhead rate from the following information :

Direct Labour cost (Rs.) 20,000

Factory overheads (Rs.) 30,000

The correct answer is

- (A) 50% (B) 100%
(C) 75% ~~(D) 150%~~
(E) Answer not known

27. In respect of contracts which have sufficiently advanced and covered by architect's certificate and the completion stage is between 50 to 90 percent _____ portion of notional profit is taken to profit and loss account.

- (A) $1/3$ ~~(B) $2/3$~~
(C) $1/2$ (D) $1/4$
(E) Answer not known

28. Compute the machine hour rate from the following information.

Factory overheads Rs. 7,20,000

Machine hours 90,000

The correct answer is _____.

- ~~(A) Rs. 8~~ (B) Rs. 10
(C) Rs. 15 (D) Rs. 20
(E) Answer not known

29. Closing stock in costing books is valued at
- (A) Cost of production
 - (B) Cost or market price whichever is less
 - (C) Factory cost of the goods produced
 - (D) Cost or market price whichever is higher
 - (E) Answer not known
30. When costing loss is Rs. 5,600,
Admin Overheads under absorbed being Rs. 600,
Loss as per financial accounting will be
- (A) Rs. 5,000
 - (B) Rs. 5,600
 - (C) Rs. 6,200
 - (D) Rs. 4,400
 - (E) Answer not known
31. Opening Raw material value as per Cost accounts Rs. 30,000/- But as per financial accounts its value is Rs. 45,000/- what is the effect
- (A) Costing profit will be lower by Rs. 15,000/-
 - (B) Costing profit will be higher by Rs. 15,000/-
 - (C) Financial a/c profit will be higher by Rs. 15,000/-
 - (D) Financial a/c profit will be lower by Rs. 30,000/-
 - (E) Answer not known

32. Choose the correct Journal entry for Integral System of accounting for 'Direct material issued to production Rs. 15,000'

- (A) Work in progress a/c Dr 15,000
To Stores Ledger Control a/c 15,000
- (B) Factory overhead a/c Dr 15,000
To Stores Ledger Control a/c 15,000
- (C) Stores Ledger Control a/c Dr 15,000
To work in progress a/c 15,000
- (D) Stores Ledger Control a/c Dr 15,000
To Factory Overhead a/c 15,000
- (E) Answer not known

33. Choose the advantages of Integral System of accounting

- (i) Better co-ordination
(ii) No need for reconciliation
(iii) Counter check
- (A) (i) and (ii) only (B) (i) and (iii) only
(C) (ii) and (iii) only (D) (i), (ii) and (iii)
(E) Answer not known

34. There is no need to prepare a reconciliation statement under the _____ system of accounting.

- (A) Integral (B) Internal
(C) Individual (D) All the above
(E) Answer not known

38. A company employs three drivers to deliver goods to its customers. The salaries paid to these drivers are
- (A) a part of Prime Cost
 - (B) a direct Production expense
 - (C) a production overhead
 - ~~(D)~~ a selling and distribution overhead
 - (E) Answer not known
39. Audit fees paid to cost auditors is part of
- (A) Selling and Distribution cost
 - (B) Production cost
 - ~~(C)~~ Administrative cost
 - (D) Not recorded in cost sheet
 - (E) Answer not known
40. In cost ledger accounting, financial and cost transactions are kept separate then it is called as
- ~~(A)~~ Non-integral accounting
 - (B) Integrated Accounting
 - (C) Single entry system
 - (D) Double entry system
 - (E) Answer not known
41. EPF Act is applicable to every establishment employing _____ or more persons.
- (A) 10
 - ~~(C)~~ 20
 - (B) 15
 - (D) 30
 - (E) Answer not known

42. Employees' Deposit Linked Insurance Scheme provides the following benefit
- (A) Insurance benefit between 2.5 lacs and 6 lacs
 - (B) Insurance benefit between 2 lacs and 3 lacs
 - (C) Insurance benefit between 2.5 lacs and 5 lacs
 - (D) Insurance benefit between 2.5 lacs and 4 lacs
 - (E) Answer not known
43. As per Employees PF Act, withdrawal from the fund is allowed for following purposes
- (A) Purchase of dwelling house/flat
 - (B) Construction of dwelling house including the acquisition of a suitable site for this purpose
 - (C) Repayment of loans in special cases
 - (D) All of the above
 - (E) Answer not known
44. As per payment of Gratuity Act, If the employee, nominee or legal heir desires payment can be made by postal money order after deducting the postal money order commission for the gratuity amount is less than
- (A) One thousand rupees
 - (B) Two thousand rupees
 - (C) Three thousand rupees
 - (D) One thousand five hundred rupees
 - (E) Answer not known

45. As per payment of Gratuity Act, Nomination facility is eligible after completion of _____ year of service
- (A) 6 months
 - (C) 15 months
 - (E) Answer not known
 - ~~(B)~~ One year
 - (D) All of the above
46. Under factories Act, a factory is to take following safety measures.
- (i) Revolving machinery
 - (ii) Excessive weights
 - (iii) Appointment of auditors
 - (iv) Precaution in case of fire
- (A) (i) only
 - (C) (iii) only
 - (E) Answer not known
 - (B) (i) and (ii) only
 - ~~(D)~~ (i), (ii) and (iv) only
47. A bill of exchange is treated as dishonoured due to non-acceptance, where the drawee
- (a) Does not accept within 48 hours of presentation
 - (b) Is incompetent to contract
 - (c) Gives conditional acceptance
- (A) (a) and (b)
 - (C) (a) and (c)
 - (E) Answer not known
 - (B) (b) and (c)
 - ~~(D)~~ All of the above

48. The presentation for acceptance is required in case of
- (a) Bill of exchange
 - (b) Promissory note
 - (c) Cheque
 - ~~(A)~~ (a) (B) (b)
 - (C) (c) (D) Both (a) and (b)
 - (E) Answer not known
49. The instruments which are not entitled to 'days of grace' are
- (a) A cheque
 - (b) A bill or note payable 'at sight', or 'on presentation' or 'on demand'
 - (c) A bill or note in which no time is mentioned
 - (A) (a) and (b) (B) (a) and (c)
 - (C) (b) and (c) ~~(D)~~ All of the above
 - (E) Answer not known
50. As per the Negotiable instruments Act, a cheque can be crossed by
- (a) The Drawer
 - (b) The Holder
 - (c) The Banker
 - (A) (a) and (b) (B) (b) and (c)
 - (C) (a) and (c) ~~(D)~~ All of the above
 - (E) Answer not known

51. In case of Negotiable instruments, an order instrument can be negotiated by
- (A) By delivery only (B) By endorsement only
~~(C)~~ By endorsement and delivery (D) None of the above
 (E) Answer not known
52. A negotiable instrument as per the negotiable instrument Act, 1881 means
- (A) Promissory note (B) Bills of exchange
 (C) Cheque ~~(D)~~ All of the above
 (E) Answer not known
53. The following are the characteristics of a Negotiable instrument.
- (a) The property passes from one person to another by mere delivery if it is payable to the bearer
 (b) Property passes by endorsement and delivery if it is payable to order
 (c) The holder in due course (one who acquires instrument in good faith and consideration) gets free from all defects
- (A) (a) and (b) (B) (a) and (c)
 (C) (b) and (c) ~~(D)~~ All of the above
 (E) Answer not known

54. When any cheque is dishonored due to insufficiency of funds, such person shall be punished with
- (A) Imprisonment for a term which may be extended upto 2 years
 - (B) With fine which may extend to twice the amount of cheque
 - (C) Imprisonment for a term which may extend to 2 years or fine which is twice the amt or both
 - (D) No punishment
 - (E) Answer not known
55. The term 'property' as used in the sale of goods Act, 1930 means
- (A) Possession
 - (B) Ownership
 - (C) Both ownership and possession
 - (D) The subject matter of contract of sale
 - (E) Answer not known
56. A promise made without the intention of performing it amounts, to
- (A) Innocent misrepresentation
 - (B) Fraud
 - (C) Negligent misrepresentation
 - (D) Wrongful misrepresentation
 - (E) Answer not known

57. Notation discharges a contract it means
- (A) No. it means no new contract comes to existence
 - (B) No. it means new contract comes to existence but old contract is not discharged
 - (C) Yes. On notation old contract is discharged and consequently it need not be performed
 - (D) Yes. But only if parties agrees to discharge
 - (E) Answer not known
58. Voidable contract are
- (A) Enforceable by law if they are not avoided
 - (B) Not enforceable by law
 - (C) Can be enforced if the court direct
 - (D) Can be enforced with the prior permission of Court/Government
 - (E) Answer not known
59. Implied contract, even if not in writing or express words, is perfectly valid if other conditions are satisfied
- (A) True
 - (B) False, as the contract Act recognizes only express contracts
 - (C) Void
 - (D) Voidable
 - (E) Answer not known

60. A borrows Rs. 5,000 from B to purchase a revolver to shoot C. Is the agreement valid?
- (A) Yes. It is enforceable
 - (B) Yes. The agreement is not opposed to public policy
 - (C) No. The agreement is voidable agreement and can be avoided by A
 - (D) No. The agreement falls under section 23 of contract Act and hence void
 - (E) Answer not known
61. Special tax rates applicable to a Co-operative Society under section 115 BAD of the Income Tax Act, 1961
- (A) 30%
 - (B) 25%
 - (C) 22%
 - (D) 12%
 - (E) Answer not known
62. Currently co-operative societies are taxable as per progressive tax slabs and highest tax slab rate is 30 percent which is applicable if income exceeds
- (A) Rs. 10,000
 - (B) Rs. 15,000
 - (C) Rs. 20,000
 - (D) Rs. 5,00,000
 - (E) Answer not known
63. Which one of the following section deals with deduction in respect of income of co-operative societies under Income Tax Act, 1961
- (A) 80 C
 - (B) 80 P
 - (C) 80 D
 - (D) 80 E
 - (E) Answer not known

64. In order to collect TCS @ the rate of 1% in sale of motor vehicles for a value exceeding Rs.
- (A) Rs. 20 lakh
 - (B) Rs. 10 lakh
 - (C) Rs. 5 lakh
 - (D) Rs. 50 lakh
 - (E) Answer not known
65. TDS to be deducted @ 1% u/s 194 IA, when the value of the consideration of an immovable property is greater than (or) equal to _____
- (A) Rs. 2,00,000
 - (B) Rs. 7,50,000
 - (C) Rs. 5,00,000
 - (D) Rs. 50,00,000
 - (E) Answer not known
66. What is the rate of TDS when interest amounting to Rs. 1,00,000 was paid on listed debentures issued in dematerialised form to individuals during 2023-24
- (A) 10 %
 - (B) 5 %
 - (C) 20 %
 - (D) Nil
 - (E) Answer not known
67. Due date for submission of quarterly statements under TCS (Tax Collected at Source)
- (A) Within 10 days from the end of every quarter
 - (B) Within 15 days from the end of every quarter
 - (C) Within 20 days from the end of every quarter
 - (D) Within 30 days from the end of every quarter
 - (E) Answer not known

68. Which of the following statements are true?
- (i) Nanda is 13 year old Chess Grandmaster. His competition earnings will be taxed only in his hands, though he is a minor.
 - (ii) Nanda's father has opened a FD in the name of Nanda but with his salary income (father's salary). Interest Income will be taxable in hands of Nanda.
 - (iii) Both above incomes is to be clubbed with the income of the father. Father has to pay tax.
- (A) (i) and (ii) are true (B) (ii) and (iii) are true
~~(C)~~ Only (i) is true (D) Only (iii) is true
(E) Answer not known .
69. Where interest is paid on loan borrowed for a house, the interest for pre-construction period will be allowed over a period of how many years equally.
- (A) 10 years (B) 3 years
(C) 7 years ~~(D)~~ 5 years
(E) Answer not known
70. The deduction available for person's with disability of Rs. 75,000/- for normal and Rs. 1,25,000/- for severe disability is available under which section?
- (A) 80 C (B) 80 D
~~(C)~~ 80 U (D) 80 TTA
(E) Answer not known

71. Mr. Sara is a non-resident who only has Income from capital gains of Rs. 1,00,000/- on sale of land arising in India. Which of the following is true / correct?
- (A) He does not have to pay tax as income is below basic exemption limit
 - (B) He does not have to pay tax as capital gains is exempt upto Rs. 1 lakh
 - (C) He does not have to pay tax as he is a non-resident
 - (D) He has to pay tax @ 20% on long term capital gains
 - (E) Answer not known
72. Value of rent free accommodation, a house owned by the employer in the case of non government employee in a city with population exceeding 25 lakhs.
- (A) 10% of salary
 - (B) 15% of salary
 - (C) 7.5% of salary
 - (D) 20% of salary
 - (E) Answer not known
73. What is the maximum deduction limit eligible U/S 80C?
- (A) 1,00,000
 - (B) 1,50,000
 - (C) 2,00,000
 - (D) No limit
 - (E) Answer not known

74. Which of the following allowances are fully taxable?
- (i) House Rent Allowance
 - (ii) Relocation Allowance
 - (iii) Allowance paid outside India by Government to citizen of India for rendering service outside India
 - (iv) Marriage allowance
- (A) (i) and (ii) (B) (i) and (iii)
~~(C)~~ (ii) and (iv) (D) (iii) and (iv)
(E) Answer not known
75. An individual who wants to be resident of India must stay in India for atleast
- (A) 730 days in 10 previous years ~~(B)~~ 182 days in previous year
(C) 365 days in previous year (D) 60 days in previous year
(E) Answer not known
76. Which of the following is NOT a capital receipt?
- ~~(A)~~ Dividend received on shares
(B) Sale of Land
(C) Compensation received for vacating business place
(D) Bonus shares
(E) Answer not known

77. Which of the following income are not chargeable to tax under the head 'Income from other sources'?
- (A) Stipend to trainee
 - (B) Winning from lotteries and crossword puzzles
 - (C) Directors sitting fee for attending board meeting
 - ~~(D)~~ Occasional one time gain derived from sale of capital asset
 - (E) Answer not known
78. Which of the following is False?
- (A) A company cannot enjoy the status of not ordinarily resident
 - ~~(B)~~ Total Income of a person is determined based on citizenship in India
 - (C) The residential status of assessee may change from year to year
 - (D) An Indian company shall always be resident of India
 - (E) Answer not known
79. Rebate of Income Tax U/S 87 A is applicable to _____
- (A) Company
 - (B) Individual
 - (C) HUF
 - ~~(D)~~ Resident Individual
 - (E) Answer not known

80. XYZ Ltd seconded 5 of its employees to Bata India who rendered services exclusively to the Indian company. XYZ Ltd paid home salary and special allowance outside India to such employees amounting to Rs. 5,00,000, while Bata India paid salary of Rs. 20,00,000 to them in India taxable salary of such employee will be
- (A) 20,00,000 ~~(B) 25,00,000~~
(C) 17,50,000 (D) 17,00,000
(E) Answer not known

81. Which of the following is incorrectly paired?
- (A) PPE – Property, Plant and Equipment
(B) COP – Certificate of Practice
~~(C) CARO – Cost Audit Report order~~
(D) NFRA – National Financial Reporting Authority
(E) Answer not known

82. Choose the right answer :

During the course of audit of co-operative society, if the auditor notices that there are some society irregularities in the workings of the society he may report these matters to the

- (A) Members (B) Managing committee
~~(C) Registrar~~ (D) ROC
(E) Answer not known

83. Choose the right answer.

Major objectives of audit of Municipalities and Panchayats are

- (i) To ensure on the fairness and correctness of contents of financial statements
 - (ii) To report on adequacy of internal control
 - (iii) To ensure value of money is fully received on amount spent
 - (iv) To detect the frauds and errors
- (A) (i), (ii), (iii) only (B) (i), (iv) only
(C) (ii), (iii), (iv) only ~~(D)~~ (i), (ii), (iii), (iv)
(E) Answer not known

84. Choose the right answer :

NGOs can be defined as _____ organisations which raise funds from members, donors or contributions.

- (A) Profit making organisation
- ~~(B)~~ Non profit making organisation
- (C) (A) and (B)
- (D) Either (A) or (B)
- (E) Answer not known

85. Choose the right answer :

While Auditing the receipts of Donations of the Trust, An Auditor must ensure

- (i) Internal Control System
- (ii) Custody of Receipts of Books
- (iii) Bank Reconciliation
- (iv) Foreign contribution

- (A) (i) only
- (B) (ii), (iii) only
- (C) (iii), (iv) only
- ~~(D) All of the above~~
- (E) Answer not known

86. Choose the right answer.

The purpose of internal audit is to protect the

- ~~(A) Assets~~
- (B) Audit Staff
- (C) Accountant
- (D) Management
- (E) Answer not known

87. Choose the right answer.

Proving the truth means vouching of

- (A) Payment
- ~~(B) Expenses~~
- (C) Assets
- (D) Liabilities
- (E) Answer not known

88. Choose the right answer.

The purpose of internal audit is to detect the error in the

- (A) Employees Records
- ~~(C)~~ Accounting Records
- (E) Answer not known
- (B) Cash Records
- (D) Bank records

89. Choose the right answer.

Types of internal control systems

- (i) Preventive controls
- (ii) Detective controls
- (iii) Corrective controls
- (iv) Employee controls
- ~~(A)~~ (i), (ii), (iii) only
- (C) (ii), (iii) only
- (E) Answer not known
- (B) (ii), (iii), (iv) only
- (D) All of the above

90. Choose the right answer.

Which one is not the technique for evaluation of internal control system?

- (A) Narrative record
- (C) Check list
- (E) Answer not known
- (B) Internal control questionnaire
- ~~(D)~~ Audit trail

91. Choose the right answer.

In establishing the overall audit strategy the auditor shall do which of the following?

- (A) Identify engagement scope
- (B) Ascertain reporting objectives
- (C) Ascertain nature, time and extent of resources
- ~~(D)~~ All of the above
- (E) Answer not known

92. Choose the right answer.

An auditor gave detailed instructions to her assistants regarding the audit engagement. What are these instructions called?

- ~~(A)~~ Audit programme
- (B) Audit guidelines
- (C) Audit plan
- (D) Audit procedure
- (E) Answer not known

93. Which one of the following is not true about Auditor's report?

- (A) It is an expression of opinion about the financial statements
- ~~(B)~~ It guarantees the accuracy of the facts stated therein
- (C) Audit report has to be presented in the prescribed format
- (D) The scope of the audit report is large
- (E) Answer not known

94. Choose the right answer :

In an audit report, the auditor has expressed an opinion using the wordings "give a true and fair view". What is the nature of opinion given in the audit report?

- (A) Unmodified opinion
- (B) Modified opinion
- (C) Qualified opinion
- (D) Negative opinion
- (E) Answer not known

95. Section 138 of Companies Act 2013 shall apply to

- (A) Prescribed classes of companies
- (B) Unlimited companies
- (C) Partnership firms
- (D) All the above
- (E) Answer not known

96. Match the following type :

- | | | |
|-----------------------|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Operational audit | 1. | Examination of all operations and activities of an entity. |
| (b) Forensic audit | 2. | Examination of financial records to assess correctness of calculation of taxable prop. |
| (c) Propriety audit | 3. | Examination of Legalities by blending techniques of investigative and financial audit |
| (d) Tax audit | 4. | Independent and systematic evaluation of appropriateness of management decisions on the basis of public interest financial discipline and behavioural standards |

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

97. Which of the following audit is often undertaken by business houses voluntarily? It is not mandatory in most of the countries including India.

- | | |
|-----------------------|-----------------------------|
| (A) Performance audit | (B) Operational audit |
| (C) Management audit | (D) Social audit |
| (E) Answer not known | |

98. Choose the right answer from the following methods :

An auditor obtains evidence by using many methods. The best evidence for a particular assertion is a matter of facts and convenience.

- (a) Inspection
- (b) Observation
- (c) Inquiry and confirmation
- (d) Computation
- (e) Analytical review
- (A) (a), (b), (c)
- (B) (a), (d), (e)
- (C) (a), (c), (d)
- ~~(D)~~ All of the above
- (E) Answer not known

99. Choose the right answer among

The purpose of an audit under Companies Act, 2013

- (A) Prepare the financial statements
- (B) Verify the financial statements
- ~~(C)~~ Express opinion on financial statements
- (D) Present the financial information as per legal requirements
- (E) Answer not known

100. Choose the right answer.

Mr. Arun opines that each and every transaction of an entity must be covered by the auditor. Mr. Bala is of the view that this is not necessary, but the audit should be done to cover all areas/functions of an entity. Identify the appropriate statement in this regard from the following :

- (A) Only the view of Arun is correct
- ~~(B)~~ Only the view of Bala is correct
- (C) Both Arun's and Bala's views are correct
- (D) Both Arun's and Bala's views are not correct
- (E) Answer not known

101. Accounting softwares can be categorised into

- (A) Readymade softwares
- (B) Customised softwares
- (C) Tailor - made softwares
- ~~(D)~~ All of the above
- (E) Answer not known

102. Excess of Income over expenditure is termed as

- (A) Donation received
- (B) Profit
- ~~(C)~~ Surplus
- (D) Specific fund
- (E) Answer not known

103. From the following, calculate the amount of subscription to be posted in Income and Expenditure account for the year 2023.

Receipts and payments account shows subscription of Rs. 72,000. This includes outstanding for previous year Rs. 6,400 and Rs. 8,000 for next year Rs. 16,000 is current year outstanding.

- (A) Rs. 73,600
(B) Rs. 72,000
(C) Rs. 88,000
(D) Rs. 16,000
(E) Answer not known

104. Calculate the missing figure :

	Rs.
Capital at the beginning	4,16,500
Capital at the end	4,22,200
Drawings during the year	1,55,200
Profit during the year	?

- (A) Rs. 4,40,000
(B) ~~Rs. 1,60,900~~
(C) Rs. 1,80,900
(D) Rs. 5,77,400
(E) Answer not known

105. Calculate capital at the beginning

	Rs.
Sundry assets	11,610
Sundry creditors	15,770
Stock	8,040
Cash	6,960
Expenses owing	600
Debtors	16,530

- ~~(A)~~ Rs. 26,770 (B) Rs. 43,140
(C) Rs. 34,770 (D) Rs. 16,370
(E) Answer not known

106. Calculate the net subscription to be shown in the Income and Expenditure Account for the year ended 31.3.22.

Subscription received Rs. 3,50,000

Adjustments	1.4.21	31.3.22
	Rs.	Rs.
Subscription due	10,500	15,400
Subscription received in advance	8,400	4,900

- ~~(A)~~ Rs. 3,58,400 (B) Rs. 3,50,000
(C) Rs. 3,36,700 (D) Rs. 3,60,900
(E) Answer not known

107. Apportion the following expenses on the basis of cost of goods sold ratio among 3 departments A, B, C.

Sales : A : Rs.3,00,000, B : Rs. 2,00,000, C : Rs. 1,00,000

GP Ratio : 20% of sales

Expenses : Salaries - Rs. 12,000

Rent and rates : Rs. 6,000

- ~~(A)~~ Dept A - Rs. 9,000/-, Dept B - Rs. 6,000/-, Dept A - Rs. 3,000/-
(B) Dept A - Rs. 6,000/-, Dept B - Rs. 3,000/-, Dept A - Rs. 9,000/-
(C) Dept A - Rs. 3,000/-, Dept B - Rs. 6,000/-, Dept A - Rs. 9,000/-
(D) Dept A - Rs. 12,000/-, Dept B - Rs. 3,000/-, Dept A - Rs. 3,000/-
(E) Answer not known

108. In dependent branch accounting under stock debtors system, Branch Adjustment account is opened when,

- (i) Goods are sent at cost price
(ii) Goods are sent at invoice price
(iii) Goods are sent at discounted price
(iv) All of the above

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

109. The following expenses like audit fees, director fees, dividend paid, taxes, which cannot be apportioned on a reasonable basis must be shown in
- (A) Departmental trading and profit and loss account
 - ~~(B)~~ General profit and loss account
 - (C) The expenses are ignored
 - (D) Suspense account
 - (E) Answer not known
-
110. Bad debts are apportioned among departments in the proportion of
- (a) Sales ratio / turnover ratio of each department
 - (b) Ratio of sales value / Sales quantity
 - (c) Cost of sales of each department
 - (d) Purchases of each department
- ~~(A)~~ (a) and (b)
 - (B) (a) and (c)
 - (C) (a) and (d)
 - (D) (c) and (d)
 - (E) Answer not known

111. In dependent branch accounting under Debtors Method which of the following transactions do not appear in branch account.

- (i) Bad debts, discount allowed, sales returns
 - (ii) Depreciation, Profit / Loss on sale of fixed assets
 - (iii) Purchase of fixed assets
 - (iv) Expenses incurred by the branch out of cash.
- (A) (i) only
(B) (iii) only
(C) (i), (ii) & (iv) only
~~(D) All of the above~~
(E) Answer not known

112. Calculate the list price and invoice price for following :

Green Ltd. with HO at Kolkata invoiced goods to Patna Branch at 20% less than list price which is cost plus 100%.

- (i) List Price 200 and Cost Price 100
 - (ii) List Price 200 and Invoice Price 160
 - (iii) List Price 200 and Invoice Price 140
 - (iv) Invoice Price 100 and List Price 200
- (A) (i) only
~~(B) (ii) only~~
(C) (iii) only
(D) All of the above
(E) Answer not known

113. Which of the following register is maintained by a Co-operative Society which contains the objections or defects pointed out during inspection, audit etc, rectifications approved by the board, remarks of inspecting officers.

- (A) Register of Mistakes
- (B) Register of defects
- ~~(C)~~ Rectification Register
- (D) Suspense Account Register
- (E) Answer not known

114. An _____ is the amount by which the carrying amount of an asset exceeds its recoverable amount.

- (A) Incidental loss
- (B) Exceptional loss
- ~~(C)~~ Impairment loss
- (D) Industrial loss
- (E) Answer not known

115. AS-12 deals with

- ~~(A)~~ Accounting for Govt. Grants
- (B) Accounting for Investments
- (C) Segment Reporting
- (D) Borrowing cost
- (E) Answer not known

116. A company deals in 3 products A, B & C which are neither similar nor interchangeable. Closing stock as on 31.3.2023

Items	Historical Cost (Rs. in Lacs)	Net Realisable Value (Rs. in Lakh)
A	40	28
B	32	32
C	16	24

What will be value of closing Stock?

- (A) Rs.84 Lacs
- (B) Rs.88 Lacs
- ~~(C) Rs.76 Lacs~~
- (D) Rs.96 Lacs
- (E) Answer not known

117. As per AS 2, what is the valuation of inventories for following:

On 31.3.2021, the closing stock Ram Ltd. includes 5000 units Costing @ Rs. 10/- i.e. Rs. 50,000/-. But the current market price is as on that date was Rs. 9/- i.e. Rs. 45,000/-.

- (A) Rs. 50,000/-
- ~~(B) Rs. 45,000/-~~
- (C) Rs. 95,000/-
- (D) Rs. 60,000/-
- (E) Answer not known

118. Calculate the Depreciable amount under AS 12 from following :

- (1) Cost of machine Rs.15,00,000
- (2) Govt. grant 10%
- (3) Residual value Rs.1,50,000
- (4) Expected life of machine 10 years
- (A) Rs.15,00,000
- (B) Rs.10,00,000
- ~~(C)~~ Rs.12,00,000
- (D) Rs.13,50,000
- (E) Answer not known

119. Based on the following information What is the value of inventory as on 31.3.2023.

The closing stock of X Ltd includes 10,000 units costing @ Rs.10/unit. Current market price as on that date was Rs.9/unit. Cost necessary to make the sale Rs.10,000.

- (A) Rs.1,00,000
- (B) Rs.90,000
- ~~(C)~~ Rs.80,000
- (D) Rs.1,10,000
- (E) Answer not known

120. X Ltd obtained loan of Rs.1,000/- lakhs from Bank for renovation of plant and machinery. Rs.600 lakhs on 1.4.22 used for purchase of plant and machinery (Installation completed on 31.3.23) Rs.200 Lakh used for advance payment to supplier of fixed assets. Interest for 2023-24 for loan is Rs.100/- lakh. How much money should be charged to capital works in progress?
- (A) 20 Lakhs
 - (B) 80 Lakhs
 - (C) 100 Lakhs
 - ~~(D)~~ 220 Lakhs
 - (E) Answer not known
121. What are the advantages of adequate working capital?
- (A) Genre of security and confidence
 - (B) Credit worthiness
 - (C) Increase in productivity
 - ~~(D)~~ All the above
 - (E) Answer not known
122. Permanent working capital is also termed as
- ~~(A)~~ Core working capital
 - (B) Revolving working capital
 - (C) Variable working capital
 - (D) All the above
 - (E) Answer not known

123. Inventory Control is the function related to

- (A) Material Management
- (B) Marketing Management
- (C) Money Management
- (D) Methods Management
- (E) Answer not known

124. Opening stock Rs.10,000/-, closing stock Rs.30,000/-, Cost of Goods sold Rs.1,00,000/-, Stock turnover ratio is

- (A) 2 times
- (B) 5 times
- (C) 3 times
- (D) 4 times
- (E) Answer not known

125. Assertion [A]: Leverage refers to use of source of funds bearing fixed financial payments like debt in the capital structure.

Reason [R]: A firm with a lot of debt in its capital structure is to be lesserly levered.

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

126. A company's earnings before interest and tax is Rs.2,00,000/-. Interest Rs.50,000 tax rate 50%. No of equity shares is 10,000. What is earning per share?
- (A) Rs.15.00
 - (B) Rs.7.50
 - (C) Rs.5.00
 - (D) Rs.20.00
 - (E) Answer not known
127. Assertion [A]: Cost of capital is the minimum rate of return for capital expenditure.
Reason [R]: It is denoted by letter 'K'.
- (A) [A] is true but [R] is false
 - (B) [A] is false but [R] is true
 - (C) Both [A] and [R] are true. [R] is the correct explanation of [A]
 - (D) Both [A] and [R] are true. [R] is not the correct explanation of [A]
 - (E) Answer not known
128. The cost of each component of the capital is weighed by the relative proportion of that type of funds in the capital structure is called as
- (A) Cost of equity
 - (B) Weighted average cost of capital
 - (C) Cost of debt
 - (D) Weighted average method
 - (E) Answer not known

129.

	Rs.
EBIT	1,00,000
Interest (@ 10%)	-40,000
Earnings available to equity share holders	60,000
Equity capitalisation rate	12.5%

Calculate overall cost of capital.

(A) ~~11.36%~~ (B) 12.5%
 (C) 10% (D) 15%
 (E) Answer not known

130. Safety stock is also called as
- (A) ~~Minimum inventory~~ (B) Maximum inventory
 (C) Optimum inventory (D) All the above
 (E) Answer not known

131. From the information given below :
 Calculate net working capital :
- | | |
|---------------------------|--------------|
| Total current assets | Rs. 3,67,500 |
| Total current liabilities | Rs. 60,000 |
- (A) Rs. 2,07,500
 (B) ~~Rs. 3,07,500~~
 (C) Rs. 3,00,500
 (D) Rs. 67,500
 (E) Answer not known

132. Net working capital is the excess of current assets over

- (A) Current liabilities
- (B) Long term liabilities
- (C) Contingent liabilities
- (D) Fixed Assets
- (E) Answer not known

133. Find the amount of depreciation accumulated on the asset sold when opening and closing Balances of Provision for Depreciation a/c are Rs.12,00,000 and Rs.13,00,000 respectively and current year depreciation as per Income Statement is Rs.6,00,000

- (A) Rs. 5,00,000
- (B) Rs. 4,80,000
- (C) Rs. 6,00,000
- (D) Rs. 1,00,000
- (E) Answer not known

134. Identify the type of Decision for the below scenarios.

- (i) Finance Manager identifies lowest cost of capital for a project.
 - (ii) Finance Manager identifies the total amount of assets to be held and their composition in the firm of Long Term and Short Term assets.
- (A) Financing and Investment Decision
 - (B) Investment and Financing Decision
 - (C) Financing and Dividend Decision
 - (D) Dividend and Financing Decision
 - (E) Answer not known

135. Dividend pay out ratio calculated as follows

- (A) EPS/DPS
- (B) Profit/No. of Equity share
- ~~(C) DPS/EPS~~
- (D) DPS/MPS
- (E) Answer not known

136. Cost of Goods sold Rs. 9,00,000

Gross Profit Ratio 25%

Stock Turnover Ratio 4 times

Closing stock is Rs.10,000 more than the opening stock.

Value of closing stock is

- (A) Rs.2,20,000
- ~~(B) Rs.2,30,000~~
- (C) Rs.2,25,000
- (D) Rs.2,50,000
- (E) Answer not known

137. Which of the following are micro economic variables that help define and explain the discipline of finance?

- (A) Risk and return
- (B) Capital structure
- (C) Inflation
- ~~(D) All of the above~~
- (E) Answer not known

138. Management of all matters related to an organisation finance is called
- (A) Cash inflow and outflow
 - (B) Financial management
 - (C) Allocation of resources
 - (D) Finance
 - (E) Answer not known
139. A company M/s Hitech Enterprises is focused on investment, finance and dividend policy decision based on higher profits. The concept followed by the company ignores which of the two important dimensions of financial analysis?
- (A) Risk and reward
 - (B) Risk and time value of money
 - (C) Time value and cost of working capital
 - (D) Risk and losses
 - (E) Answer not known
140. Which of the following areas of business decision is the objective of financial management?
- (A) Investment, financing and dividend policy
 - (B) Investment, sales and purchase
 - (C) Financing, sales and purchase
 - (D) Dividend policy, sales and purchase
 - (E) Answer not known

141. Which of the following tax payer need to file annual Return?

- (A) Every Registered Person
- (B) Input service distributor
- (C) TDS deductor, Tax collector at source
- (D) All of the above
- (E) Answer not known

142. What type of outward supply details are to be filed in the return (GSTR-1)?

- (A) Outward supplies to registered person
- (B) Outward supplies to unregistered person
- (C) Exempted supplies and Non GST supplies
- (D) All of the above
- (E) Answer not known

143. Match the returns with the purpose for which it is filed

- | | | | |
|----|---------|---|-----------------------------------------------|
| 1. | GSTR-3B | – | TDS return |
| 2. | GSTR-1 | – | Annual return |
| 3. | GSTR-7 | – | Return containing details of outward supplies |
| 4. | GSTR-9 | – | Consolidated return |
- (A) 3 4 1 2
 - (B) 1 2 3 4
 - (C) 4 3 1 2
 - (D) 1 4 2 3
 - (E) Answer not known

144. If a registered person has not filed any periodical returns under GST, a notice in _____ shall be issued and such registered person should file return within _____ from the date of issuance of notice.

- (A) GSTR-3A; No time limit
- (B) GSTR-9A; No time limit
- (C) GSTR-9A; 15 days
- ~~(D)~~ GSTR-3A; 15 days
- (E) Answer not known

145. Compulsory Registration required in the following cases

- I. Person making any inter state taxable supply
 - II. Casual taxable person making taxable supply
 - III. Non Resident taxable persons
 - IV. E Commerce Operator
 - V. Input service distributor
- (A) I, II, III
 - (B) II, IV, V
 - (C) III, V, I
 - ~~(D)~~ I, II, III, IV, V
 - (E) Answer not known

146. Dr. Kevin [an unregistered person based in Trichy] engages BBB services, a wedding planner registered in Bengaluru, Karnataka to plan and organise his son's wedding in Singapore. What would be the place of supply?

- ~~(A)~~ Trichy, TamilNadu (B) Bengaluru, Karnataka
 (C) Singapore (D) Both Bengaluru and Trichy
 (E) Answer not known

147. Compute value of taxable supply from the following information :

M/S. D Bank Limited, a scheduled Commercial Bank has furnished the following details for the month of Aug 22

Particulars	Rs. in crores
Extended Housing Loan to its customers	200
Processing fees collected from its customers on sanction of Loan	40
Commission collected from its customer on bank guarantee	60
Interest income on credit card issued by the Banks	80
Interest received on housing loan extended by the Bank	50
Minimum balance charges collected from Account Holder	02

Note : All above amounts are exclusive of tax

- ~~(A)~~ 182 Crores (B) 180 Crores
 (C) 100 Crores (D) 82 Crores
 (E) Answer not known

148. Price of 1 MT cement sold to unrelated buyer – Rs.6,700

Wholesale price of 1 MT cement sold by X Ltd – Rs.7,000

Wholesale price of 1 MT cement bought by X Ltd – Rs.6,600

Value of supply made by X Ltd to unrelated buyer shall be:

- (A) Rs.6,600 (B) Rs.7,000
~~(C)~~ Rs.6,700 (D) Rs.13,600
 (E) Answer not known

149. 'RR CARS' is a second-hand car dealer registered under GST. They bought a car from Mr. S for Rs.3,50,000 and spent Rs.50,000 on repairs and overhauling. Later the car was sold to Mr. X for Rs.5,20,000. The value of supply as per Rule 32 (5) of CGST Rules 2017 shall be?
- (A) Rs.4,00,000
 - (B) Rs.5,20,000
 - (C) Rs.3,50,000
 - ~~(D)~~ Rs.1,70,000
 - (E) Answer not known
150. Mr. A is a registered person under composition scheme. He is engaged in supply of goods. Identify the most appropriate statement from the given options
- ~~(A)~~ He cannot make any inter-state supply of goods
 - (B) He can be a casual taxable person
 - (C) He cannot make any supply of services
 - (D) He can take input tax credit on all eligible items
 - (E) Answer not known
151. Which of the following is relevant to determine the applicable tax i.e. (CGST+SGST) or IGST?
- (A) Location of supplier
 - (B) Location of recipient
 - (C) Location of supplier and Location of Recipient
 - ~~(D)~~ Location of supplier and place of supply
 - (E) Answer not known

152. M Ltd [registered in Tamil Nadu] runs a hotel in Tamil Nadu at Kodaikanal. K Ltd [registered in Karnataka] booked banquet hall for an official event. What will be the applicable GST [IGST or (CGST + SGST)] on this transaction?
- (A) IGST
 - (B) CGST
 - ~~(C) CGST + SGST~~
 - (D) CGST + UTGST
 - (E) Answer not known
153. Person can avail input tax credit without payment of consideration for the supply. However, payment should be made to supplier within _____ days from the date of issue of invoice.
- (A) 30 days
 - (B) 60 days
 - (C) 90 days
 - ~~(D) 180 days~~
 - (E) Answer not known

154. Compute GST payable through Electronic cash ledger from the following information, applying Rule 86B of CGST Rules, 2017:

- (i) From GST payable under forward charge mechanism is Rs.8,00,000 (outward supplies) – Rate of GST is 18%
 - (ii) From GST payable under Reverse charge mechanism is Rs.2,00,000 (Inward supplies) – Rate of GST is 18%
 - (iii) Balance available in Electronic credit ledger is Rs.2,00,000
- (A) Rs.36,000
 - (B) nil, as sufficient balance is available in ledger
 - (C) Rs.14,440
 - ~~(D) Rs.37,440~~
 - (E) Answer not known

155. Which of the following cases is a Mixed Supply as per Section 2(74) of CGST Act 2017?

- (A) Charger supplied with mobile phone
- (B) Complimentary breakfast supplied with Hotel accommodation
- ~~(C) Gift pack comprising of Sweets and Chocolates~~
- (D) All of the above
- (E) Answer not known

156. Which of the following supplies are treated as supply of goods?

- ~~(A) Transfer of title in goods~~
- (B) Renting of immovable property
- (C) Job work
- (D) Service by employer to employer
- (E) Answer not known

157. Which of the following activities are covered under Reverse Charge Mechanism (RCM)

- (i) Services by Senior advocate to business entity
- (ii) Services by Direct selling agent, who is a partnership firm
- (iii) Security lending services
- (iv) Clearing and forwarding agent services
- (A) (i), (ii) and (iii)
- (B) (i), (ii), (iii) and (iv)
- ~~(C)~~ (i), (iii)
- (D) (ii), (iv)
- (E) Answer not known

158. What is an Intra State supply?

- (A) supply of goods within the State
- (B) supply of goods within the Union Territory
- (C) supply of services within the State or Union Territory
- ~~(D)~~ any of the above circumstances
- (E) Answer not known

159. Levy and Collection of Central indirect tax are dealt by

- (A) NIC
- (B) DGFT
- ~~(C)~~ CBIC
- (D) CBDT
- (E) Answer not known

160. Which of the following taxes levied by State Government not subsumed into GST?

- (A) State Excise Duty
- (B) Stamp Duty
- (C) Professional Tax
- ~~(D) All of the above~~
- (E) Answer not known

161. Choose the right answer

Primary packing is an item of

- (i) Selling overhead
 - (ii) Prime Cost
 - (iii) Distribution overhead
- ~~(A) (ii) only~~
 - (B) (i) only
 - (C) (i) and (ii) only
 - (D) (iii) only
 - (E) Answer not known

162. The apportionment of Service department cost is accomplished by

- (A) Primary distribution
- ~~(B) Secondary distribution~~
- (C) Departmentalisation
- (D) All the above
- (E) Answer not known

163. Factory overheads include all of the following except

- (A) Salary of Factory Manager
- ~~(B)~~ Depreciation on delivery equipment
- (C) Depreciation on Plant and Machinery
- (D) Taxes on Factory building
- (E) Answer not known

164. Match the following :

- | | |
|------------------------------------|----------------------------------------------|
| (a) Abnormal expenses | 1. Selling expenses |
| (b) Semi variable expenses | 2. Excluded from Cost |
| (c) Unsuccessful Research expenses | 3. Partly variable and partly fixed expenses |
| (d) Fancy packing expenses | 4. Excluded from the Cost Accounts |

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

165. Packing cost at an intermediate storage location will be part of

- (A) Manufacturing overhead
- (B) Administrative overhead
- (C) Selling overhead
- ~~(D)~~ Distribution overhead
- (E) Answer not known

166. Labour productivity is measured by comparing

- (A) Total output with total man-hours
- (B) Actual time with standard time
- (C) Added value for the product with total wage cost
- ~~(D)~~ All of the above
- (E) Answer not known

167. Replacement costs are those cost which are incurred to

- ~~(A)~~ Recruitment and training cost of new labour force
- (B) To keep the workers satisfied
- (C) Cost incurred to an existing employee for new/additional work assigned
- (D) All of the above
- (E) Answer not known

168. Idle time is

- (A) Time spent by workers in factory
- (B) Time spent by workers in office
- ~~(C)~~ Time spent by workers off their work
- (D) Time spent by workers on their job
- (E) Answer not known

169. Calculate Bonus under Halsey plan

Time allowed for a job is 48 hours a worker takes 40 hours to complete time. Time rate per hour is Rs. 15.

- (A) 600
- (B) ~~60~~
- (C) 660
- (D) 100
- (E) Answer not known

170. Employee cost includes

- (A) Cost of idle time
- (B) Remuneration paid to non executive director
- (C) Un amortised amount of employee cost related to a discontinued operation
- (D) ~~Festival Bonus~~
- (E) Answer not known

171. Normal idle time includes

- (i) Small power failures
- (ii) Non-availability of raw materials
- (iii) Waiting for jobs, tools and materials or instructions
- (A) (i), (ii) and (iii) are correct
- (B) ~~(i) and (iii) are correct~~
- (C) only (iii) is correct
- (D) (i) and (ii) are correct
- (E) Answer not known

172. In which of the following incentive plan of payment, wages on time basis are not guaranteed?
- (A) Halsey plan
 - (B) Rowan plan
 - (C) Taylor's differential piece rate system
 - (D) Gantt's task and bonus system
 - (E) Answer not known
173. A Purchase Requisition is prepared by
- (A) Store Keeper
 - (B) Supplier
 - (C) Foreman
 - (D) Purchase Manager
 - (E) Answer not known
174. _____ is the evidence of the contract between the buyer and supplier for the supply / procurement of the materials
- (A) Tender form
 - (B) Purchase requisition form
 - (C) Purchase order
 - (D) Material inspection report
 - (E) Answer not known

175. Calculate the following from the details given

- (a) Re-order level
- (b) Minimum level
- (c) Maximum level
- (d) Average stock level

Given : Normal usage = 50 per week

Re-order quantity = 300

Maximum usage = 75 per week

Minimum usage = 25 per week

Re-order period = 4 to 6 weeks

- ~~(A)~~ 450 units, 200 units, 650 units, 425 units
- (B) 650 units, 200 units, 450 units, 425 units
- (C) 200 units, 450 units, 425 units, 650 units
- (D) 425 units, 650 units, 200 units, 450 units
- (E) Answer not known

176. The shortage or excess found during physical verification shall be entered in

- (A) Receipt column
- ~~(B)~~ Issue column
- (C) Balance column
- (D) Shortage column
- (E) Answer not known

177. Which of the following statements are True about “Weighted average price” method

- (i) Suitable when price fluctuate considerably
- (ii) This method maintains the issues prices as near to the market price as possible
- (iii) Price is calculated by dividing the total cost of material by the total quantity or materials in that stock
- (iv) Issue or price of materials represents actual cost of materials
- (A) (i), (ii) and (iii) are correct
- (B) (i) only in correct
- (C) (ii), (iii) only are correct
- (D) (i), (iii) and (iv) only are correct
- (E) Answer not known

178. Match the following :

Match correctly with their corresponding meaning.

- | | |
|--------------|----------------------------------------------------------------------------------------------------------------------------|
| (a) Waste | 1. The materials are so damaged in the manufacturing process that they cannot be brought back to the normal specification. |
| (b) Scrap | 2. Residue such as smoke, dust, gases etc. arises in the course of manufacturing process. |
| (c) Spoilage | 3. Low measurable utility, recoverable and be physically available. |

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

179. Match the following :

Match correctly the formulae with their corresponding stock levels.

- | | |
|--------------------|---------------------------------------------------------------------------------------------|
| (a) Re-order level | 1. Re-ordering level + Re-order quantity – (minimum consumption × minimum Reorder quantity) |
| (b) Minimum level | 2. Maximum consumption × Maximum re-order period. |
| (c) Maximum level | 3. Re-ordering level – (Normal consumption × Normal Re-order period) |
| (d) Danger level | 4. Average consumption × Maximum Re-order period for emergency purchases. |

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

180. Abnormal loss arising out of spoilage which is unexpected and uncontrollable is transferred to

- ~~(A)~~ Costing profit and Loss account
- (B) Charged to factory overhead
- (C) Not to be accounted
- (D) Debited to the job, product or process in which it occurs
- (E) Answer not known

181. Standard price of material per kg. is Rs.20, Standard usage per unit of production is 5 Kgs. Actual usage of production of 100 units is 520 Kgs. all of which were purchased at Rs.22/- per Kg. Material cost variance is :

- (i) Rs.2,440 (adverse)
- (ii) Rs.1,440 (adverse)
- (iii) Rs.1,440 (favourable)
- (iv) Rs.2,300 (favourable)

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

182. The cost of product under standard costing system determined at the beginning of production is

- (i) Direct cost
- (ii) Pre-determined cost
- (iii) Historical cost
- (iv) Actual cost

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

183. Which of the following executives are responsible for material price variance?

- (i) Production supervisors
- (ii) Purchase managers
- (iii) Production schedules
- (iv) Finance manager

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

184. It is not possible to measure labour productivity by comparing :

- (i) Standard time with actual time
- (ii) Total output with total wage
- (iii) Total man hours with total output
- (iv) All of the above

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

185. Which of the following statements is/are true about standard costing system?

- (i) Cost variance is the difference between standard cost and actual cost.
- (ii) Cost variance is the difference between standard cost and budgeted cost.
- (iii) Cost variance is the difference between standard cost and marginal cost.
- (iv) Cost variance is the difference between the actual cost and marginal cost.

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

186. Material yield variance is calculated by the formula :-

- (i) Standard yield rate \times (Actual yield – Standard yield)
- (ii) Standard yield rate \times (Standard yield – Actual yield)
- (iii) (Standard material quantity required for actual output – actual material quantities used in standard proportion) \times Standard cost per unit of output
- (iv) All the above

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

187. Formula for calculating material cost variance is :-

- (i) Standard material cost of output produced less actual cost of material purchased
 - (ii) Actual material cost of output produced less actual cost of material purchased
 - (iii) Standard material cost of material purchased less actual cost of material consumed
 - (iv) Actual cost of material purchased less actual cost of material consumed
- ~~(A)~~ (i) only (B) (ii) only
(C) (iii) only (D) (iv) only
(E) Answer not known

188. Primary use of standard costing are :

- (i) to value inventories and cost of production for cost accounting purposes
 - (ii) it is an alternative method of valuation to methods like FIFO and LIFO
 - (iii) to act as a control device by establishing standards, highlighting activities that are not conforming to plan and thus alerting management to areas which may be out of control and in need of corrective action
 - (iv) all of the above
- (A) (i) (B) (ii)
(C) (iii) ~~(D)~~ (iv)
(E) Answer not known

189. Standard quantity required – 10 Kgs per unit

Standard rate of material – Rs. 2.50

Quantity of materials purchased – 11,000 Kgs

Value of materials purchased – Rs. 33,000

Output during the period – 1000 units

Find material price variance

(i) Rs. 5,000 adverse

(ii) Rs. 5,500 favourable

(iii) Rs. 5,000 favourable

(iv) Rs. 5,500 adverse

(A) (i)

(B) (ii)

(C) (iii)

~~(D)~~ (iv)

(E) Answer not known

190. Fixed overhead capacity variance is calculated by the following formula :

(i) $(\text{Actual hours} - \text{Budgeted hours}) \times \text{Actual overhead rate per hour}$

(ii) $(\text{Budgeted hours} - \text{Actual hours}) \times \text{Actual overhead rate per hour}$

(iii) $(\text{Budgeted hours} - \text{Actual hours}) \times \text{Standard overhead rate per hour}$

(iv) $(\text{Actual hours} - \text{Budgeted hours}) \times \text{Standard overhead rate per hour}$

(A) (i)

(B) (ii)

~~(C)~~ (iii)

(D) (iv)

(E) Answer not known

191. XYZ Ltd, has budgeted the following :

	Rs.
Sales (10,000 units)	1,00,000
Variable cost	40,000
Fixed cost	50,000

Find out P/V ratio.

(i) 30%

(ii) 40%

(iii) 50%

(iv) 60%

(A) (i)

(B) (ii)

(C) (iii)

~~(D)~~ (iv)

(E) Answer not known

192. X Ltd manufactures toys selling price per unit Rs. 50/-. Variable cost per unit is Rs. 30/-. Fixed costs are Rs. 20,000. What is the break even point in numbers?

(i) 800 units

(ii) 1200 units

(iii) 900 units

(iv) 1000 units

(A) (i) only

(B) (ii) only

(C) (iii) only

~~(D)~~ (iv) only

(E) Answer not known

193. In the break-even chart

- (i) Sales revenue, variable costs are fixed costs are plotted on the vertical axis
 - (ii) Volume is plotted on the horizontal axis
 - (iii) Sales revenue is plotted on the horizontal axis
 - (iv) Volume is plotted on the vertical axis
- (A) (i) (B) (ii)
(C) (iii) and (iv) ~~(D) (i) and (ii)~~
(E) Answer not known

194. Variable cost ratio is given by the formula

- (i) Variable cost divided by net sales
 - (ii) 1 minus contribution margin
 - (iii) 1 minus profit volume ratio
- (A) (i) (B) (ii)
(C) (iii) ~~(D) All of the above~~
(E) Answer not known

195. The technique of differential cost is adopted when

- (i) To ascertain marginal cost
 - (ii) To ascertain cost per unit
 - (iii) To ascertain profit volume ratio
 - (iv) To make choices between 2 or more alternative courses of action
- (A) (i) (B) (ii)
(C) (iii) ~~(D) (iv)~~
(E) Answer not known

196. Break-even analysis can be computed in the following ways :

- (i) The equation approach
- (ii) The contribution approach
- (iii) The graphical approach
- (iv) All of the above
- (A) (i)
- (B) (ii)
- (C) (iii)
- ~~(D) (iv)~~
- (E) Answer not known

197. Variable cost is also known as _____ in the marginal costing technique.

- (i) Total cost
- (ii) Product cost
- (iii) Period cost
- (iv) Prime cost
- (A) (i)
- ~~(B) (ii)~~
- (C) (iii)
- (D) (iv)
- (E) Answer not known

198. Which of the following statements is true about marginal costing?

- (i) Fixed costs are treated as product costs
- (ii) Marginal costing is not an independent system of costing
- (iii) The elements of cost in marginal costing are divided into fixed and variable components.
- (A) (i)
- (B) (ii)
- (C) (iii)
- ~~(D) (ii) and (iii)~~
- (E) Answer not known

199. Fixed costs are treated as

- (i) Prime costs
 - (ii) Period costs
 - (iii) Conversion costs
 - (iv) Overhead costs
- (A) (i) ~~(B) (ii)~~
(C) (iii) (D) (iv)
(E) Answer not known

200. P/V ratio will increase if the

- (i) Fixed costs decrease
 - (ii) Fixed costs increase
 - (iii) Selling price per unit increases
 - (iv) Variable cost per unit decreases
- (A) (i) (B) (ii)
(C) (iii) ~~(D) (iv)~~
(E) Answer not known