425 QUESTION PAPER BOOKLET CODE : **A**

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PART—I

1. This amount is made available to be distributed to the owners in the event of closure of the business after payment of all liabilities :
   - (A) Net Worth
   - (B) Non-current Investments
   - (C) Capital
   - (D) Capital and Non-Current Investments

2. These are the books meant for specific transactions of similar nature :
   - (A) Journals
   - (B) Ledgers
   - (C) Subsidiary Books
   - (D) Cash Book

3. These represent possession of properties that have no physical existence but can be measured in terms of money and have value attached to them :
   - (A) Tangible Real Accounts
   - (B) Intangible Real Accounts
   - (C) Personal Accounts
   - (D) Representative Personal Accounts

4. These accounts always show debit balances :
   - (A) Personal Accounts
   - (B) Real Accounts
   - (C) Nominal Accounts
   - (D) Representative Personal Accounts

5. It is the quick reference to all the balances :
   - (A) Journal
   - (B) Subsidiary Books
   - (C) Cash Book
   - (D) Trial Balance

6. You are given with the shareholdings details of the following persons in SK Ltd. :
   - (*i*) A is holding 10% of equity shares as on the Balance Sheet date.
   - (*ii*) B is holding 10% of preference shares as on the Balance Sheet date.
   - (*iii*) C held 20% of equity shares till 25th of March of the respective Balance Sheet year.
   - (*iv*) D held 25% of equity shares during some period in the five years immediately preceding the current year Balance Sheet date.

   Which from the above can be included in the schedule of shareholders forming part of Financial Statements of the year to be prepared for disclosure requirements as per Schedule III of the Companies Act, 2013 ?
   - (A) (*i*) only
   - (B) (*i*) and (*ii*) only
   - (C) (*i*), (*ii*) and (*iii*) only
   - (D) (*i*), (*ii*), (*iii*) and (*iv*)

7. K Ltd. signed an agreement with its labour union on 20th October, 2023 to increase wages from 1st January, 2023. In this case, the additional wages payable from 1st January to 31st March, 2023 :
   (A) Should be shown by adding with wages of the accounting year 2023-24 in the Profit and Loss Account of the accounting year 2023-24.
   (B) Should be shown separately in the Profit and Loss Account of the accounting year 2023-24
   (C) Should be shown in the form of a Note under the Profit and Loss Account of the accounting year 2023-24
   (D) Need not be shown as an item in the Profit and Loss Account and Notes

8. Profit on sale of investments realized by a manufacturing company is shown in the Statement of Profit and Loss under :
   (A) Revenue from operations
   (B) Other Income
   (C) Extraordinary Items
   (D) Exceptional Items

9. As per Schedule III of the Companies Act, 2013 unamortised portion of the Discount on Issue of Shares/Discount on Borrowings etc. must be shown under the head :
   (A) Miscellaneous Expenses
   (B) Other Expenses
   (C) Other Current Assets irrespective of the fact when the amount is to be amortised
   (D) Either in Non-Current Assets or Other Current Assets depending on when the amount is to be amortised

10. Current maturities of all Long-Term Borrowings will be disclosed under ....
    (A) Long-Term Borrowings
    (B) Short-Term Borrowings
    (C) Other Current Liabilities
    (D) Either in Long-Term Borrowings or Short-Term Borrowings

11. PV Ltd. issued 40,000 shares of ₹ 10 each at a premium of ₹ 2 per share. The shares were payable as ₹ 2 on application, ₹ 5 on allotment (including premium) and ₹ 5 on call. All the shares were applied for and allotted. All monies were received with the exception of the call money on 1000 shares which were forfeited. If 400 of these shares were re-issued as fully paid @ ₹ 8 per share, the amount transferrable to Capital Reserve Account is :

(A) ₹ 1,200

(B) ₹ 2,000

(C) ₹ 4,200

(D) ₹ 5,000

12. A public company can allot its shares if the minimum subscription fixed .... has been subscribed by the public.

(A) In the Articles of Association

(B) In the Prospectus

(C) By the SEBI

(D) By the Registrar of Companies

13. On 1st May, 2023, Z Ltd. makes an issue of 10,000 equity shares of ₹ 10 each payable as ₹ 2 on application, ₹ 3 on allotment with premium and ₹ 6 on first and final call after three months from allotment. One shareholder who was allotted with 200 shares paid first and final call with allotment money. If the directors have decided to allow interest on calls in advance as Table F, then the interest payable is :

(A) NIL

(B) ₹ 15

(C) ₹ 18

(D) ₹ 36

14. A limited company decides to buy-back 50,000 equity shares of ₹ 20 each at a premium of 15% Earlier if the company offered one buy-back scheme from 1st April 2023 to its equity shareholders and closed it on 30th April, 2023. From which date the second offer of buy-back shall be made available ?

(A) 1st June, 2023

(B) 1st August, 2023

(C) 1st November, 2023

(D) 1st May 2024

15. A listed company, after the completion of a buy-back under Rule 17, shall file a return in Form No. SH-11 along with the fee with :

    (A) The Registrar of Companies

    (B) The Securities and Exchange Board of India (SEBI)

    (C) The Central Government

    (D) The Registrar of Companies and SEBI

16. If the sinking fund created for redemption of debentures is non-cumulative, then the interest received from Sinking Fund Investment is :

    (A) Credited to Debenture-holder Account

    (B) Credited to Sinking Fund Account

    (C) Credited to Profit and Loss Account

    (D) Credit to General Reserve Account

17. A company purchased 1000, 12% debentures of ₹ 100 each @ ₹ 97 (cum-interest) on 1st May, 2023. The company has the practice to close its books of accounts on 31st December every year. Interest on debentures is payable half-yearly on 30th June and 31st December. In this purchase, the amount to be debited to Debenture Redemption Account is :

    (A) ₹ 93,000

    (B) ₹ 97,000

    (C) ₹ 1,00,000

    (D) ₹ 1,10,000

18. Issue of .... signals the management's confidence in accelerating or maintaining the profit growth.

    (A) Right Shares

    (B) Bonus Shares

    (C) Sweat-equity shares

    (D) All of the above

19. Beta Ltd. granted 5000 options to employees and directors under Employee Stock Option Scheme on 1st April, 2023 @ ₹ 170 when the market price was ₹ 310. If the vesting period is 2.5 years, the amount to be amortised every year is :

    (A) ₹ 2,80,000

    (B) ₹ 3,40,000

    (C) ₹ 6,20,000

    (D) ₹ 2,33,333.33

20. Visva Ltd. issued 50,000 shares of ₹ 10 each. The entire issue was underwritten by Ragu. If the net liability (including firm underwriting) and firm underwriting are respectively 20,000 and 5,000 shares, the applications received are :

    (A) 30,000

    (B) 25,000

    (C) 20,000

    (D) 35,000

21. When a company purchases its own shares out of free reserves, a sum equal to the .... of the shares so purchased shall be transferred to the Capital Redemption Reserve Account.

(A) Nominal Value

(B) Market Value

(C) Purchase Price

(D) Highest value of the above three

22. A company gave an offer to purchase its own shares having a nominal value of ₹ 180 crores for a consideration of ₹ 200 crores. The amount to be deposited in the Escrow Account shall be :

(A) ₹ 200 crores

(B) ₹ 180 crores

(C) ₹ 35 crores

(D) ₹ 25 crores

23. If debentures are issued by a company at a discount, it is prudent to write-off the discount :

(A) In the year itself

(B) In five equal annual installments

(C) During the life time of the debentures

(D) During the period allowed by the trustees of debenture-holders

24. The voting right in respect of shares with differential rights in a company shall not exceed .... of the total voting power including voting power in respect of equity shares with differential rights issued at any point of time.

(A) 24%

(B) 50%

(C) 74%

(D) 75%

25. A commission called as Over-riding Commission is paid by the company to the principal underwriters to encourage :

(A) Full underwriting

(B) Speedy underwriting

(C) Firm underwriting

(D) Sub-underwriting

26. In a limited company there are two whole-time directors, one part-time director and one manager. In a financial year the net profit of the company before provision for income tax and managerial remuneration but after depreciation and provision for repairs is ₹ 10,40,000. Depreciation as per Schedule II is ₹ 3,00,000, provision for repairs of plant is ₹ 60,000 and actual expenses on repairs is ₹ 50,000. In this year, the amount of managerial remuneration payable shall be :

(A) ₹ 52,500

(B) ₹ 55,000

(C) ₹ 1,15,500

(D) ₹ 1,21,000

27. The sitting fee payable to women directors should be :

(A) NIL

(B) Less than the sitting fee payable to male directors

(C) More than the sitting fee payable to male directors

(D) Not less than the sitting fee payable to other directors

28. The net profit of BT Ltd. during the past five financial years was as follows :

2018-19—₹ (0.40) crores

2019-20—₹ 0.90 crores

2020-21—₹ 1.5 crores

2021-22—₹ 1.2 crores

2022-23—₹ 1.8 crores

In this case, the minimum amount to be spent by the company for Corporate Social Responsibility activities in the year 2023-24 is :

(A) ₹ 4,90,000

(B) ₹ 2,94,000

(C) ₹ 3,00,000

(D) ₹ 7,50,000

29. Segment reporting given as per AS 17 helps the users of the financial statements to have :

(A) A better understanding about the performance of the enterprise

(B) A better assessment about the risks and returns of the enterprise

(C) A more informed judgments about the enterprise as a whole

(D) All the above

30. An audit query shall be :

(A) A question asked by an auditor to gather information

(B) An explanation required by an auditor on certain points identified during an audit

(C) Findings from an audit

(D) Any of the above

31. If the financial years of both the subsidiary and holding companies do not coincide, the preceding year's balance sheet and other statements of the subsidiary company should be attached with the consolidated financial statements. Such information attached to the balance sheet of a holding company in respect of its subsidiary companies could not be more than :

(A) One month

(B) Three months

(C) Six months

(D) Nine months

32. AZ Ltd. acquired 6000 equity shares of BZ Ltd. out of its 8000 equity shares of ₹ 10 each at a price of ₹ 1,50,000 on 01.04.2022. The balance sheet of BZ Ltd. on 01.01.2022 showed a reserve of ₹ 20,000 and profit & loss account credit balance of ₹ 50,000. During the year 2022, if BZ Ltd. made a profit of ₹ 40,000 then the goodwill is :

(A) ₹ 30,000

(B) ₹ 40,000

(C) ₹ 60,000

(D) ₹ 80,000

33. Balance Sheet as on 31st Mrach 2023 :

Liabilities	H. Ltd (₹)	S.Ltd (₹)	Assets	H.Ltd. (₹)	S.Ltd (₹)
Share capital Share of ₹ 10 each	1,50,000	1,00,000	Sundry Assets	1,00,000	1,52,000
P & L Account	25,000	32,000	Investment 8000 shares in S Ltd.	1,10,000	......
Creditors	35,000	20,000			
	2,10,000	1,52,000		2,10,000	1,52,000

If shares have been acquired by H.Ltd. on 30th December, 2022 and on that date the credit balance in P & L Account of S Ltd. was ₹ 22,000 (no dividend was declared since that date), the minority interest is :

(A) ₹ 26,400

(B) ₹ 24,400

(C) ₹ 22,000

(D) ₹ 20,000

34. While preparing the consolidated balance sheet, some of the items are shown by adding the amount of holding company and subsidiary company and some of the items are shown in the amount belonging to the holding company without considering the amount of the subsidiary company. In this context, which of the following items is shown in the consolidated balance sheet by aggregating the amount of holding company and subsidiary company ?

(A) Share capital

(B) Proposed dividend

(C) Dividend payable

(D) Reserves and surplus

35. Which of the following profit & loss on revaluation of fixed assets of subsidiary company should be treated as a revenue item and adjusted with balance of the profit and loss account of the holding company while preparing the consolidated profit and loss account ?

(A) Profit related to the period after the date of acquisition of shares by holding company

(B) Profit related to the period before the date of acquisition of shares by holding company

(C) Loss related to the period after the date of acquisition of shares by holding company

(D) All the above

36. Which one of the following is not a corrective measure to improve Economic Value Added (EVA) ?

(A) Reducing the asset-turnover ratio

(B) Selling out the under-utilised assets

(C) Redeploying the capital invested to projects having higher operating performance

(D) All the above

37. The following details are given for painting decision of a car manufacturing company :

Net operating profit before interest and tax ₹ 80 crores

Equity capital employed ₹ 100 crores

10% Debentures ₹ 40 crores

Weighted Average Cost of Capital 11%

If tax rate is 30%, the Economic Value Added (EVA) is :

(A) ₹ 76 crores

(B) ₹ 53.2 crores

(C) ₹ 37.8 crores

(D) ₹ 15.4 crores

38. RR Ltd. in its capital structure has 1,00,000 equity shares of ₹ 10 each and 5000 preference shares of ₹ 100 each. At present the market value of equity shares is ₹ 16 and preference share is ₹ 120. In this case, the Market Value Added (MVA) is :

(A) ₹ 6,00,000

(B) ₹ 12,00,000

(C) ₹ 16,00,000

(D) ₹ 22,00,000

39. Which of the following is the new reporting clause added in the Companies (Auditor's Report) Order, 2020 ?

(A) Reporting requirement on Managerial Remuneration

(B) Reporting requirement on resignation of statutory auditors

(C) Reporting requirements on transactions with related parties

(D) Reporting requirements on maintenance of cost records

40. Board's Report and annexures thereto of a company shall be signed by the chairperson of the comapny if he/she is authorized by the Board. If he/she is not so authorized, it should be signed by :

(A) The Managing Director

(B) Any two directors

(C) Any one director

(D) At least two directors, one of whom shall be a managing director

41. Using the following information find out the net cash flow from investing activities :

	31.12.2021 (₹)	31.12.2022 (₹)
Building (WDV)	2,00,000	4,00,000

Building costing ₹ 50,000 on which ₹ 20,000 had accumulated depreciation was sold for ₹ 25,000. Depreciation charged on building for the year ended on 31.12.2022 was ₹ 30,000.

(A) ₹ 2,00,000

(B) ₹ 2,25,000

(C) ₹ 2,35,000

(D) ₹ 2,60,000

42. Following information are given :

Particulars	**2021 (₹)**	**2022 (₹)**
Equity Share Capital	4,50,000	6,50,000
10% Debentures	3,00,000	1,50,000
Long term loan	.....	80,000
Securities Premium	60,000	75,000

If interest paid on debentures was ₹ 30,000, the net cash flow from financing activities is :

(A) ₹ 85,000

(B) ₹ 1,15,000

(C) ₹ 1,40,000

(D) ₹ 2,90,000

43. Which of the following items are taken into account while preparing Cash Flow Statement under AS-3 ?

(*i*) Bonus issue of shares

(*ii*) Dividend received

(*iii*) Surplus on revaluation of non-current assets

(*iv*) Accumulated profit

(*v*) Proposed dividend

(A) (*ii*), (*iii*), (*v*)

(B) (*ii*)

(C) (*i*), (*ii*), (*iv*), (*v*)

(D) (*ii*), (*iv*), (*v*)

44. With the help of cash flow statements users can assess the reliability of ....

(A) Net profit

(B) Net worth

(C) Value of assets

(D) Extent of liability

45. Cash from operations is equal to :

(A) Net profit plus decrease in current assets

(B) Net profit plus decrease in current liabilities

(C) Net profit plus bonus shares issued

(D) Net profit minus right shares issued

46. Exclusion of an enterprise from the applicability of Accounting Standards would be permissible if .... of the activity of such enterprise is commercial, industrial or business in nature.

(A) No part

(B) Less than 10%

(C) Less than 50%

(D) Less than 75%

47. Non-corporate entities whose equity or debt instruments are listed on any stock exchange in or outside India are classified under .... with regard to obligatory requirements to follow accounting standards.

(A) Level I

(B) Level II

(C) Level III

(D) Level IV

48. Entities which are required to or voluntarily opt to prepare and present interim financial report should comply with :

(A) AS 12

(B) AS 17

(C) AS 25

(D) AS 28

49. AS 28, dealing with Impairment of Assets, should be applied in accounting for the impairment of all assets except :

(A) Inventories

(B) Financial assets

(C) Assets arising from construction contracts

(D) All the above

50. Both executive and non-executive directors are considered as Key Management Personnel (KMP) under :

(A) IFRS

(B) IGAAP

(C) IASB

(D) All the above

51. Which of the following institute, through a joint venture with the Chartered Institute of Management Accountants, has established the Chartered Global Management Accountant designation ?

(A) Chartered Professional Accountants Canada

(B) Chartered Accountants Australia and New Zealand

(C) American Institute of Certified Public Accountants

(D) Australian Accounting Standards Board

52. External Reporting Board (XRB) is functioning from :

(A) Canada

(B) Japan

(C) Australia

(D) New Zealand

53. Financial Accounting Standards Board (FASB) is an independent, private sector and not-for-profit organization establishes financial accounting and reporting standards for .... in USA.

(A) Private Companies

(B) Public Companies

(C) Not-for-profit organisations

(D) All the above

54. As a part of accounting policy for valuation of intangible assets, Ind AS 28 permits :

(A) Cost model

(B) Revaluation model

(C) Consideration model

(D) Cost or revaluation model

55. If Market Value Added (MVA) is positive, it states that the market-to-book ratio is :

(A) Zero

(B) More than one

(C) Less than one

(D) Infinity

56. Listed companies having net worth of .... were required to prepare their financial statements by adopting Indian Accounting Standards (Ind ASs) for the accounting period ending on or after 1st April, 2017.

(A) Less than ₹ 500 crores

(B) ₹ 500 crores or more

(C) ₹ 1000 crores or more

(D) No limit

57. Joint arrangements coming under the scope of Ind AS 111 shall be in the form of :

(A) Joint operations

(B) Joint venture

(C) Joint operations or Joint ventures

(D) Joint operations and Joint ventures

58. Ind AS 1 allows classification of expenses based on :

(A) Nature

(B) Function

(C) Nature or Function

(D) Nature and Function

59. Which of the following is a disclosure requirement of AS 3 in a Cash Flow Statement ?

(A) Disclosure of the amount of cash and cash equivalents in specific situations

(B) Cash flows arising from changes in ownership interest in subsidiaries

(C) Investments in subsidiaries, associates and joint ventures

(D) Cash flows associated with extraordinary activities

60. Preparation of consolidated financial statements is a mandatory requirement under :

(A) Ind AS 27

(B) AS 21

(C) Both Ind AS 27 and AS 21

(D) Neither Ind AS 27 nor AS 21

PART—II

61. Which is responsible for cost incurrence ?
    (A) Cost unit
    (B) Cost center
    (C) Cost object
    (D) Cost driver

62. It is an exercise towards recovery of overhead :
    (A) Absorption of overhead
    (B) Allocation of overhead
    (C) Apportionment of overhead
    (D) Distribution of overhead

63. Following data are taken from the cost records of a manufacturing concern :

	₹
Material consumed	6000
Wages paid	9000
Selling overheads	1500

Works on cost was 50% of wages. If the sales and profit respectively ₹ 25,000 and ₹ 2,575, the rate of administrative overhead on works cost is :
    (A) 12%
    (B) 15%
    (C) 18%
    (D) 21%

64. When responsibility accounting took roots in performance appraisal, the concept which acquires significance is :
    (A) Cost centre
    (B) Profit centre
    (C) Production centre
    (D) Performance centre

65. Every company specified in item (A) of Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 shall get its cost records audited if the overall turnover of the company from all its products and services during the immediately preceding financial year is :
    (A) ₹ 50 crores
    (B) More than ₹ 50 crores
    (C) ₹ 50 crores or more
    (D) More than ₹ 100 crores

66. The Cost Auditor appointed by the category of companies specified in rule 3 of cost audit shall continue in such capacity as cost auditor :
    (A) Till the expiry of 180 days from the closure of the financial year
    (B) Till the submission of cost audit report for the financial year
    (C) Till the end of the financial year following the financial year for which the auditor has been appointed
    (D) Till the expiry of 180 days from the closure of the financial year or till he/she submits the cost audit report whichever is later

67. Form for filing Cost Audit Report with the Central Government is :
    (A) Form CRA-3
    (B) Form CRA-4
    (C) Form CRA-5
    (D) Form CRA-7

68. Costs which are common to many different activities, products and services and which can be prorated among services and products on an arbitrary basis only are classified as :

(A) Organizational level costs

(B) Facility level costs

(C) Batch level costs

(D) Product level costs

69. The budget period for which normally a budget is prepared depends upon :

(A) Costing technique to be employed

(B) Amount involved

(C) Market demand

(D) Size of the organization

70. The following are the data for a 60% activity to produce 600 units :

Particulars	₹ p.u.
Materials	100
Wages	50
Expenses	15

Factory overheads (40% Fixed)—₹ 40,000

Administrative overheads (40% variable)— ₹ 30,000

Total cost of overheads at 80% capacity :

(A) ₹ 70,000

(B) ₹ 74,000

(C) ₹ 82,000

(D) ₹ 88,000

71. AX Ltd. plans to sell 1,10,000 units of product X in the first quarter, 1,20,000 units in the second quarter, 1,30,000 units in the third quarter and ₹ 1,40,000 units in the last quarter. At the beginning of the first quarter, there are 15,000 units of product X in stock. If the company wants to have an inventory equal to one-fifth of the sales for the next quarter, the number of units to be produced in the second quarter will be :

(A) 1,20,000 units

(B) 1,22,000 units

(C) 1,34,000 units

(D) 1,18,000 units

72. Following is the summary of forecasted incomes and expenditures of AZ Ltd. for the months from January to March, 2024 :

Month	Sales (₹)	Purchase (₹)	Wages (₹)
December' 23	60,000	36,000	9,000
January' 24	62,000	38,000	8,000
February' 24	64,000	33,000	10,000
March' 24	58,000	39,000	8,500

Cash balance on 01.02.2024 will be ₹ 5,000

Advance tax payable in March'24 is ₹ 10,000

If credit allowed by suppliers is two months and allowed to customers is one month, and lag in payment of wages one month. The expected closing balance of cash at the end of February' 24 will be :

(A) ₹ 21,000

(B) ₹ 23,000

(C) ₹ 36,000

(D) ₹ 38,000

73. The difference between owner's equity at the beginning and at the end of an accounting period is the :

(A) Net worth

(B) Net profit/loss

(C) Net assets

(D) Equity share capital

74. When inventory is ₹ 1,00,000, prepaid expenses are ₹ 20,000, current liabilities are ₹ 80,000 and quick-ratio is 2.5. Current ratio will be ....

(A) 5.0

(B) 4.5

(C) 4.0

(D) 4.8

75. From the following information, find the average collection period :

Total sales – ₹ 4,00,000

Debtors – ₹ 40,000

Cash Sales – ₹ 80,000

No. of days in a year – 360

Creditors – ₹ 20,000

Sales returns – ₹ 20,000

Reserve for bad debts – ₹ 7,000

Bills receivable – ₹ 15,000.

(A) 48 days

(B) 50 days

(C) 52 days

(D) 66 days

76. Following information are given :

Sales = ₹ 15,00,000

Gross profit ratio = 20%

Stock Turnover ratio = 8

If closing stock is more than opening stock by ₹ 20,000, the value of closing stock is :

(A) ₹ 1,70,000

(B) ₹ 1,60,000

(C) ₹ 1,50,000

(D) ₹ 1,40,000

77. Higher level management mostly involved in decision making by selecting best alternatives from among the available. Hence, reporting to higher level management should be with :

(A) More types of reports

(B) More frequent reports

(C) More detailed report

(D) All the above

78. Which one of the following is not the general principles to be followed in management reporting ?

(A) Report should be elaborate

(B) Report uncontrollable factors also

(C) Even with marginal error

(D) Unchanged format

79. This form of reporting to management helps to present and compare a fairly long period data within a short space :

(A) Routine report

(B) Tabular report

(C) Graphic report

(D) Descriptive report

80. Absorption costing is required for :
    (A) External financial reporting
    (B) Internal financial reporting
    (C) Income tax reporting
    (D) External financial reporting and Income tax reporting

81. From the information given below, find out the selling price per unit if Break-Even Point is to be brought down to 10,000 units :
    Selling Price p.u. ₹ 120
    Variable cost p.u. ₹ 90
    Fixed expenses ₹ 3,30,000.
    (A) ₹ 150
    (B) ₹ 143
    (C) ₹ 123
    (D) ₹ 153

82. Product X can be produced either by plant A or Plant B. Plant A can produce 200 units of X per hour and Plant B can produce 300 units per hour. Contribution per unit from Plant A is ₹ 10 and Plant B is ₹ 8. If total machine hours available during the year is 4000, the plant to be used to earn a maximum profit is :
    (A) Plant A
    (B) Plant B
    (C) Plant A and B (50 : 50)
    (D) Plant A or B

83. Given :
    Sales – ₹ 1,60,000
    Marginal Cost – ₹ 1,20,000
    Break-even sales – ₹ 1,00,000
    Profit will be :
    (A) ₹ 40,000
    (B) ₹ 25,000
    (C) ₹ 20,000
    (D) ₹ 15,000

84. Following are given :
    Sales – 10,000 units
    Break-even sales – 5,000 units
    Selling Price – ₹ 12 p.u.
    Fixed cost – ₹ 15,000
    Find the variable cost per unit :
    (A) ₹ 4.50
    (B) ₹ 9.00
    (C) ₹ 10.00
    (D) ₹ 12.50

85. Ashok Ltd. is having 12% debentures for ₹ 20,00,000 in its capital structure. If the incomes of the company are subject to 30% tax, the cost of debt is :
    (A) 15.6%
    (B) 12%
    (C) 8.40%
    (D) 3.60%

86. Given :
    Earnings per share – ₹ 40
    Dividend payout ratio – 60%
    Required rate of return from equity – 30%
    Growth rate of dividend – 15%
    Intrinsic value of equity is :
    (A) ₹ 80
    (B) ₹ 92
    (C) ₹ 160
    (D) ₹ 184

87. The expected earnings per share of RR Ltd. for the current year are ₹ 8. The standard P/E ratio of the industry to which the company belongs to is 16 to 18 and the company is in the medium growth stage. The maximum price at which an investor should buy the shares of RR Ltd. is :

(A) ₹ 128

(B) ₹ 136

(C) ₹ 144

(D) ₹ 145

88. The Ind ASs are named and numbered in the same way as the corresponding :

(A) International Financial Reporting Standards (IFRS)

(B) Generally Accepted Accounting Principles (GAAP)

(C) National Advisory Committee in Accounting Standards (NACAS)

(D) Accounting Standards of Accounting Standard Board (ASB)

89. Valuation of shares based on rate of dividend is suitable for small shareholders because :

(A) They are interested in dividend

(B) Their investment is small

(C) They will hold shares for a short period

(D) They have no access to Stock Exchanges

90. Which method of valuation of shares is otherwise called as dual method of valuation ?

(A) Value based on price earnings ratio

(B) Value based on fair value

(C) Value based on yield

(D) Value based on net assets

91. In the earning value approach of valuation of business, past earnings of the business, after some adjustments, multiplied by a capitalization factor. This capitalization factor is calculated on the basis of the .... rate of return on investments.

(A) Minimum

(B) Maximum

(C) Standard

(D) Expected

92. The net profit earned by MM Ltd. during the last three years were respectively ₹ 1,70,000, ₹ 2,20,000 and ₹ 2,40,000. Capital employed is ₹ 15,00,000. If the fair return on the net capital employed is 10%, the value of goodwill on the basis of three years purchase of the average super profits of past three years is :

(A) ₹ 2,10,000

(B) ₹ 1,50,000

(C) ₹ 1,80,000

(D) ₹ 60,000

93. Ind AS 102 applies to :
    (A) Employees share based payments
    (B) Non-employees share based payments
    (C) Both Employees and Non-employees share based payments
    (D) Items covered by AS 10

94. Which method of transfer pricing should be followed when the supplier division is a monopoly producer or the user division is a monopoly consumer ?
    (A) Cost based transfer pricing
    (B) Market based transfer pricing
    (C) Opportunity cost transfer pricing
    (D) Negotiated transfer pricing

95. In case of restrictions due to limiting factors, to maximize profit, the management should decide based on :
    (A) Highest P/V ratio
    (B) Least Break-Even Point
    (C) Highest Margin of Safety
    (D) Highest Contribution per unit

96. Following data are available :
    Share Capital :
    50,000 equity shares of ₹ 10 each
    20,000, 10% preference shares of ₹ 10 each
    Market price per equity share is ₹ 58
    Profit after tax ₹ 3,10,000
    Rate of tax 30%
    Equity dividend paid 20%
    The Price Earnings ratio is :
    (A) 10 times
    (B) 9.35 times
    (C) 6.2 times
    (D) 8.4 times

97. As per Capital Asset Pricing Model (CAPM), which of the following factor causes systematic risk ?
    (A) Inflation
    (B) Tax policy
    (C) Gross Domestic Product (GDP)
    (D) All the above

98. The actual return provided by a security is 24% whereas expected return is 22.4%. Its risk free rate is 8% and return on a broad market index is 20%. The beta of the security, if it is correctly priced in the market under CAPM, is :
    (A) 1.0
    (B) 1.2
    (C) 1.5
    (D) 2.4

99. Arbitrage Pricing Theory is based on the assumption that :
    (A) Intention of all market participants is wealth maximisation
    (B) Market participants will bring back market equilibrium
    (C) There are transaction costs
    (D) Short-selling is not possible

100. GK Traders earned ₹ 3,60,000 during 2022. The normal rate of capitalization is 12%. The assets of the firm were ₹ 27,00,000 and liabilities were ₹ 6,00,000. The value of goodwill under capitalization method is :
    (A) ₹ 9,00,000
    (B) ₹ 10,00,000
    (C) ₹ 7,00,000
    (D) ₹ 12,00,000

Space for Rough Work