

**322**

QUESTION PAPER BOOKLET CODE :

**A**

Question. Paper Booklet No.

Roll No. :

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Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 100

Total number of printed pages : 20

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P.T.O.

**A**

## Space for Rough Work

Total number of printed pages : 20

Time allowed : 3 hours

Total number of questions : 100

## Instructions :

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Contd. ....

A

A

1. In cost accounting interest on internally generated funds is classified as .....  
 (A) Committed Cost  
 (B) Imputed Cost  
 (C) Policy and Managed Cost  
 (D) Discretionary Cost
2. Match the following Cost Accounting Standards with the titles :
 

CAS	Title
(a) CAS 2	(1) Material Cost
(b) CAS 6	(2) Direct Expenses
(c) CAS 10	(3) Pollution Control Cost
(d) CAS 14	(4) Capacity Determination

*Codes :*

	(a)	(b)	(c)	(d)
(A)	(2)	(3)	(1)	(4)
(B)	(1)	(3)	(4)	(2)
(C)	(4)	(2)	(3)	(1)
(D)	(4)	(1)	(2)	(3)
3. Practical difficulty in the installation of a costing system is :  
 (A) Lack of support from top management  
 (B) Shortage of trained staff  
 (C) Resistance from existing staff  
 (D) All of the above
4. Where the nature of the product is complex and the costs cannot be charged directly, the most suitable method of costing to compute cost is :  
 (A) Output costing  
 (B) Multiple costing  
 (C) Terminal costing  
 (D) Process costing
5. Management Accounting and Cost Accounting are ..... to each other.  
 (A) Complementary  
 (B) Supplementary  
 (C) Opposite  
 (D) Independent
6. Management Accounting works on the output of :  
 (A) Financial Accounting  
 (B) Cost Accounting  
 (C) Statistics  
 (D) All of the above
7. In Management Accounting, Analysis of accounting data are carried out with the help of :  
 (A) Tools and Techniques  
 (B) Statutory Forms  
 (C) Auditors  
 (D) Legal provisions
8. In most of the organizations material control is generally made as the specific responsibility of :  
 (A) Production Manager  
 (B) Purchase Manager  
 (C) Financial Manager  
 (D) Sales Manager
9. Which of the following differences in material stock adjusted by considering as part of material cost ?  
 (A) Apparent differences  
 (B) Differences due to abnormal causes  
 (C) Differences due to avoidable causes  
 (D) Differences due to unavoidable causes

10. This type of loss is connected with both inputs and output :
- (A) Waste
  - (B) Scrap
  - (C) Defectives
  - (D) All of the above
11. Decision regarding centralized purchase of materials has to be taken on the basis of :
- (A) Geographical Separation of plants
  - (B) Homogeneity of products
  - (C) Type of materials to purchased
  - (D) All of the above
12. The rate per kg. of materials P, Q, R and S are respectively ₹ 12, ₹ 15, ₹ 18 and ₹ 21. The input-Output Ratio of the materials are respectively 140%, 130%, 120% and 110%. If so, the most economical material for production is :
- (A) P
  - (B) Q
  - (C) R
  - (D) S
13. During the time of inflation, the method of pricing material issues which leads to a lower material costs for a job is :
- (A) FIFO
  - (B) LIFO
  - (C) HIFO
  - (D) Standard Pricing Method
14. ABC Ltd. manufactures a product and the following particulars are collected as below :
- |                               |     |
|-------------------------------|-----|
| Normal Usage (unit per week)  | 50  |
| Minimum Usage (unit per week) | 25  |
| Maximum Usage (unit per week) | 75  |
| Re-order period (weeks)       | 4—6 |
- You are required to calculate re-order level :
- (A) 100 units
  - (B) 200 units
  - (C) 150 units
  - (D) 450 units
15. If the annual carrying cost of material Z is ₹ 4 per unit and its total carrying cost is ₹ 12,000 p.a., the economic order quantity of the material is :
- (A) 3,000 units
  - (B) 4,000 units
  - (C) 5,000 units
  - (D) 6,000 units
16. The most suitable inventory control technique for spare parts is :
- (A) ABC analysis
  - (B) VED analysis
  - (C) JIT analysis
  - (D) Control ratios

17. Under LIFO method, the purchases and issues are as follows :

March 1 Purchased 300 units @ ₹ 3 each

March 5 Purchased 600 units @ ₹ 4 each

March 6 Issued 500 units

March 12 Purchased 700 units @ ₹ 5 each

March 16 Issued 800 units

The value of closing stock shall be :

(A) ₹ 900

(B) ₹ 1,200

(C) ₹ 1,500

(D) ₹ 2,100

18. Wages and salaries paid to ..... are indirect labour costs.

(A) Foremen

(B) Clerks

(C) Supervisors

(D) All of the above

19. Match the following :

#### List I

(a) Time-booking

(b) Overtime

(c) Idle time

(d) Labour turnover

#### List II

(1) Power cut

(2) Lack of training

(3) Working due to seasonal rush

(4) Apportionment of overhead

Codes :

(a) (b) (c) (d)

(A) (3) (1) (4) (2)

(B) (4) (3) (1) (2)

(C) (3) (4) (1) (2)

(D) (3) (2) (4) (1)

20. .... should be a principle for an ideal wage payment system.

(A) Fair and equitable remuneration

(B) Effective control on labour cost

(C) Equal pay for equal work

(D) Attract qualified and efficient workers

21. Which of the following incentive methods of wage payment shall be used for indirect workers ?

(A) Gantt's Task and Bonus Plan

(B) Rowan Plan

(C) Bedaux Plan

(D) None of the above

22. Piece rate system of wage payment is more suitable in which of the following circumstances ?

(A) There is an uninterrupted flow of work

(B) Where the work can be closely supervised

(C) As there is no hurry to finish the work

(D) Where the output of a worker is not in his control

23. When the time saved by a worker while doing a work is less than 50% of the standard time fixed for the work then from worker's earnings point of view :

(A) Rowan Plan is better

(B) Halsey Plan is better

(C) Both are equal

(D) Both are independent, not have any such relationship

24. In ..... group bonus plan, in addition to eligible wages, half of the savings in labour cost is paid to workers and supervisors as bonus.
- (A) Priestman  
(B) Rucker  
(C) Scanlon  
(D) Towne
25. **Assertion (A) :** Excessive labour turnover is not advantageous to organizations.  
**Reason (R) :** Labour turnover allows injection of fresh blood into the organizations.  
**Codes :**
- (A) (A) is true, but (R) is false  
(B) (A) is false, but (R) is true  
(C) Both (A) and (R) are true and (R) is the correct explanation of (A)  
(D) Both (A) and (R) are true but (R) is not the correct explanation of (A)
26. Under Hasley-Wier plan, the time allowed for a job is 49 hours and time taken by a worker is 40 hours. The rate of wages per hour is ₹ 30. The earnings of the worker is :
- (A) ₹ 1,200  
(B) ₹ 1,470  
(C) ₹ 1,335  
(D) ₹ 1,290
27. For a period of 10 hours, standard output fixed as 260 units and actual output achieved by a worker is 299 units. If so, the rate of bonus under Emerson Efficiency plan is :
- (A) 15%  
(B) 20%  
(C) 22%  
(D) 35%
28. During the third week of March, Mr. R. produced 420 units. The standard time allowed to produce one unit is 10 minutes. If he received wages for a guaranteed 48 hours per week at the rate of ₹ 5 per hour and bonus according to Hasley Plan, the total earning was :
- (A) ₹ 295  
(B) ₹ 350  
(C) ₹ 240  
(D) ₹ 276.67
29. To produce 1,000 units of a product JK Ltd., spend ₹ 50,000 on direct material and ₹ 40,000 on direct labour. Factory overhead was charged at the rate of 10% on prime cost amounted to ₹ 12,000. The amount of direct expenses was :
- (A) ₹ 9,000  
(B) ₹ 24,000  
(C) ₹ 30,000  
(D) ₹ 36,000
30. The criteria used for secondary distribution of overheads which is considered as inequitable is :
- (A) Use method  
(B) Incentive method  
(C) Ability to pay method  
(D) Survey method
31. Overhead expenses of stores keeping department often apportioned on the basis of :
- (A) Number of material requisitions  
(B) Quantity of materials supplied  
(C) Value of materials supplied  
(D) Any of the above

32. The amount of under/over absorbed overhead at the end of the year is carried forward to next year for adjustment when :
- (A) The normal business cycle is more than one year
  - (B) The project is an old one
  - (C) The output is high in the initial years
  - (D) The overhead control system is lacking in the current year
33. In a manufacturing concern there are three production departments namely A, B and C. Their direct wages for a period are respectively ₹ 75,000, ₹ 20,000 and ₹ 30,000. During the same period the overheads of the departments are ₹ 60,000, ₹ 30,000 and ₹ 15,000 respectively. For this concern, the Blanket Overhead Rate shall be :
- (A) 80%
  - (B) 84%
  - (C) 150%
  - (D) 200%
34. The most logical basis for absorption of selling and distribution overheads is :
- (A) Sales value
  - (B) Cost of goods sold
  - (C) Number of orders
  - (D) Gross profit on sales
35. In traditional absorption costing, costs are first traced to :
- (A) Activities
  - (B) Organizational Unit
  - (C) Products
  - (D) Cost Centres
36. The main reason for the usage of Activity Based Costing, by replacing the traditional costing system is that :
- (A) The overhead recovery rates used in traditional costing system are inappropriate for decision-making
  - (B) The companies deal with more number of products at present
  - (C) No scope for cause and effect relationship in traditional costing
  - (D) The new manufacturing technology needs information for feedback of performance even the product is in progress
37. In Activity Based Costing, inspection of products is a ..... level activity.
- (A) Unit
  - (B) Batch
  - (C) Product
  - (D) Facility



38. **Assertion (A) :** Implementing an ABC system requires substantial resources which are costly to maintain.

**Reason (R) :** Activity Based Costing is a two-stage product costing.

Select the *correct* answer from the options given below :

- (A) Both (A) and (R) are true and (R) is the correct explanation of (A)  
 (B) Both (A) and (R) are true but (R) is not the correct explanation of (A)  
 (C) (A) is true but (R) is false  
 (D) (A) is false but (R) is true
39. Match the following :

**List I**

- (a) Unit level activity  
 (b) Batch level activity  
 (c) Product level activity  
 (d) Facility level activity

**List II**

- (1) Material ordering  
 (2) Plant security  
 (3) Use of indirect materials  
 (4) Parts management

*Codes :*

	(a)	(b)	(c)	(d)
(A)	(3)	(1)	(4)	(2)
(B)	(3)	(2)	(4)	(1)
(C)	(1)	(3)	(2)	(4)
(D)	(2)	(4)	(1)	(3)

40. Fast Ltd., manufactures three types of products A, B and C following ABC system. During a period the company incurred ₹ 73,000 as inspection cost and its was worked for 10, 20 and 9 production runs respectively for producing products A, B and C. The inspection hours required per production run was 3, 4 and 4 respectively. The total inspection costs for product B under ABC system was :

- (A) ₹ 15,000  
 (B) ₹ 40,000  
 (C) ₹ 18,000  
 (D) ₹ 24,000

41. .... Accounts have direct relevance in ascertaining the cost of products.

- (A) Real  
 (B) Nominal  
 (C) Personal  
 (D) Real and Nominal

42. The items of accounts excluded from non-integrated accounting system and represented by cost ledger control account are :

- (A) Purchases  
 (B) Expenses  
 (C) Balance-sheet items  
 (D) All of the above



43. Non-Integrated Account System followed in an organization enables it to achieve :
- (A) High level of efficiency  
(B) Greater control over the organization  
(C) No delay in getting data  
(D) All of the above
44. When finished goods are sold at total sales value, the account to be debited is :
- (A) General Ledger Adjustment Account  
(B) Cost of Sales Account  
(C) Stores Ledger Control Account  
(D) Finished Goods Stock Ledger Control Account
45. If the loss as per cost books are to be ₹ 16,000 and closing stock is overvalued in cost books by ₹ 4,000 and opening stock is undervalued in cost books by ₹ 7,000, the loss as per financial accounts is :
- (A) ₹ 12,000  
(B) ₹ 5,000  
(C) ₹ 27,000  
(D) ₹ 9,000
46. Which of the following items is added to profit as per cost accounts to arrive at financial profit ?
- (A) Under absorbed overheads  
(B) Over absorbed overhead  
(C) Over valuation of closing stock  
(D) Goodwill written off
47. In a firm the cost and financial transactions are integrated. Under this situation the firm paid wages amounted to ₹ 1,20,000 in which 25% is indirect in nature. Then the journal to be passed to account the indirect wages is :
- (A) Wages Control A/c Dr 30,000  
To Bank A/c 30,000  
(B) Factory overheads Control A/c Dr. 30,000  
To Wages Control A/c 30,000  
(C) Factory overhead Control A/c Dr. 30,000  
To Bank A/c 30,000  
(D) No need of separate entry
48. The work-in-progress Control Account of JK Ltd., shows a total of ₹ 9,30,000. The Stores Ledger Control Account ₹ 1,44,000 and the closing balance of ₹ 72,000 are in the credit side. Then the balance ₹ 7,14,000 being the balancing figure transferred to :
- (A) Stores Ledger Control Account  
(B) Cost Ledger Control Account  
(C) Costing Profit and Loss Account  
(D) Finished Goods Account

49. Materials consumed ₹ 6,000

Wages paid ₹ 9,000

Works on cost 50% on wages

Office on cost 20% on works cost

Selling on cost 10% on works cost

Profit 20% on cost

If so, the selling price is :

(A) ₹ 30,420

(B) ₹ 30,300

(C) ₹ 32,640

(D) ₹ 31,220

50. Which of the following is *not* a features of job costing ?

(i) Outputs are identical.

(ii) Production is undertaken against customer's order.

(iii) Each job is a cost unit.

(iv) Production is continuous.

Codes :

(A) (i) only

(B) (i) and (iv) only

(C) (ii) and (iv) only

(D) (ii) and (iii) only

51. The following are the data relating to Job No. 767 :

Raw materials ₹ 3,400

Direct wages for 80 hours @ ₹ 3

Variable overhead incurred for all jobs ₹ 6,000 for 4,000 hours.

If 20% profit on selling price is expected, the selling price is :

(A) ₹ 4,512

(B) ₹ 3,760

(C) ₹ 4,700

(D) ₹ 4,320

52. In batch costing, at the level of production of economical lot size :

(A) Carrying cost is minimum

(B) Setup cost is minimum

(C) Total cost of product is minimum

(D) Computation of cost of production is easy

53. In Batch Costing, with increase in batch size :

(A) There is an increase in carrying cost and set-up cost per unit

(B) There is a decrease in carrying cost and set-up cost per unit

(C) There is an increase in carrying cost and set-up cost per unit is reduced

(D) There is a decrease in carrying cost but the set-up cost per unit is increased

54. The annual demand for a component is ₹ 2,000 units. The set-up cost per batch and the carrying cost per unit per annum are respectively ₹ 100 and ₹ 10. The Economic Batch Quantity is :
- (A) 200 units  
(B) 300 units  
(C) 400 units  
(D) 166.67 units
55. A contract is completed to the extent of two-thirds. The contract account shows a loss of ₹ 15,000 at the end of the accounting period. If so, the amount to be transferred to profit and loss account is :
- (A) ₹ 15,000  
(B) ₹ 10,000  
(C) 2/3rd of ₹ 15,000 as reduced by the percentage of cash received  
(D) ₹ 15,000 + anticipated future loss
56. In contract agreements, escalation clause is incorporate to safeguard the contractor against any :
- (A) Increase in material price  
(B) Increase in labour rate  
(C) Increase in quantity of material and labour utilized for contract  
(D) All of the above
57. The following details are relating to a contract :
- Contract Price ₹ 15,00,000  
Notional Profit ₹ 1,98,000  
Cash received ₹ 6,00,000  
Work certified ₹ 7,50,000  
Work uncertified ₹ 1,50,000  
Amount of profit to be transferred to profit and loss account :
- (A) ₹ 1,98,000  
(B) ₹ 1,05,600  
(C) ₹ 1,32,000  
(D) ₹ 1,58,400
58. The following are the information taken from the cost records of a contract which was 90% completed :
- |   | ₹         |
|---|-----------|
| Total expenditure to date                             | 20,50,000 |
| Contract Price  | 32,00,000 |
| Work certified  | 27,00,000 |
| Work uncertified                                      | 1,80,000  |
| Cash received   | 22,50,000 |
| Estimated future expenditure to complete the contract | 1,50,000  |
- The estimated profit is :
- (A) ₹ 2,00,000  
(B) ₹ 10,00,000  
(C) ₹ 11,50,000  
(D) ₹ 50,000

59. When the total cost of a process is ₹ 1,61,000, sales value of scrap is ₹ 8,000, normal loss is 150 units, actual input is 1,000 units and actual output is 830 units, the value of abnormal loss is :
- (A) ₹ 3,686.75  
(B) ₹ 3,879.52  
(C) ₹ 3,788.24  
(D) ₹ 3,600
60. In a company adopting process costing the output of a process is transferred to next process by adding 25% profit on transfer price. In a particular period the total cost and profit of the process amounted to ₹ 70,500 and ₹ 9,500 respectively. The total value of closing stock was ₹ 6,000. Then the value of unrealized profit in closing stock of the process is :
- (A) ₹ 712  
(B) ₹ 768  
(C) ₹ 816  
(D) None of the above
61. The output quantities of ..... remain in liner relationship among them.
- (A) By-products  
(B) Joint products  
(C) Co-products  
(D) All of the above
62. A manufacturing concern produced two joint products A and B whose sales values were ₹ 1,52,000 and ₹ 1,68,000 respectively and selling expenses were ₹ 20,000 and ₹ 80,000 respectively. The joint cost was ₹ 1,67,600. If the joint cost was apportioned on cost of sales basis, it is :
- (A) ₹ 33,520 and ₹ 1,34,080  
(B) ₹ 79,610 and ₹ 87,990  
(C) ₹ 1,00,0560 and ₹ 67,040  
(D) ₹ 83,800 and ₹ 83,800
63. In the reverse cost method, manufacturing cost applicable to the by-product ending inventories should be reported in the :
- (A) Income statement  
(B) Balance sheet  
(C) Both (A) and (B)  
(D) None of the above

64. Match the following :

**List I**

- (a) Retention Money
- (b) Process Costing
- (c) Service Costing
- (d) Joint Products

**List II**

- (1) Standing Charges
- (2) Contract Costing
- (3) Survey Method
- (4) Abnormal Gain

Codes :

- |     | (a) | (b) | (c) | (d) |
|-----|-----|-----|-----|-----|
| (A) | (1) | (4) | (2) | (3) |
| (B) | (2) | (4) | (1) | (3) |
| (C) | (3) | (2) | (1) | (4) |
| (D) | (2) | (3) | (1) | (4) |

65. Marginal Costing in America is called as :

- (A) Differential costing
- (B) Out-of-pocket costing
- (C) Direct costing
- (D) Variable costing

66. **Statement—I :**

Break-even analysis has gradually become a popular service tool for modern financial management.

**Statement—II :**

No concrete limitations have been raised anywhere against the utility of break-even analysis.

Select the *correct* answer from the option given below :

- (A) Both statements are correct
- (B) Both statements are wrong
- (C) Statement I is correct but statement II is not correct
- (D) Statement I is not correct but statement II is not correct

67. When fixed costs are ₹ 90,000, ratio of variable cost to sales is 75% and the break-even point occurs at 60% of the capacity sales, the capacity sales is :

- (A) ₹ 4,50,000
- (B) ₹ 5,60,000
- (C) ₹ 6,00,000
- (D) ₹ 7,50,000

68. The P/V ratio of a company is 40%. If the company reduces its selling price by 20%, the required percentage of increase in sales value to maintain the same profit is :

- (A) 20%
- (B) 40%
- (C) 60%
- (D) 75%

69. Mr. R's sales and profit in 2015 were respectively ₹ 1,20,000 and ₹ 8,000. His sales and profit in 2016 were ₹ 1,40,000 and ₹ 13,000 respectively. In this case his margin of safety in 2016 was :

- (A) ₹ 32,000
- (B) ₹ 52,000
- (C) ₹ 88,000
- (D) ₹ 1,36,000

70. Z Ltd., has a margin of safety of 4,000 units and break-even sales at 1,000 units. If its margin of safety sales is ₹ 2,00,000, total sales shall be :

- (A) ₹ 8,00,000
- (B) ₹ 6,00,000
- (C) ₹ 4,00,000
- (D) ₹ 2,50,000

71. R.V. Ltd., made a sale for ₹ 4,50,000 in the first half and for ₹ 5,00,000 in the second half of 2016. In this year the total cost for the first and the second half of the year were respectively ₹ 4,00,000 and ₹ 4,30,000. If there is no change in selling price and variable cost and that the fixed expenses are incurred equally, the break-even sales for the whole year is :

- (A) ₹ 6,50,000
- (B) ₹ 6,00,000
- (C) ₹ 5,00,000
- (D) ₹ 4,50,000

72. The following are the particulars relating to products P and Q :

	P	Q
Selling Price p.u. (₹)	100	120
Marginal cost p.u. (₹)	60	60
Material required p.u. (Kgs.)	5	5
Labour hours p.u. (Hrs.)	4	8

Which product is more profitable when :

- (a) Material is the key factor.
- (b) Labour hour is the key factor.
- (c) Sales potential in units is the key factors.
- (d) Sales potential in rupees is the key factors.

Codes :

	(a)	(b)	(c)	(d)
(A)	(Q)	(Q)	(P)	(Q)
(B)	(Q)	(P)	(Q)	(Q)
(C)	(Q)	(Q)	(P)	(P)
(D)	(P)	(Q)	(P)	(Q)

73. Standard Costing is basically a ..... technique.
- (A) Cost computation  
(B) Cost control  
(C) Cost reduction  
(D) Performance evaluation
74. Material Yield Variance is a sub-variance of :
- (A) Material Cost Variance  
(B) Material Usage Variance  
(C) Material Price Variance  
(D) Material Volume Variance
75. In a manufacturing firm normal capacity is 5,000 hours. Its budgeted fixed overhead rate is ₹ 10 per standard hour. The actual level of activity is 4,400 standard hours and the actual fixed overhead is ₹ 52,000. The firm's fixed overhead volume variance is :
- (A) ₹ 6,000 A  
(B) ₹ 6,000 F  
(C) ₹ 2,000 A  
(D) ₹ 8,000 A
76. In an analysis of labour cost variance it was ascertained that the labour rate variance was ₹ 750 A, actual time was 1,500 hours and standard rate per hour is ₹ 1.50. The actual rate per hour was :
- (A) ₹ 1.00  
(B) ₹ 2.00  
(C) ₹ 2.5.  
(D) None of the above
77. The selection of a method for disposition of variances depends on :
- (A) Type of variances  
(B) Size of variances  
(C) Causes for variances  
(D) All of the above
78. A short-term budget, broken down into a quarterly or monthly period and reviewed and modified in the light of changing conditions is :
- (A) Current Budget  
(B) Flexible Budget  
(C) Rolling Budget  
(D) Zero Base Budget



79. While preparing a flexible budget indirect wages was considered as a semi-variable expense. At 50% level of production it was estimated as ₹ 1,50,000. If it has a tendency to increase by 10% between 60% and 75% capacity and further will increase by another 5% when production crosses 75%, the amount of indirect wages at 90% level of production is :
- (A) ₹ 1,65,000  
(B) ₹ 1,72,500  
(C) ₹ 1,73,250  
(D) None of the above
80. At 60% level of production the amount of factory overhead is ₹ 40,000 (40% fixed). At 100% level of production it amounts to :
- (A) ₹ 16,000  
(B) ₹ 24,000  
(C) ₹ 40,000  
(D) ₹ 56,000
81. The units to be sold for different months are as follows :
- | Jan.  | Feb.  | Mar.  | Apr.  | May   | Jun.  |
|-------|-------|-------|-------|-------|-------|
| 1,200 | 1,300 | 1,600 | 2,000 | 2,400 | 3,000 |
- There will be no work-in-progress at the end of any month. Finished units equal to half the sales for the next month will be in stock at the end of each month. The required production for April will be :
- (A) 2,800 units  
(B) 2,200 units  
(C) 2,400 units  
(D) 3,200 units
82. In ..... budgeting there was a shift from financial classification to objective classification in respect of functions, activities etc.
- (A) Programme  
(B) Performance  
(C) Zero base  
(D) None of the above
83. The Central Government by an order can direct a company to include in its books of accounts, particulars relating to utilization of :
- (A) Materials  
(B) Labour  
(C) Other items used for production of goods or for providing services  
(D) All of the above
84. The audit of cost accounting records, according to section 148 (2) of the Companies Act, 2013, shall be conducted by a practicing :
- (A) Chartered Accountant  
(B) Cost Accountant  
(C) Company Secretary  
(D) Any of them

85. A PSU company shall within 30 days from the date of receipt of the report of the cost auditor furnish explanation on every reservation or qualification contained therein to :
- (A) The Registrar
  - (B) Central Government
  - (C) The Shareholders
  - (D) The Parliament
86. The social purpose of cost audit is :
- (A) Detection of errors and frauds
  - (B) Facilitating the fixation of prices of goods and services
  - (C) Promoting corporate governance
  - (D) Inculcation of cost consciousness
87. Every PSU company, within a period of 30 days from the date of receipt of cost audit report, furnish to the central government with such reprot full explanation on every reservation or qualification contained in the report in :
- (A) Form CRA 3
  - (B) Form CRA 4
  - (C) Form CRA 5
  - (D) Form CRA 6
88. Section 148 of the Companies Act, 2013 gives :
- (A) No powers to the cost auditor as the financial auditor has U/S 143 of Companies Act, 2013
  - (B) Same powers to the cost auditor as the financial auditor has U/S 143 of Companies Act, 2013
  - (C) More powers to the cost auditor than the financial auditor has U/S 143 of Companies Act, 2013
  - (D) Lesser powers to the cost auditor than the financial auditor has U/S 143 of Companies Act, 2013
89. Profitability and productivity measurement technique used by cost auditor while doing cost audit is categorized under :
- (A) Economic Techniques
  - (B) Statsitcal Techniques
  - (C) Personnel Techniques
  - (D) General Techniques

90. Non-compliance of which attribute of financial statements makes a company, besides invoking penalties, impairs the confidence of the public investors :

- (A) Authenticity
- (B) Compliance with Law
- (C) Freedom from Bias
- (D) All of the above

91. .... is a primary ratio.

- (A) Current Ratio
- (B) Gross Profit Ratio
- (C) Return on Investment Ratio
- (D) Debt-Equity Ratio

92. If Current Ratio is 2.5, Acid Test Ratio is 1.5 and Current Liabilities are ₹ 50,000, the value of inventory is :

- (A) ₹ 50,000
- (B) ₹ 75,000
- (C) ₹ 1,25,000
- (D) ₹ 1,50,000

93. RK Ltd., supplies the following information for the year ended on 31st March, 2017.

Credit sales ₹ 1,50,000; Cash sales ₹ 2,50,000; Return inward ₹ 25,000; Opening Stock ₹ 20,000; Closing Stock ₹ 30,000 and the Gross Profit Ratio is 20%. The Inventory Turnover Ratio of RK Ltd. is :

- (A) 8 times
- (B) 10 times
- (C) 12 times
- (D) 15 times

94. The balances of some of the assets and liabilities as on 31-3-2017 are :

Cash ₹ 10,000; plant ₹ 2,00,000; Bills Receivable ₹ 5,000; Goodwill ₹ 90,000; Debtors ₹ 25,000; Stock ₹ 20,000; Creditors ₹ 20,000; Bills Payable ₹ 10,000 and Cost of Sales ₹ 1,80,000.

In this case, the working Capital Turnover Ratio is :

- (A) 4 times
- (B) 5 times
- (C) 6 times
- (D) 10 times

95. If the number of equity shares 3,000; Net profit ₹ 22,000; Dividend per equity share Re. 0.30; Provision for taxation ₹ 12,000 and preference dividend paid ₹ 4,000, the Pay-out ratio is :
- (A) 15%  
(B) 10%  
(C) 5%  
(D) 18%
96. In case of financial enterprises, cash flows arising from ..... are classified as cash flows from operating activities.
- (A) Interest Paid  
(B) Interest Received  
(C) Dividend Received  
(D) All of the above
97. Some of the account balances of KK Ltd. are as follows in its balance sheet :
- |               | 2016<br>(₹) | 2017<br>(₹) |
|---------------|-------------|-------------|
| Share Capital | 2,50,000    | 4,50,000    |
| 10% Debenture | 2,00,000    | 1,50,000    |
| Share Premium | 25,000      | 50,000      |
- If the interest paid on debentures was ₹ 20,000, the net cash flows from financing activities were :
- (A) ₹ 1,75,000  
(B) ₹ 1,55,000  
(C) ₹ 2,05,000  
(D) ₹ 2,25,000
98. Both cash flow statement and fund flow statement are :
- (A) Prepared on cash basis  
(B) Prepared on the basis of working capital  
(C) Useful for long-term analysis  
(D) None of the above
99. In fund flow statement, flow of fund will occur when a transaction is happened between :
- (A) Current Assets and Current Liabilities  
(B) Non-current Assets and Non-current Liabilities  
(C) Current Assets and Non-current Assets  
(D) All of the above
100. While analyzing the opening and closing balance sheet of a company the following are observed :
- Total increase in current assets ₹ 20,000  
Total increase in current liabilities ₹ 80,000  
Total decrease in current assets ₹ 1,30,000  
Total decrease in current liabilities ₹ 30,000  
The net change in working capital is :
- (A) No change in working capital  
(B) Net increase in working capital ₹ 1,60,000  
(C) Net decrease in working capital ₹ 60,000  
(D) None of the above

## Space for Rough Work