

# 425

QUESTION PAPER BOOKLET CODE :

# A

Question Paper Booklet No.

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Roll No. :

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Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 100

Total number of printed pages : 24

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## PART—I

1. Mines as asset is an example of :
  - (A) Current Asset
  - (B) Vesting Asset
  - (C) Fictitious Asset
  - (D) Intangible Asset
2. At the time of preparation of Balance Sheet, Capital Work-in-progress is shown in the head of :
  - (A) Share Capital
  - (B) Non-current Liabilities
  - (C) Current Assets
  - (D) Non-current Assets.
3. As per ICAI Guidance Note, at the end of the year, balance of Share Options Outstanding Account should be shown under the :
  - (A) Current Liabilities
  - (B) Reserve and Surplus
  - (C) Current Assets
  - (D) Non-current Liabilities
4. Shiva Ltd. forfeited 4,500 equity shares of ₹ 10 each (which are issued on 40% pro-rata (basis) for non-payment of allotment @ ₹ 6 (including premium of ₹ 2.50) and first and final call ₹ 3 per share. If the excess money received on application is used for receiving the amount due as securities premium, what amount should be credited to 'Shares Forfeited Account' ?
  - (A) ₹ 15,750
  - (B) ₹ 28,125
  - (C) ₹ 39,375
  - (D) ₹ 13,500
5. P Ltd. forfeited 5,000 equity shares of ₹ 10 each for non-payment of first and final call of ₹ 2.50 per share which were issued at a premium of ₹ 3 per share receivable at allotment. Out of these, 3,200 shares are re-issued at ₹ 8 per share as fully paid up. The amount transferred to Capital Reserve will be :
  - (A) ₹ 37,500
  - (B) ₹ 31,100
  - (C) ₹ 24,000
  - (D) ₹ 17,600

: 3 :

6. C Ltd. invited applications for the issue of 20 Lakh equity shares of ₹ 10 each payable ₹ 3 on application and ₹ 7 on allotment. Applications were received for 35 Lakh equity shares. Applications for 7 Lakh shares were rejected and pro-rata allotment was made to remaining applicants. Excess application money was adjusted on the sums due on allotment. Ravi could not pay allotment money on his 2500 allotted shares. The amount received on allotment will be :
- (A) ₹ 1,39,92,500  
 (B) ₹ 1,15,92,500  
 (C) ₹ 1,04,86,880  
 (D) ₹ 1,15,85,500
7. Rule 17 of the Companies (Share Capital and Debenture) Rule, 2014, is related to :
- (A) Issue of right shares  
 (B) Buy-back of shares or other securities  
 (C) Issue of sweat equity shares  
 (D) Employee stock option plan
8. In case of buy-back of shares, passing of the special resolution is not required if :
- (A) the buy-back is 10% or less of the total paid-up equity capital of the company  
 (B) the buy-back is 25% or less of the total paid-up equity capital of the company  
 (C) the buy-back is 10% or less of the total paid-up equity capital and free reserves of the company  
 (D) the buy-back is 25% or less of the total paid-up equity capital and free reserves of the company
9. For the companies whose financial statements comply with the accounting standards as prescribed in Section 133 of the Companies Act, 2013, the premium payable on redemption of preference shares shall be provided out of :
- (A) the profits of the company only  
 (B) the securities premium only  
 (C) any of either profits of the company or securities premium  
 (D) none of the above

10. The Capital Redemption Reserve Account may be used by the company :
- (A) In the issue of fully paid-up bonus shares
  - (B) In conversion of partly paid-up shares into fully paid-up
  - (C) In writing off the preliminary expenses of the company
  - (D) In distribution of dividend among shareholders
11. A company offered 2,50,000 equity shares to public for subscription. 70% of public issue was underwritten by G. Her firm underwritten was for 40,000 shares. Public subscribed for 1,30,000 shares. What is the net liabilities of G if as per underwriting agreement no credit is given to underwriter G for her firm underwritten shares ?
- (A) 4,000 Shares
  - (B) 85,000 Shares
  - (C) 96,000 Shares
  - (D) 56,000 Shares
12. The entry—“Debtures Suspense A/c Dr., To Debtures A/c” can be passed/ done :
- (A) On the issue of debtures for the consideration other than cash.
  - (B) On the issue of debtures as collateral security.
  - (C) For rectification of the error relating to balance of debtures account.
  - (D) On the issue of debtures at discount but redeemable at premium.
13. C Limited issued 8% Debtures of ₹ 65,00,000 at 5% discount which are redeemable at a premium of 10%. On recording the transaction “Loss on Issue of Debtures Account” will be :
- (A) Debited by ₹ 3,25,000
  - (B) Debited by ₹ 6,50,000
  - (C) Debited by ₹ 9,75,000
  - (D) Credited by ₹ 3,25,000

14. M Ltd. issued 8% Debentures of ₹ 60 Lakh on 1st January, 2019 at a discount of 10%. The debentures are redeemable in three equal instalments of ₹ 20 Lakh each payable on 31st December every year. The amount of discount to be written at the end of the year on 31st March, 2021, will be :
- (A) ₹ 2,00,000  
 (B) ₹ 1,00,000  
 (C) ₹ 1,50,000  
 (D) ₹ 1,75,000
15. S Ltd. had issued 80,000, 8% Debentures of ₹ 100 each redeemable on 31st December, 2019 at a premium of 20%. The company offered three options to debentureholders, out of which one is to convert their holdings into equity shares of ₹ 10 each at a premium of ₹ 3.50 per share. This offer was accepted by the holders of 49,275 debentures. For this, number of equity shares issued will be :
- (A) 4,38,000  
 (B) 5,91,300  
 (C) 3,65,000  
 (D) 7,98,255
16. G Ltd. has 8,00,000, 12% Debentures of ₹ 100 each. During the year 2018-2019 the company purchased its own debentures from the open market for immediate cancellation are as follows :
- (i) Aug. 1, 2018 : 15000 Debentures @ ₹ 95.50 (ex-interest)  
 (ii) Jan. 1, 2019 : 25000 Debentures @ ₹ 101.50 (cum-interest)
- If debenture interest is payable on 30th September and 31st March every year, then the amount of profit or loss on cancellation of debentures will be :
- (A) ₹ 30,000 (Profit)  
 (B) ₹ 70,000 (Profit)  
 (C) ₹ 67,500 (Profit)  
 (D) ₹ 1,05,000 (Profit)
17. The profit on cancellation of debentures should be transferred to :
- (A) Securities Premium A/c  
 (B) Statement of profit and Loss  
 (C) General Reserve A/c  
 (D) Capital Reserve A/c

18. Every buy-back shall be completed within a period of ..... from the date of the resolution or special resolution, as the case may be, passed by the Board.
- (A) One month  
(B) Three months  
(C) Six months  
(D) One year
19. Written down value of a machine as on 31st March 2019 is ₹ 6,65,558. Rate of depreciation on the basis of written down value method is 15%. What will be the cost of this machine purchased on 1<sup>st</sup> April, 2014 ?
- (A) ₹ 15,00,000  
(B) ₹ 12,00,000  
(C) ₹ 10,00,000  
(D) ₹ 8,00,000
20. In G Ltd., there is one whole-time director and three part-time directors. The maximum rate of remuneration payable to all directors will be :
- (A) 11%  
(B) 8%  
(C) 6%  
(D) 10%
21. When the effective capital of a company is ₹ 100 crore and above but less than ₹ 250 crore, the maximum remuneration payable as per Part-II of Schedule V of the Companies Act, 2013, by the company to its managerial personnel when the company has no profits or inadequate profits, will be :
- (A) ₹ 42 Lakh  
(B) ₹ 84 Lakh  
(C) ₹ 120 Lakh  
(D) ₹ 120 Lakh plus 0.01% of the effective capital in excess of ₹ 150 Lakh
22. Every company having turnover of ₹ ..... during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee.
- (A) 500 crore and more  
(B) 1,000 crore and more  
(C) 250 crore and more  
(D) 100 crore and more

23. Which of the following is not a type of segment as per AS-17 ?
- (A) Geographical segment  
(B) Business segment  
(C) Industrial segment  
(D) Reportable segment
24. Equity holder of a company who does not have the voting control of the company, by virtue of his or her below fifty percent ownership of the company's equity capital, termed as :
- (A) Small shareholder  
(B) Minority shareholder  
(C) (A) or (B) Both  
(D) None of these options
25. H Ltd. is a holding company of S Ltd. During the year 2018-19, Bills Receivable amounted to ₹ 4,00,000, out of total bills receivable of ₹ 5,00,000 received from S Ltd., were discounted by H Ltd. and S Ltd. had endorsed to its creditors all the bills received from H Ltd. amounting to ₹ 3,00,000. At the end of the year the amount of mutual debtors will be :
- (A) ₹ 8,00,000  
(B) ₹ 3,00,000  
(C) ₹ 2,00,000  
(D) ₹ 1,00,000
26. On 1st April, 2019, H Ltd. purchased 16,00,000 equity shares out of 20,00,000 equity shares of S Ltd. Following information is provided as on 31st March, 2019, by S Ltd. :

	₹
Equity Share Capital	2,00,00,000
General Reserve	45,00,000
Statement of Profit & Loss	32,00,000

On 1st April, 2019, a machine of S Ltd. revalued by H Ltd. 25% above its book value of ₹ 12,50,000. The amount of minority interest will be :

- (A) ₹ 40 Lakh  
(B) ₹ 55 Lakh  
(C) ₹ 54.775 Lakh  
(D) ₹ 56.025 Lakh

27. Holding of H Ltd. was 75% in S Ltd. Other information obtained from the books of S Ltd. were as under :

	<b>31st March, 2019 (₹ in Lakh)</b>
Share Capital	150
General Reserve	25
Surplus : Statement of Profit and Loss	35
Capital Reserve	10

If the cost of investment in shares of S Ltd., for H Ltd. was ₹ 162 Lakh, the amount of cost of control would be :

- (A) ₹ 12 Lakh (Goodwill)  
 (B) ₹ 3 Lakh (Goodwill)  
 (C) ₹ 3 Lakh (Capital Reserve)  
 (D) ₹ 4.50 Lakh (Goodwill)
28. The main purpose of the preparation of consolidate statements is :
- (A) the compliance of AS-21  
 (B) to satisfy the legal provision of the Companies Act, 2013  
 (C) to reflect a true and fair view of the position and the profit or loss of the holding company 'group'  
 (D) All the above
29. Company Auditor's Report Order, 2016, was issued by the :
- (A) Institute of Chartered Accountants of India  
 (B) Ministry of Corporate Affairs of Government of India  
 (C) Comptroller and Auditor General of India  
 (D) Ministry of Finance of Government of India
30. Company Auditor's Report Order (CARO), 2016 is not applicable to :
- (A) Insurance Company  
 (B) Company registered for charitable purpose  
 (C) One person company  
 (D) All of the above
31. As per Section 149(1) of the Companies Act, 2013, the paid-up share capital requirement for non-listed company, having at least one woman director is :
- (A) ₹ 10 crore or more  
 (B) ₹ 100 crore or more  
 (C) ₹ 1,000 crore or more  
 (D) ₹ 500 crore or more



32. As per the concept of value added statement, "Gross value Added" is :
- (A) Distributed to employees in the form of salaries and wages, to government in the form of taxes and duties, to financier in the form of interest.
  - (B) Distributed to government in the form of taxes and duties, to financier in the form of interest, to shareholders in the form of dividend.
  - (C) Distributed to employees in the form of salaries and wages, to government in the form of taxes and duties, to financier in the form of interest.
  - (D) Distributed to employees in the form of salaries and wages, to government in the form of taxes and duties, to financier in the form of interest, to shareholders in the form of dividend and the remaining balance in the form of retained earning.
33. The term 'Calls in Arrears' is shown in the company's balance sheet :
- (A) Under current liabilities
  - (B) Under current assets, loans and advances
  - (C) As deducted from called up capital
  - (D) Non-current liabilities
34. At the time of forfeiture of shares the share capital account will be :
- (A) Debited with paid up value of share forfeited
  - (B) Debited with called up value of shares forfeited
  - (C) Debited with face value of shares forfeited
  - (D) Debited with issue price of shares forfeited
35. The loss/discount on re-issue of forfeited shares may be :
- (A) Equal or exceed the forfeited amount
  - (B) Not exceed the forfeited amount
  - (C) Equal to amount of premium which were received at the time of original issue
  - (D) Not exceed the called up value of shares

36. When the forfeited shares were originally issued at premium, the maximum permissible discount on re-issue shall be :

- (A) The amount of premium at time of original issue
- (B) The amount credited to forfeited shares account
- (C) The face value of forfeited shares
- (D) The called up value of forfeited shares

37. Z Ltd. issued 5,000 equity shares of ₹ 10 each at 10% premium which is payable on allotment. The company received application money @ ₹ 3 per share and allotment money received on only 4,500 shares @ ₹ 4 per share. The company forfeited 500 shares for non-payment of allotment money. At the time of forfeiture, the Equity Shares Capital a/c will be :

- (A) Debited with ₹ 5,000
- (B) Debited with ₹ 3,500
- (C) Debited with ₹ 3,000
- (D) Credited with ₹ 3,500

38. The capital structure of KC Ltd. is :

Equity Share Capital	₹ 250 lakh
Long-term Debit	₹ 110 lakh
Bank Overdraft	₹ 40 lakh

The average rate of return on similar types of companies is 20%, while risk-free return is 10%. Rate of interest charged by bank is 18%. Weighted Average Cost of Capital (WACC) will be :

- (A) 16%
- (B) 13.55%
- (C) 16.25%
- (D) 17.05%

39. The difference between the Company's total market value and Capital invested is a :

- (A) Economic Value Added (EVA)
- (B) Shareholder Value Added
- (C) Market Value Added
- (D) Gross Value Added

40. Pooja Ltd. had the investment of ₹ 68 lakh as on 31<sup>st</sup> March, 2018 and that of ₹ 81 lakh as on 31<sup>st</sup> March, 2019. During the year the company had sold 30% of its original investment at a profit of ₹ 9,60,000. The cash inflow and outflow from investment will be :
- (A) ₹ 20.40 lakh and ₹ 33.40 lakh  
 (B) ₹ 33.40 lakh and ₹ 30 lakh  
 (C) ₹ 30 lakh and ₹ 43 lakh  
 (D) ₹ 30 lakh and ₹ 33.40 lakh
41. During the year 2018-19, a company redeemed its 10% debenture of ₹ 8,00,000 at 10% premium and after some time a fresh issue was made of new 10% debenture of ₹ 7,50,000 at a premium of 25%. The net cash flow from debenture would be :
- (A) Net cash outflow of ₹ 50,000  
 (B) Net cash inflow of ₹ 50,000  
 (C) Net cash inflow of ₹ 57,500  
 (D) Net cash outflow ₹ 57,500
42. In the case of financial enterprises, cash flows arises from interest paid should be classified as cash flow from :
- (A) Operating Activities  
 (B) Investing Activities  
 (C) Financing Activities  
 (D) Either (B) or (C)
43. Balance of Provision for Taxation as on 1-4-2018 and 31-3-2019 were ₹ 13,72,000 and ₹ 14,55,000 respectively. During the year ₹ 12,05,000 were paid towards income tax. The amount of provision made for taxation will be :
- (A) ₹ 12,05,000  
 (B) ₹ 12,88,000  
 (C) ₹ 11,22,000  
 (D) ₹ 2,50,000

44. Plant Original Costing ₹ 1,35,500 (accumulated depreciation ₹ 72,800) was sold at a profit of ₹ 15,900 during the year 2018-19. The amount of cash flow from the transaction would be :

- (A) ₹ 1,51,400  
 (B) ₹ 62,700  
 (C) ₹ 2,24,200  
 (D) ₹ 78,600

45. Mithu Ltd. had the investment as on 31-3-18 and 31-3-19 were ₹ 10,95,000 and ₹ 10,82,000 respectively. During the year interest on investment received ₹ 77,000 which was used in writing down the book value of investments. If there were some purchases of investment, then the cash flow from investment and from interest would be :

- (A) Cash inflow ₹ 1,300 only  
 (B) Cash inflow ₹ 9,000 only  
 (C) Cash inflow ₹ 77,000 and Cash outflow ₹ 64,000  
 (D) Cash inflow ₹ 9,000 and Cash outflow ₹ 77,000

46. Following information were provided by a trading company to you :

	₹
Net profit after tax for the year 2018-19	18,35,000
During the year 2018-19	
• Depreciation written off	1,08,000
• Goodwill written off	50,000
• Provision made for taxation	5,50,000
• Income tax paid	4,80,000
• Interest on Investment credited to Profit and Loss Account	25,000
• Interim dividend paid	2,10,000

Cash flow from Operating Activities would be :

- (A) ₹ 22,73,000  
 (B) ₹ 20,38,000  
 (C) ₹ 17,23,000  
 (D) ₹ 20,63,000

47. The Accounting Standards Board was constituted by the Institute of Chartered Accountants of India in the year :

- (A) 1975  
 (B) 1977  
 (C) 1976  
 (D) 1978

48. Which of following Section of Companies Act, 2013, is required that the auditor has to report whether in his opinion the financial statements comply with the Accounting Standards referred in Section 133 of the Companies Act, 2013 :
- (A) Section 141(3)(e)  
 (B) Section 145(3)(b)  
 (C) Section 143(3)(e)  
 (D) Section 144(3)(e)
49. Which of the following is not included in the conditions satisfied by the small and medium companies (SMCS) with reference to applicability of Accounting Standards ?
- (A) Company is not a holding company or subsidiary of a non-SMC.  
 (B) Company is not a bank or financial institution or insurance company.  
 (C) Company's turnover does not exceed ₹ 10 crores in the immediately preceding accounting year.  
 (D) Equity and debt securities of the company are not listed or are not in the process of listing in any stock exchange, whether in India or outside India.
50. Which of the following International Accounting Standard (IAS) is related to Earning per share' ?
- (A) IAS-20  
 (B) IAS-24  
 (C) IAS-33  
 (D) IAS-38
51. Which of the following institute formerly was established as a registered company under the Companies Act ?
- (A) The Institute of Chartered Accountants of India ( ICAI)  
 (B) The Institute of Company Secretaries of India (ICSI)  
 (C) The Institute of Cost and Works Accountants of India (ICWAI) {now it, The Institute of Cost Accountants of India}  
 (D) None of the above
52. The Institute of Chartered Accounts of India is the..... professional body of Chartered Accountants in the world.
- (A) Largest  
 (B) Second Largest  
 (C) Third Largest  
 (D) Fifth Largest
53. "The Association of International Certified Professional Accountants" launched by the :
- (A) American Association of Public Accountants (AAPA)  
 (B) American Association of Chartered Public Accountants (AICPA)  
 (C) Chartered Institute of Management Accountants (CIMA)  
 (D) Both AICPA and CIMA

54. Mandatory applicability of Ind AS to all Banks, NBFCs (Non-Banking Finance Companies), and Insurance Companies is from :
- (A) 1<sup>st</sup> April, 2015
  - (B) 1<sup>st</sup> April, 2016
  - (C) 1<sup>st</sup> April, 2017
  - (D) 1<sup>st</sup> April, 2018
55. Which of the following Ind AS is related to Consolidated Financial Statements ?
- (A) Ind AS-108
  - (B) Ind AS-110
  - (C) Ind AS-115
  - (D) Ind AS-7
56. A simplified financial statement that shows how much wealth has been created by a company is called .....
- (A) Income statement
  - (B) Statement of profit and loss
  - (C) Value added statement
  - (D) Economic value added
57. The following is not an advantage of Double entry system :
- (A) It prevents and minimizes frauds.
  - (B) Helps in decision making
  - (C) The trial balance doesn't disclose certain types of errors
  - (D) It becomes easy for the Government to calculate the tax.
58. As per Companies Act, 2013, the prescribed form of Balance Sheet of a Company is given in :
- (A) Part II of Schedule III
  - (B) Part I of Schedule III
  - (C) Part I of Schedule II
  - (D) Part I of Schedule V
59. The Corporate Social Responsibility Committee shall consist of .....directors, out of which at least ..... director(s) shall be independent director(s).
- (A) two or more; one
  - (B) four or more; two
  - (C) three or more; two
  - (D) three or more; one
60. Financial Reporting Council is an organisation of which country ?
- (A) United States of America (USA)
  - (B) Canada
  - (C) UK
  - (D) Japan

## PART—II

61. Companies (Cost Records and Audit) Rules, 2014, came into force on :
- (A) 1-04-2014  
(B) 30-04-2014  
(C) 30-06-2014  
(D) 30-09-2014
62. Which of the following Form is used for filing Cost Audit Report with the Central Government ?
- (A) CRA-1  
(B) CRA-2  
(C) CRA-3  
(D) CRA-4
63. Which of the following steps are required for Budgetary Control ?
- (A) Organisation for Budgeting; Budget Manual; Responsibility for Budgeting; and Budget Standard  
(B) Organisation for Budgeting; Budget Manual; Responsibility for Budgeting; and Budget Procedure  
(C) Objective for Budgeting; Budget Manual; Responsibility for Budgeting; and Budget Standard  
(D) Organisation for Budgeting; Budget Objective; Responsibility for Budgeting; and Budget Standard
64. A factor which will limit the activities of an undertaking and which is taken into account in preparing budgets, is termed as :
- (A) Limiting factor  
(B) Governing factor  
(C) Key factor  
(D) All the above
65. Which of the following is/are purpose(s) of “Time Recording” ?
- (A) Payroll  
(B) Time-keeping  
(C) Time-booking  
(D) Time-keeping and Time-booking
66. If the Capacity Ratio and Efficiency Ratio of a factory are 95% and 125% respectively, then Activity Ratio will be :
- (A) 131.58%  
(B) 76%  
(C) 118.75%  
(D) 152%

67. Following information estimated for the year 2020-21 :

- Normal loss in production will be 5% of input.
- Sales (in units) as per Sales Budget 38,350 units.
- Closing stock will be 6600 units which has been estimated 10% more than previous year's quantity.

The input for required production will be :

- (A) 39,737 units
- (B) 41,000 units
- (C) 40,898 units
- (D) 39,638 units

68. Puvi Ltd. provides the following information for the quarter ending 31<sup>st</sup> March, 2020 :

Expected Sales : January, 2020	₹ 25 lakh
February, 2020	₹ 28 lakh
March, 2020	₹ 30 lakh

Roughly 40% of the sales are for cash, 80% of credit sales are collected in the month following the month of sales and the balance of credit sales one month after that. The amount collected from debtors in the month of March, 2020, will be :

- (A) ₹ 10.96 Lakh
- (B) ₹ 28.44 Lakh
- (C) ₹ 22.96 Lakh
- (D) ₹ 16.44 Lakh

69. .... is a method of budgeting whereby all activities are re-evaluated each time a budget is set. Discrete levels of each activity are valued and a combination is chosen to match funds available.

- (A) Master Budget
- (B) Zero-Based Budgeting
- (C) Performance Budgeting
- (D) Flexible Budget



70. N Ltd. has Net working capital of ₹ 119 Lakh, Total Liabilities ₹ 225 Lakh and Non-current liabilities are ₹ 140 Lakh. The Current Ratio will be :
- (A) 2.4 : 1  
(B) 1.85 : 1  
(C) 2.46 : 1  
(D) 1.15 : 1
71. A company's purchases are ₹ 385 Lakh, Sales ₹ 510 Lakh and closing stock ₹ 58 Lakh. If the rate of gross profit is 25% on cost, then Stock Turnover Ratio will be :
- (A) 5.32 times  
(B) 7.34 times  
(C) 5.54 times  
(D) 5.87 times
72. Mahi Ltd. has closing stock ₹ 648 Lakh and prepaid expenses ₹ 32 Lakh. Total liquid assets were ₹ 1,830 Lakh. If the liquid ratio is 1.5 : 1, then working capital will be :
- (A) ₹ 836.67 Lakh  
(B) ₹ 1,290 Lakh  
(C) ₹ 1,258 Lakh  
(D) ₹ 1,150 Lakh
73. Which of the following is not included in the activity ratios ?
- (A) Sales to Capital Employed  
(B) Debtors Turnover Ratio  
(C) Proprietary Ratio  
(D) Working Capital Turnover Ratio
74. The ideal norm preferred by Banks for current ratio is :
- (A) 2 : 1  
(B) 2.2 : 1  
(C) 1.5 : 1  
(D) 1.33 : 1
75. Which of the following set of report is classified according to their contents ?
- (A) Descriptive reporting; tabular reports and Graphic reports  
(B) Routine reports and Special reports  
(C) Production reports; Sales reports; Cost reports and Finance reports  
(D) Graphic presentation; Routine reports and Finance reports

76. Which of the following is not a step taken towards implementing an effective management reporting programme ?

- (A) Discovery
- (B) Access point
- (C) Finance
- (D) Feedback

77. A low margin of safety usually indicates :

- (A) High profit
- (B) High fixed overheads
- (C) Low fixed overheads
- (D) Operation on high level of activity

78. Which of the following is not a method of transfer pricing considered in normal course ?

- (A) Full cost transfer pricing
- (B) Negotiated transfer pricing
- (C) Opportunity cost transfer pricing
- (D) Standard cost transfer pricing

79. Following data provided by M Ltd. :

	<b>First Six Months</b> (₹)	<b>Last Six Months</b> (₹)
Profit	10,00,000	14,00,000
Cost of Sales	70,00,000	76,00,000

Fixed cost for the year will be :

- (A) ₹ 22 Lakh
- (B) ₹ 34.40 Lakh
- (C) ₹ 73.33 Lakh
- (D) ₹ 44 Lakh

80. Which of the following are examples of key factors ?

- (1) Sales value/quantity
- (2) Raw material quantity
- (3) Raw material quality
- (4) Labour hours availability
- (5) Plant capacity
- (6) No. of plants used in manufacturing process
- (7) Cost of production

Select the correct answer from the options given below :

- (A) 1, 3, 5 and 6
- (B) 1, 2, 4 and 5
- (C) 2, 3, 5 and 7
- (D) 1, 2, 4 and 6

81. Match the following List-I with List-II :

**List-I**

- (P) Profit earned  
 (Q) Classification of costs into fixed and variable costs  
 (R) Both fixed and variable costs are charged to product  
 (S) Sum of fixed cost and profit

**List-II**

- (1) Contribution  
 (2) Margin of Safety  $\times$  P/V Ratio  
 (3) Marginal Costing  
 (4) Absorption Costing

Select the correct answer from the options given below :

- (A) (P)—(2), (Q)—(4), (R)—(1), (S)—(3)  
 (B) (P)—(2), (Q)—(3), (R)—(4), (S)—(1)  
 (C) (P)—(1), (Q)—(4), (R)—(3), (S)—(2)  
 (D) (P)—(1), (Q)—(3), (R)—(4), (S)—(2)

82. Information provided by S Ltd. are given below :

Fixed Cost	₹ 24 lakh
Profit	₹ 12 lakh
Break-even point	₹ 60 lakh

When sales are ₹ 120 Lakh, then calculate the profit :

- (A) ₹ 66 Lakh  
 (B) ₹ 30 Lakh  
 (C) ₹ 24 Lakh  
 (D) ₹ 21 Lakh

83. In an Activity Based Costing System, the allocation basis that are used for applying costs to services or procedures are called :

- (A) Profit centers  
 (B) Cost centers  
 (C) Cost units  
 (D) Cost drivers

84. Inspection of products is an example of :
- (A) Unit level activities  
(B) Batch level activities  
(C) Product level activities  
(D) Facility level activities
85. Which of the following is not a valuation approach ?
- (A) Assets Approach  
(B) Income Approach  
(C) Expenditure Approach  
(D) Market Approach
86. A deposit to be made on 1<sup>st</sup> January, 2020, into bank that will earn an interest of 7% compound annually. It is desired to withdraw ₹ 60,000 on 31<sup>st</sup> December, 2023 and ₹ 1,00,000, on 31<sup>st</sup> December, 2025. The amount to be deposited on 1<sup>st</sup> January, 2020, will be ..... ( $PVF_{7\% \text{ for 4 years}} = 0.7629$ ;  $PVF_{7\% \text{ for 6 years}} = 0.6663$ ) :
- (A) ₹ 1,30,608  
(B) ₹ 1,12,404  
(C) ₹ 1,22,063  
(D) ₹ 1,09,582
87. Cost of Sales – Selling and Distribution Overhead + Closing Stock of Finished Goods – Opening Stock of Finished Goods = .....
- (A) Cost of Goods Sold  
(B) Works Cost  
(C) Cost of Production  
(D) Conversion Cost
88. Following information provided by B Ltd. :
- Last Earning Per Share (EPS) of the company = ₹ 75 per share
  - Company's dividend pay-out ratio = 40%
  - Required rate of return from equity investment = 18%
- By using capitalization earning method, the value of equity will be (if dividend are expected to grow at a constant rate of 10% per annum) :
- (A) ₹ 412.50  
(B) ₹ 183.33  
(C) ₹ 166.67  
(D) ₹ 375

89. P Ltd. has 12% Debentures of ₹ 40 Lakh

and 13% Debentures of ₹ 60 Lakh. If the

corporate tax rate is 30%, then combined

cost of debt after tax will be :

(A) 12.60%

(B) 8.75%

(C) 8.82%

(D) 12.50%

90. Which of the following Ind AS deals with

“Financial Instruments : Presentation” ?

(A) Ind AS-32

(B) Ind AS-33

(C) Ind AS-113

(D) Ind AS-109

91. Following information is provided by A Ltd. :

	₹ in lakh
2,00,000, 8% Preference Shares of ₹ 100 each fully paid-up	200
60,00,000 Equity Shares of ₹ 10 each fully paid-up	600
Reserves and Surplus	270
External Liabilities	480
Average profit after tax, earned every year by the company	169

The normal return earned on the market value of fully paid-up equity shares of the same type of the company is 15%. Assume that 2% of total assets are worthless. The intrinsic value per equity share will be :

(A) ₹ 14.50

(B) ₹ 13.98

(C) ₹ 17.32

(D) ₹ 17.83

92. Which of the following is not a method used for valuation of shares ?
- (A) Net assets method  
(B) Based on rate of dividend method  
(C) Based on rate of earnings method  
(D) Net realizable value method
93. Which of the following method of valuation of shares is/are suitable for ascertaining the market value of shares which are quoted on a recognized stock exchange ?
- (A) Based on rate of dividend method  
(B) Based on rate of earnings method  
(C) Based on price earnings ratio method  
(D) All the above
94. Average profit, Superprofit and Capital employed of a firm are ₹ 15,60,000; ₹ 4,80,000; and ₹ 90,00,000 respectively. Normal rate of return is 12%. The value of goodwill on the basis of capitalization of 'Average Profit' and of 'Superprofit' will be :
- (A) ₹ 130 Lakh and ₹ 40 Lakh  
(B) ₹ 1,87,200 and ₹ 57,600  
(C) ₹ 130 Lakh and ₹ 11,37,600  
(D) ₹ 40 Lakh and ₹ 40 Lakh
95. As per Section 247 of the Companies Act, 2013, the Registered Valuer shall be appointed by the :
- (A) Company's Board of Directors  
(B) Central Government  
(C) Registrar of Companies  
(D) Company's Audit Committee
96. The risk free rate is 8%, return on a broad market index is 15%. The actual return provided by the security is 18%. What must be its beta, by using CAPM if the security is correctly priced in the market ?
- (A) 1.43  
(B) 0.70  
(C) 2.00  
(D) 1.2
97. The relationship between risk and return established by the security market line is called :
- (A) Earning Based Model  
(B) Capital Assets Pricing Model  
(C) Discounted Cash Flow Model  
(D) Arbitrage Pricing Theory

: 23 :

98. Following are the details of Beta

Limited :

	₹ in lakh
Equity Share Capital (Shares of ₹ 10)	1500
8% Preference Share Capital	400
12% Debentures	250
Profit before interest and tax	590
Dividend Payout Ratio = 70%	
Price-Earning (P/E) Ratio = 25	
Corporate tax rate = 30%	

Earnings Per Share (EPS) will be :

- (A) ₹ 3.52
- (B) ₹ 2.464
- (C) ₹ 2.06
- (D) ₹ 2.40

99. Match the following—I with II :

## I

- (a) Direct Cost
- (b) Indirect Cost

## II

- (i) Raw material
- (ii) Showroom expenses
- (iii) Drawing Office Expenses
- (iv) Carriage inwards
- (v) Carriage outwards
- (vi) Primary packing
- (vii) Productive wages
- (viii) Oil and grease

Select the correct answer from the options given below :

- (A) (a)—(i)(iv)(vi)(vii); (b)—(ii)(iii)(v)(viii)
- (B) (a)—(i)(v)(vii); (b)—(ii)(iii)(iv)(v)(viii)
- (C) (a)—(i)(iii)(iv)(vi); (b)—(ii)(v)(vii)(viii)
- (D) (a)—(i)(iii)(v)(vii); (b)—(ii)(iv)(vi)(viii)

100. According to Behavioural Analysis, the overheads may be classified as :

- (A) Factory overhead, administration overhead, selling and distribution overhead
- (B) Fixed overhead, variable overhead, semi-variable overhead
- (C) Indirect material, indirect labour and indirect expenses
- (D) Normal overhead & Abnormal overhead

**425**

: 24 :

**Space for Rough Work**