

SAMPLE QUESTIONS:	Class: T.Y.BCOM(AACCOUNTING & FINANCE)
EXAMINATION CODE: 2C00456	SEMESTER: VI
SUBJECT: FINANCIAL ACCOUNTING – VII	PAPER CODE: 85601

MULTIPLE CHOICE QUESTIONS

UNIT 1: MUTUAL FUND ACCOUNTING

Sr No	Question	Option A	Option B	Option C	Option D	Correct Answer
1	A person can earn 12% by investing in Equity shares on his own. Now he is considering a recently announced equity based mutual fund scheme in which initial expenses 5% and annual recurring expenses are 1.5%. How much should the Mutual Fund earn to provide him a return of 10%	11.04%	12.02%	12.63%	12.98%	12.63
2	XYZ Mutual fund had a net asset value of Rs. 10 at the beginning of a month, Made income and Capital Gain distribution of Rs. 0.05 and 0.02 respectively per unit during the month. The fund ended the month with a net asset value of Rs. 10.08. The monthly rate of return of XYZ mutual fund is	1.5%	1.9%	2.0%	2.2%	1.5%
3	The following information is available to a Mutual Fund Scheme:	145.00	145.90	146.60	147.00	147.00
	Rs.					
	Size of the scheme	150 lakh				
	Face value of the shares	100				
	No. of the outstanding shares	1.5 lakhs				
	Market value of the fund's investments	220 Lakhs				
	Receivables	1 lakh				
	Liabilities	50,000				

	NAV of the scheme is					
4	A close ended Mutual Fund has a fixed	NAV	Fund Size	Rate of Return	Number of distributors	NAV
5	The maximum load that a fund can charge is determined by the	AMC	SEBI	AMFI	Distribution agents based on demand for the fund	SEBI
6	Of the following fund types, the highest risk is associated with	Balanced Funds	Gilt funds	Equity growth funds	Debt funds	Equity growth funds
7	The NAV of mutual fund	Is always constant	Keeps going up at a steady rate	Fluctuates with market price movements	Cannot go down at all	Fluctuates with market price movements
8	The 'Load' charged to an investor in a Mutual Fund is	Entry fee	Cost of the paper on which the unit certificates are printed	The fee the agent charges to the investor	The Expenses incurred by fund managers for marketing a mutual fund scheme	The Expenses incurred by fund managers for marketing a mutual fund scheme
9	A Mutual fund is owned by	The Government of India	SEBI	All its investors	AMFI	All its investors
10	A Mutual fund is not	Owned jointly by	A company that manages	A pool of Funds used to purchase	An Alternative	A pool of Funds used to purchase

		all investors	investment portfolios of high net worth individuals	securities on behalf of investors	investment fund	securities on behalf of investors
11	The most important advantage of a money market mutual fund is:	Quick capital appreciation	High regular income	Safety of principal	No loads	Safety of principal
12	The NAV of each scheme should be updated on AMFI's website:	Every quarter	Every month	Every hour	Every day	Every day
13	The greatest potential for growth in capital is offered by	Balanced Funds	Gilt funds	Equity growth funds	Debt funds	Equity growth funds
14	In Mutual Fund investors subscriptions are accounted for as	Liabilities	Deposits	Capital	Cash and Cash Subscriptions	Capital
15	Return on NAV is based on	Dividend	Capital gain	Change in price	Change in price + Dividend + Capital gain	Change in price + Dividend + Capital gain
16	Within how many days after declaration of dividend, warrant need to be sent to the investor	10 days	15 days	20 days	30 days	30 days
17	The difference between NAV and repurchase price is	Entry load	Expenses	Exit load	Taxes	Exit load
18	What is an open ended fund	It is the fund that buy and sells units on	Units are available after end of NFO	The funds returns closely the returns of a	Fund that offers sale after certain interval period	It is the fund that buy and sells units on

		continuous basis		benchmark index		continuous basis
19	For NAV calculation fixed income securities are consider at	Book value	Current yield	Cost price	Closing rate	Current yield
20	Fund have lower risk	Gilt fund	Liquid fund	Sector fund	Dividend yield fund	Liquid fund
21	Investment of mutual fund scheme are held by	Board of trustee	Custodian	Assets managemene nt company	Registrar and transfer agent	Custodian
22	Offer documents of mutual fund are prepared by	Trustee	Assets managemene nt company	SEBI	Registrar and transfer agent	Assets managemene nt company
23	Maximum portion of convention debt investment is generally through	Capital gain	Interest	Dividend	Inflation	Capital gain
24	For NAV calculation all listed and traded securities are valued at	Ass per book value	Closing market rate	Current yield	Traded price	Closing market rate

Unit: 2 Accounts of Electricity Company

Sr. No.	Question	Option A	Option B	Option C	Option D	Correct Answer
25.	Profit on sale of Current is shown under	Other income	Revenue from operation	Reserve and Surplus	Other Assets	Revenue from operation
26.	Interest received on investment is shown under	Other Income	Reserve and surplus	Revenue from operation	Plus in investment	Other Income
27.	In balance sheet of electricity company Mains are shown under	Current assets	Other noncurrent assets	Fixed assets	Inventory	Fixed assets
28.	In accounts of electricity company Salaries and wages are shown under	Employees benefit cost	Finance cost	Other expenses	Operational expenses	Employees benefit cost
29.	Grant received under APDRP of Ministry of power is accounted for	As a liability	As a capital reserve	As a reserve	As a reduction in cost of fixed assets	As a capital reserve

30.	Interim dividend under double accounting system is shown in	Revenue account	Net Revenue account	Receipt and Expenditure account	General balance sheet	Net Revenue account
31.	Management expenses in double accounting system is shown in	Receipt and Expenditure account	Revenue account	Net Revenue account	General balance sheet	Revenue account
32.	Electricity companies are governed by	Electricity (Supply) Act, 1948	Electricity Act 1956	Electricity Act, 2003.	Electricity Regulatory Commissions Act, 1998.	Electricity Act, 2003.
33.	Transformer in account of electricity company account is shown under	Fixed assets	Current assets	Long term liabilities	Reserve and surplus	Fixed assets
34.	Meter rent in account of electricity company is shown under	Other income	Other Expenses	Liability	Revenue from operation	Other income

Unit: 3 Accounts of Cooperative Society

Sr. No.	Question	Option A	Option B	Option C	Option D	Correct Answer
35.	The Maharashtra coop societies Act was passed in	1960	1961	1984	1956	1960
36.	The amount of profit to be transferred to Reserve fund is	15%	20%	25%	30%	25%
37.	Dead stock should be shown under	Investment	Other current assets	Fixed assets	Other assets	Fixed assets
38.	Shares purchased should be disclosed under	Investment	Loans and Advances	Other assets	Current assets	Investment
39.	Profit and loss Account and balance sheet must be prepared under Maharashtra cooperative societies act in	Form C	Form N	Form M	Form D	Form N

40.	Payment of dividend by the society should not exceed	10%	12%	20%	15%	15%
41.	Maharashtra coop societies rules are framed in	1960	1961	1962	1963	1961
42.	Loose tools should be disclosed in balance sheet of cooperative society under	Other items	Fixed assets	Investment	Current assets	Fixed assets
43.	Provisions relating to maximum cash balance given in cooperative societies act	Bye law no.143	Bye law no.144	Bye law no.145	Bye law no.146	Bye law no.145
44.	Net profit of the cooperative society during the year is Rs.90,000. The amount transferred to reserve fund is	Rs.18,000	Rs.22,500	Rs.27,000	Rs.25,000	Rs.22,500

sr no	PARTICULARS	OPTION A	OPTION B	OPTION C	OPTION D	CORRECT OPTION
45	Capital of a co-operative society is in the form of	A) Share capital	B) Ear- marked fund	C) Corpus fund	D) Reserve Capital	A) Share capital
46	Working capital of a society as defined under the Maharashtra Co-op. Societies act includes	A) Paid up share capital	B) Funds built up out of profits	C) Money raised by borrowing	D) All of the above (a), (b) and (c)	D) All of the above (a), (b) and (c)
47	Under the Maharashtra Co-Op. Societies Act, audit of a Co-Op. society can be conducted by	A) A chartered Accountant	B) A person who holds a Government Diploma in Co-Op. accounts and audits	C) A person who has served as an auditor in the Co-Operative department of the state government	D) All of the Above	D) All of the Above

48	Under the Maharashtra Co-op. Societies Act, the term 'member' includes, in addition to a person duly admitted as a member	A) Only a sympathiser member	B) Only an associate member	C) Only a nominal member	D) All of above	D) All of above
49	The whole of the day to day management of a Co-operative society vests in	A) The General Body	B) The Managing Committee	C) The Secretary	D) The Chairman	B) The Managing Committee
50	Under the Maharashtra Co-Op. Societies Act, a society must prepare the following financial statements for an accounting year.	A) The profit & Loss A/c and The Balance Sheet	B) Receipts and Payments Accounts; the Income & Expenditure A/c; and the Balance Sheet	C) The Income and Expenditure A/c; The Balance Sheet and the Cash Flow Statement vide AS 3	D) Revenue Account	B) Receipts and Payments Accounts; the Income & Expenditure A/c; and the Balance Sheet
51	Under the Maharashtra Co-Op. Societies Act, a society must prepare the Profit & Loss A/c and the Balance sheet for the Accounting Year	A) As per Schedule VI	B) In Form M	C) In Form N	D) Form A	C) In Form N

52	A member who holds jointly a share of society with others, but whose name does not stand first in share Certificate.	A) Nominal Member	B) Sympathiser member	C) Associate Member	D) Co-Member	C) Associate Member
53	Expulsion of a member can be done	A) By managing Committee	B) By the General Body by simple majority	C) By the General body by 3/4 th majority	D) By the Chairman	C) By the General body by 3/4 th majority
54	Amendment of bye-laws of the society can be done	A) By the General body by 2/3 rd Majority	B) By the General body by 2/3 rd Majority subject to approval from Registrar	C) By the General Body by simple majority	D) By General Body by 3/4 th Majority	B) By the General body by 2/3 rd Majority subject to approval from Registrar
55	Proper custody and maintenance of property belonging to the society is the function of	A) The Chairman	B) The Managing Committee	C) The Secretary	D) The Treasurer	B) The Managing Committee

Unit: 4 Investment Accounting						
Sr. No.	Question	Option A	Option B	Option C	Option D	Correct Answer
56.	Provisions relating to investment accounting are given in	AS 11	AS 12	AS 13	AS 14	AS 13
57.	Long term investments are carried at	Fair value	Market value	Cost price	Cost or market value whichever is less	Cost price
58.	Cost of investment includes	Purchases cost	Stamp Duty	Brokerage paid	Purchases cost + Stamp Duty	Purchases cost + Stamp Duty + Brokerage paid

					+ Brokerage paid	
59.	Profit on sale of rights shares	Credited to Profit and loss A/c	Credited to investment A/c	Debited to profit and loss A/c	Debited to investment A/c	Credited to Profit and loss A/c
60.	Bonus shares are issued at	Face value	Fair value	Market price	Free of cost	Free of cost
61.	Interest on bond and debentures is calculated on	Nominal value	Market value	Cost	Ex-interest price	Nominal value
62.	Which of the following is not fixed income earning investment	Government Bonds	Debentures	Preference share	Equity shares	Equity shares
63.	Short term investments are carried out at	Cost price	Market value	Cost or market value whichever is less	Fair value	Cost or market value whichever is less
64.	On 1 st August 2018 Mr.Ajay purchase 200, 12% debentures of Rs.100 each of the company for Rs.20,000 at cum interest price. Interest is payable on 30 th September and on 31 st March every year. The cost of acquisition of 200 debentures is	Rs.20,800	Rs.19,800	Rs.20,000	Rs.19,200	Rs.19,200
65.	Mr.Sanjay purchase 400 equity shares of T ltd at Rs.22 per share. Out of these shares he sold 150 shares at Rs.24.5 per share. Profit on sale of shares is	Rs.375	Rs.500	Rs.250	Rs.625	Rs.375
66	Following is not a Fixed Income Bearing Security	a) Debentures	b) Equity Shares	c) Preference Shares	d) Government Security	b) Equity Shares
67	Interest is always calculated on the	a) Market value of the Security	b) Nominal Value of the Security	c) Book Value of the security	d) Weighted Average Cost of the Security	b) Nominal Value of the Security
68	Interest is paid	a) To the holder of the security on the due date prorata as per his actual period of holding	b) To the original investor if the security is sold cum-interest	c) To the holder of the security on the due date irrespective of his actual	d) To the original investor if the security is sold ex-interest	c) To the holder of the security on the due date irrespective of his actual

					period of holding		period of holding
69	A Security is transferred on 31 st May 2020; while the next interest falls due on 30 th June, 2020	a) The purchaser has the right to claim the interest up to 31 st May, 2020 as his income	b) The seller has the right to claim the interest up to 31 st May, 2020 as his income	c) the right to claim the interest up to 30 th June, 2020 as his income	d) interest for June 2020 is divided equally between the seller and the purchaser	b) The seller has the right to claim the interest up to 31 st May, 2020 as his income	
70	Long term investments are carried at	a) Fair value	b) Cost price	c) Cost or market whichever is less	d) Market value	c) Cost or market whichever is less	
71	Short term investments are carried out at	a) Fair value	b) Cost price	c) Cost or market whichever is less	d) Market value	b) Cost price	
72	B. Ltd. acquired 2,000 equity shares of AB Ltd on cum-right basis at Rs. 75 per share subsequently, AB Ltd made a right issue of 1:1 at Rs. 60 per share which was subscribed for by : Calculate the Total Price paid by B for purchase of Rights Shares and the Actual Shares:	a) 2,70,000	b) 1,50,000	c) 1,20,000	d) 30,000	a) 2,70,000	
73	Cost of investment includes	a) Purchases cost + Brokerages	b) Cost of Purchase only	c) Stamp duty paid less purchase price	d) Purchase cost only	a) Purchases cost + Brokerages	
74	Investment can be purchased at	a) Cost - Ex Interest	b) Cost with cum interest	c) Cost + Interest + Brokerage	d) Cash Paid + Ex-Interest	c) Cost + Interest + Brokerage	

Unit: 5 Introduction to IFRS

Sr. No.	Question	Option A	Option B	Option C	Option D	Correct Answer
75.	IFRS are issued by	IASB	ICAI	ICMA	ICSI	IASB
76.	IASC was formed on	1-1-2008	1-7-2005	1-7-2007	1-4-2010	1-7-2005
77.	IFRS for Insurance contract	IFRS 2	IFRS 3	IFRS 4	IFRS 5	IFRS 4
78.	The ICAI has decided to adopt IFRS wef.	1-4-2012	1-1-2011	1-4-2013	1-4-2011	1-4-2011
79.	Financial statements as per IFRS are presented at	Historical cost	Fair value	Market value	Replacement value	Fair value
80.	Exploration and evaluation assets	IFRS 5	IFRS 6	IFRS 7	IFRS 8	IFRS 6
81.	IFRS are applicable to All the entitles having network in excess of Rs.	Rs. 500 crores	RS.100 crores	Rs. 1000 crores	Rs. 10,000 crores	Rs. 500 crores
82.	Current assets are expected to realize within	12 months	24 months	20 months	36 months	12 months
83.	IFRS 1 was issued in	June 2003	January 2003	June 2005	January 2005	June 2003
84.	Medium enterprises are those enterprises whose investment in plant and machinery is	More than Rs. 5 crores but less than Rs. 10 crores	More than Rs. 5.5 crores but less than Rs. 15 crores	More than 7.5 crores but less than Rs. 20 crores	More than Rs. 10 crores but less than Rs. 25 crores	More than Rs. 5 crores but less than Rs. 10 crores

Sample Questions	Class: T.Y.B.Com. (Accounting and Finance)
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Subject: Financial Management	Paper Code: 85603

Sr. No.	Question	Option A	Option B	Option C	Option D	Correct Answer	Unit Wise
1	_____ value is used when an investor wants 'true' or 'real' value based on an analysis of fundamentals without considering the prevailing price in the market.	Intrinsic	Market	Fair	Book	Intrinsic	Unit 1
2	The accounting record value of assets that is shown in the balance sheet is known as _____.	Fair Value	Book Value	Intrinsic Value	Market Value	Book Value	
3	_____ is excess of net operating profit after tax over Overall Cost of Capital	Economic Value Addition	Market Value Addition	Book Value Addition	Profitability Addition	Economic Value Addition	
4	_____ value is also called as Asset backing value	Intrinsic Value	Liquidation value	Gross Asset Value	Net Asset Value	Net Asset Value	
5	_____ is Excess of future maintenance profit over normal expected profit	Normal Profit	Net Profit	Super Profit	Natural Profit	Super Profit	
6	_____ = Market capitalization – invested equity capital	Economic Value Addition	Market Value Addition	Book Value Addition	Profitability Addition	Market Value Addition	
7	Growing positive EVA indicates that financial performance is _____ over time	Improving	Deteriorating	unchanged	Changing fast	Improving	
8	_____ value is the scrap value of an old asset after its usage.	Market value	Liquidation	Replacement value	Salvage value	Salvage value	

9	Fair value of a share is equal to _____.	Yield Value	Intrinsic Value	Total of Yield and Intrinsic Value	Average of Yield and Intrinsic Value	Average of Yield and Intrinsic Value
10	The Present value of all the incremental future cash flows can be termed as the _____ value.	Book value	intrinsic Value	Market value	Book Value	Intrinsic Value
11	_____ is the cost of purchasing or replacing new assets which is of equal utility to the business.	Replacement value	Salvage value	Economic value	Present Value	Replacement value
12	Under _____ method, shares are valued based on expected earnings and normal rate of return.	Net Asset method	Fair value method	Dividend yield method	Earning yield method	Earning yield method
13	What are the circumstances under which Valuation of shares or enterprise becomes essential?	Making investment in a joint venture	When issuing shares to public	Scheme of merger	All of these	All of these
14	Asset-based company valuations do not include the _____ method.	Book value	Replacement cost	Marginal cost	Realisable value	Marginal cost
15	Earnings-based company valuations do not include the _____	ABC Method	ARR method	DCF Method	P/E Method	ABC method
16	Which of these is not a method of Goodwill valuation?	Amortisation of goodwill	Average Profit	Super Profit	Capitalisation	Amortisation of goodwill
17	IF Average Profit is Rs. 60000, Normal rate of return is 10% and capital Employed is Rs. 500000 then what will be Super Profit	Rs. 6000	Rs. 10000	50000	None of these	Rs. 10000

18	If Average Profit is Rs. 50000, Normal Profit is Rs. 30000 then what will be value of Goodwill at 2 years purchase of Super Profit?	Rs. 40000	Rs.60000	Rs.80000	Rs.100000	Rs. 40000	
19	If yield Value of share is Rs. 40 and Fair Value of share is RS. 50 then what is intrinsic value of Share?	10	45	60	90	60	
20	What will be NRR, if Rate of interest on investment is 10% and Rate of Risk is 1.5%?	8.50%	10%	11.50%	20%	11.50%	
21	Calculate EVA. when NOPAT =RS.250000, Capital employed = RS. 500000 and WACC = 10%	Rs. 300000	Rs. 200000	Rs. 475000	Rs. 525000	Rs.200000	
22	If Earning per share is Rs. 2 and P/E ratio is 25 then Market per share will be Rs. _____	2	12.5	27	50	50	
23	If Market capitalization is Rs. 540000, Equity Capital is Rs. 300000 and Reserves are Rs. 200000 as per balance sheet then how much will be MVA	Rs. 500000	Rs. 5400000	Rs. 1040000	RS.40000	Rs. 40000	
24	Calculate MVA, If P/E ratio is 10, EPS is Rs. 4, Net worth at book value is Rs. 500000 and no. of. Ordinary shares is 20000.	Zero	Rs. 80000	RS. 300000	Rs. 500000	Rs. 300000	
25	What will be P/E Ratio if Market price of share is RS. 40 per share and Earning per share is Rs. 10	0.25	4	50	400	4	
26	A _____ is an attractive strategic option for managers of private companies to gain public company status	Reverse merger	Merger	Takeover	Join Venture	Reverse merger	Unit 2

27	Justifications for M&As do not include: _____.	to enter new markets	to increase risk	to achieve synergy	to gain economies of scale	to increase risk
28	A horizontal merger is a merger between _____.	Two or more firms from different and unrelated markets	Two or more firms at different stages of the production process.	A producer and its supplier.	Two or more firms in the same market	Two or more firms in the same market
29	_____ is the benefit that results when two or more agents work together to achieve something either one could not have achieved on its own.	Energy	Strength	Synergy	Growth	Synergy
30	The acquisition of a retail mobile store by a Mobile manufacturer is an example of _____.	Horizontal.	Vertical.	Diversification	Conglomerate	Vertical.
31	The merger of General Motors and Ford would be categorized as a _____	Horizontal.	Vertical.	Joint venture.	Conglomerate	Horizontal.
32	Which Accounting Standard deal with Amalgamation?	AS 10	AS 11	AS 14	AS 17	AS 14.
33	In _____ valuation it is assumed that the company will be dissolved.	Liquidation	Assets	Goodwill	Share	Liquidation
34	An acquisition and _____ are same.	a merger	an amalgamation	a takeover	a spin-off	a takeover
35	Which of these is not the ways in which mergers and acquisitions (M&As) occur?	Diversification	Horizontal integration	Vertical integration	Conglomerate takeover	Diversification

36	When firm B merges with firm C to create firm BC, what has occurred?	An acquisition of assets.	A consolidation.	A tender offer.	An acquisition of stock.	A consolidation.
37	Which of the following is a combination involving the absorption of one firm by another?	Merger.	Consolidation.	Proxy fight.	Joint Venture	Merger.
38	Which of these is not the Financial motives for Merger & Acquisition?	corporation tax	earnings per share	Goods and service Tax	unemployed tax shields	Goods and service Tax
39	A public offer by A ltd. to directly buy shares of B Ltd. is an example of _____.	Spin Off	Tender Offer	Merger	Consolidation	Tender Offer
40	An agreement between firms to create a separate, co-owned entity established to pursue a joint goal is called a:	Merger.	Consolidation.	Proxy fight.	Joint Venture	Joint Venture
41	All the following are true of mergers except _____.	Mergers are legally straightforward.	Approval by shareholder vote of each firm involved in the merger is required.	The acquiring firm maintains its name and identity in a merger.	A merger may never result from a public offer to the shareholders of the target firm to buy its shares directly.	A merger may never result from a public offer to the shareholders of the target firm to buy its shares directly.

42	The three broad approaches to company valuation do not include: _____	asset valuation	future earnings valuation	stock market valuation	inventory valuation	inventory valuation
43	Which of these is incorrect statement?	A leveraged buyout involves the purchase of a company financed primarily by debt	A merger is a combination of two firms in which only one firm's identity survives.	In a consolidation, two or more firms combine to form a new company.	M&A's rarely pay off for target firm shareholders	M&A's rarely pay off for target firm shareholders
44	Which of the following are commonly cited reasons for M&As? A. Synergy B. Market power C. Strategic realignment	A and B	A and C	B and C	A, B and C	A, B and C
45	A merger is a combination of businesses in which _____ A. two businesses combine to form a new business. B. one of the two firms becomes a wholly owned subsidiary of the other firm.	Only A	Only B	Neither A nor B	Both A and B	Neither A nor B
46	Suppose that the market price of Company X is Rs.90 per share and that of Company Y is Rs.60. If X offers three shares of common stock for 4 shares of Y, the ratio of exchange of market prices would be:	0.667	1	1.125	1.25	1.125

47	No of Equity shares of a company are 100000 and NPAT is Rs. 500000 preference Dividend is Rs. 100000.What is the EPS a company?	RS. 1	RS. 4	Rs. 5	Rs.10	Rs. 4	
48	No of Equity shares of PQ Ltd. are 10000 and NPAT is Rs. 1000000 preference Dividend is Rs. 100000.What is the MPS of PQ Ltd. If P/E ratio is 10?	Rs. 100	Rs. 90	Rs. 900	Rs. 1000	Rs. 900	
49	The following reasons are good motives for mergers except: _____ (I) Economies of scale (II) Complementary resources (III) Diversification (IV) Eliminating Inefficiencies	I and III only	II and IV only	I and III only	III only	III only	
50	Firm X has a value of Rs.100 Crores, and Y has a value of Rs.70 Crores. Merging the two would allow a cost savings with a present value of Rs.20 Crores. Firm A purchases B for Rs.75 Crores. How much do firm A's shareholders gain from this merger?	Rs.30 Crores	Rs.20 Crores	Rs. 15 Crores	Rs.5 Crores	Rs. 15 Crores	
51	The organizations which allows longer period of credit to debtors requires	More Working Capital	Less Working Capital	No Working Capital	Moderate Working Capital	More Working Capital	Unit 5
52	Net working Capital=	Current assets less Current Liabilities	Current assets - Fixed assets	Current liabilities less current assets	Permanen t working capital	Current liabilities less current assets	
53	Recourse Factoring advances upto	70% to 80 %	90% to 100%	20% to 40 %	10% to 30 %	70% to 80 %	
54	credit investigation is done by Factor in	Factoring	Working Capital Financing	Hire purchase Financing	Lease financing	factoring	

55	Working Capital=	Capital required to finance day to day operations	Capital to finance fixed assets	Capital working in the organisations	Cash credit	Capital required to finance day to day operations
56	Public Deposits are accepted for a maximum Period of	2 yrs.	3 yrs.	5 yrs.	6 yrs.	3 yrs.
57	The length of time between the firm's actual cash expenditure and its own cash receipt.	Net operating cycle	Cash conversion cycle	Working capital cycle	Gross operating cycle	Net operating cycle
58	When total current assets exceed total current liabilities, it refers to	Gross Working Capital	Temporary Working Capital	Seasonal Working Capital	Net Working Capital	Net Working Capital
59	For estimation of working capital debtors are valued at	Cost	Market value	Depend upon the policy of the organization	Fair Value	Depend upon the policy of the organization
60	Financial debt is in	factoring	Invoice discounting	Bill discounting	Bills receivable	Factoring

61	Advance Factoring refers to	Factor advances cash to the seller against the debt	The factor makes payment on maturity	The factor finances the book debts and the client continues to maintain sales ledger	Inaccurate Evaluation	Factor advances cash to the seller against the debt
62	Advantage of factoring are	Improved Liquidity	Bad Image	No useful	Inaccurate Evaluation	Improved Liquidity
63	Banks provide finance to bridge the gap between current assets and current liabilities	Working Capital Financing	Hire purchase Financing	Lease financing	Finance Factoring	Working Capital Financing
64	The notice of assignment of debt is not given to the debtors	Non-Notification factoring	Advance Factoring	Maturity Factoring	Finance Factoring	Non-Notification factoring
65	Maximum period in factoring is	6 months	3 months	2 months	1 months	3 months
66	Costs of inventory excluding depreciation	Cash working Capital	Larger working Capital	Smaller working Capital	Minimum working Capital	Cash working Capital
67	Advance payment on debtors is available in	Factoring	Bills discounting	Hire purchase price	Down payment	Factoring
68	Concept of maximum permissible bank finance was introduced by	Kannan Committee	Chore Committee	Nayak Committee	Tandon Committee	Tandon Committee

69	Service organisation requires	Larger working Capital	Smaller working Capital	Minimum working Capital	maximum working Capital	Minimum working Capital
70	Gross working capital means	Total assets	Total current assets	Total current liabilities	Fixed assets minus current assets	Total current assets
71	Manufacturing organisation requires	Larger working Capital	Smaller working Capital	Minimum working Capital	The	Larger working Capital
72	Shortage of working capital may result in	Poor credit standing	More cash discount	More trade discount	Less trade discount	Poor credit standing
73	Increase in WIP period requires	Net Operating cycle	Larger working Capital	Smaller working Capital	Minimum working Capital	Larger working Capital
74	Core Working Capital is also known as	Gross working Capital	Net working capital	Permanent working capita	Fixed Capital	Permanent working capita
75	Maturity Factoring refers to	Factor advances cash to the seller against the debt	The factor makes payment on maturity	The factor finances the book debts and the client continues to maintain sales ledger	Inaccurate Evaluation	The factor makes payment on maturity

76	Finance Factoring refers to	Factor advances cash to the seller against the debt	The factor makes payment on maturity	The factor finances the book debts and the client continues to maintain sales ledger	Inaccurate Evaluation	The factor finances the book debts and the client continues to maintain sales ledger	
77	The bills should have maximum days of	90	180	120	30	90	
78	Current Assets - Current Liabilities =	Gross working Capital	Net working capital	Permanent working capital	Temporary working capital	Net working capital	
79	Seasonal working Capital refers to	Gross working Capital	Net working capital	Required to meet seasonal needs of the organization	Fluctuating in nature	Required to meet seasonal needs of the organization	
80	Commercial paper is type of	Fixed coupon bond	Unsecured short term debt	Equity share capital	Government bond	Unsecured short term debt	
81	Corporate Restructuring is done to increase	Long term profitability	Long term solvency	Long term business relations	Long term view	Long term profitability	Unit 3

82	Restructuring is a process of	Changing capital structure	Changing staffing	Changing organisation of a business	Changing in plan	Changing organisation of a business
83	Corporate Restructuring is to	Consider solvency	Re-arrange the organisation	Have profitable growth	Change the structure	Change the structure
84	Corporate Restructuring is a process of	Planning	Insolvency	solvency	Re-arrangement	Re-arrangement
85	The Essence of Corporate Restructuring is	Inefficient business operation	In competitive business operation	Not Profitable business operation	Efficient business operation	Efficient business operation
86	Restructuring is done to	decrease market share	decrease Brand power	decrease Synergies	Increase Synergies	Increase Synergies
87	Restructuring activities occur at a much larger scale due to	Increasing competition	Globalisation	Nationalisation	Increasing competition and Globalisation	Increasing competition and Globalisation
88	Corporate Restructuring helps to achieve	Diseconomies	No Global competitiveness	No Cost reduction	Economies of Scale	Economies of Scale
89	Corporate Restructuring as a strategy involves	No lay off	Share capital	No Alteration	Merger	Merger

90	Different forms of restructuring Does not include	Merger	Acquisition	Takeover	Adverse opinion	Adverse opinion
91	Capital reduction is implemented as per companies act under the section	77	100	80	75	100
92	The scheme of capital reduction is to be approved by	High Court	SEBI	Central Government	Shareholders	High Court
93	Balance in Capital Reduction A/c should be transferred to	Security premium A/c	Capital Reserve A/c	Share Capital A/c	Profit and Loss A/c	Capital Reserve A/c
94	Ravi Ltd. Had on 31st March 2020; 80000 Equity shares at Rs. 10 each. It was decided to reduce shares to Rs. 8 each. The Reduction is	Rs. 80000	Rs.160000	Rs.200000	Rs.150000	Rs.160000
95	Provision for taxation is Rs.100000. The tax liability of the company is settled at Rs. 80000 and it is paid immediately. Amount credited to capital reduction is	Rs. 20000	Rs. 60000	Rs. 80000	Rs. 100000	Rs. 20000
96	In Internal Reconstruction for writing off Goodwill accounts, which Account is to be debited?	Goodwill A/c	Profit and Loss A/c	Capital Reduction A/c	Loss on Write off A/c	Capital Reduction A/c
97	In Internal Reconstruction Sacrifice made by Creditors for their dues, which Account is to be Credited?	Creditors A/c	Capital Reduction A/c	Profit and Loss A/c	Capital Reserve A/c	Capital Reduction A/c
98	3000 Preference Shares of ₹ 100 each to be reduced to ₹ 75 each fully paid. Amount Transferred to Capital Reduction A/c will be?	75000	70000	225000	300000	75000
99	4000 Equity Shares of ₹ 100 each reduced to ₹ 40 each fully paid up. Amount Transferred to Capital Reduction A/c will be?	400000	160000	240000	200000	240000

100	Capital Reserve A/c Shown in Balance Sheet under the Head?	Share Capital	Reserves and Surplus	Non-Current Liabilities	Current Liabilities	Reserves and Surplus	
101	Due to Lease	Capital requirement of business is reduced	More capital is required	Borrowing capacity is increased	Affect business operations	Capital requirement of business is reduced	Unit 4
102	Lease Rentals	Increases tax liability	Decreases tax liability	Does not affect tax liability	Increases assets	Decreases tax liability	
103	Lease is only a mode of	Financing	Hiring	Takeover	Financing and Hiring	Financing and Hiring	
104	The Lessor in operating lease is a	Manufacturer	Trader	Professional	Creditor	Manufacturer	
105	In case of Lease the legal title is with	Lessor	Lessee	Agent	Broker	Lessor	
106	Lease rentals are operating expenses which are	Deductible for tax purpose	Added for tax purpose	Ignored for tax purpose	Credited in Profit and Loss A/c	Deductible for tax purpose	
107	The period over which the asset is economically usable is	Economic Life	Useful Life	Accounting Life	Calculative Life	Economic Life	
108	Finance Lease is for a	Long term period	Short term period	Medium term period	Market period	Long term period	

109	Annual Lease Rental is considered as cash outflow for	Lessor	Lessee	Finance company	Agent	Lessee
110	Cost of asset is cash outflow to	Lessor	Lessee	Finance company	Broker	Lessor
111	Buyer of goods under Hire purchase is called as a	Hirer	Buyer	Customer	Vendor	Hirer
112	Amount paid at the time of taking delivery of goods is	Cash payment	Down payment	Advance payment	Prepayment	Down payment
113	Hire purchase price is equal to	Cash price	Cash price – Interest	Cash price + Interest	Cash price + Down Payment	Cash price + Interest
114	Instalment is equal to	Principal + Interest	Principal – Interest	Cash price + Interest	Cash price – Interest	Principal + Interest
115	Depreciation is charged on asset at a certain rate on	Down payment	Cash price	Principal	Hire Purchase price	Cash price
116	Accounting Standard on Lease	AS 20	AS 19	AS 18	AS 26	AS 19
117	If Down payment is ₹ 300000, Instruments are 1st year = ₹ 420000, 2nd year = ₹ 390000 , 3rd year = ₹ 360000 , 4th year = ₹ 330000. What will be the Hire Purchase Price?	₹ 16,00,000	₹ 18,00,000	₹ 20,00,000	₹ 24,00,000	₹ 18,00,000
118	If Hire Purchase price is ₹ 1800000, Cash Price is ₹ 1500000. What will be the Interest?	₹ 4,00,000	₹ 33,00,000	₹ 3,00,000	₹ 2,00,000	₹ 3,00,000
119	Tax Saving on Depreciation can be Claimed by	Hire Purchaser	Hire Vendor	Agent	Broker	Hire Purchaser
120	Under Hire Purchase System Purchaser becomes the Owner of Goods on payment of	Down payment	Last Instalment	Interest	first instalment	Last Instalment

Sample Questions	Class : T.Y.B.Com (Accounting & Finance)
Examination Code : 2C00456	Semester : VI / CBCS
Subject : Taxation V (Indirect Tax -III)	Paper Code : 85604

Sr. No.	Question	Option A	Option B	Option C	Option D	Correct Answer	UNIT
1.	IGST is applicable on_____.	Intra state supply	Inter State Supply	Supply within same union territory having own act	Supply within same union territory not having own act	A. Inter State Supply	I
2.	CGST is applicable on_____.	Interstate supply	Intra State Supply	Supply between two different union territories	Imports	B. Intra State Supply	I
3.	SGST is applicable on_____.	Interstate supply	Supply between two different union territories	Supply within same union territory having own act	Supply within same union territory not having own act	C. Supply within same union territory having own act	I
4.	Input tax credit of IGST available can be used to pay off liability against _____.	Only IGST	Only CGST and SGST	Only CGST and IGST	First against IGST and balance against CGST and SGST	D. First against IGST and balance against CGST and SGST	I
5.	On _____UTGST is applicable.	Intra state supply	Inter State Supply	Supply within same union territory having own act	Supply within same union territory not having own act	D. Supply within same union territory not having own act	I

6.	Input Tax Credit can be used to pay off liability on account of _____ .	Interest Only	Tax only	Penalty only	Late fees only	B. Tax Only	I
7.	UTGST is applicable for _____ .	Supply within Karnataka	Supply within Puducherry	Supply within West Bengal	Supply within Chandigarh	D. Supply within Chandigarh	I
8.	The amount payable by a registered person on account of late fees payable under GST, reflects in _____.	Electronic Cash Ledger	Electronic Credit Ledger	Electronic Liability Register	Electronic Payables Ledger	C. Electronic Liability Register	I
9.	The amount payable by a registered person on account of tax payable under GST is _____ .	Debited in Electronic Liability Register	Credited in Electronic Liability Register	Not recorded In Electronic Liability register	Debited in Electronic Payables Ledger	A. Debited in Electronic Liability Register	I
10.	CIN is _____ .	Challan Identity Number	Challan Identification Number	Challan Payment Identity Number	Common Identification Number	B. Challan Identification Number	I
11.	The GST records are maintained for _____ number of minor heads.	2	3	4	5	D. 5	I
12.	The tax collected (TCS) by an E Commerce operator during May 2019 shall be deposited with government, on or before _____	10th June 2019	10th May 2019	20th June 2019	15th June 2019	A. 10th June 2019	I
13.	Over the counter payment is allowed to pay liabilities under GST if challan amount is not exceeding Rs. _____	5,000	10,000	20,000	50,000	B.10,000	I

14.	TDS is applicable in case the supply amount is exceeding Rs._____	2 Lakhs	2.5 Lakhs	No limit is applicable	5 Lakhs	B. 2.5 Lakhs	I
15.	A registered supplier in Mumbai, sold goods to a customer in Chennai for Rs. 65,00,000. Tax rate applicable is 12%. So GST payable is _____	IGST -Rs. 6,50,000	CGST - Rs. 3,90,000 and SGST – Rs. 3,90,000	IGST -Rs. 7,80,000	CGST - Rs. 3,90,000 and UTGST -Rs. 3,90,000	C. IGST -Rs. 780,000	I
16.	GST payable Rs. 12,000 for the month November 2019 was paid on 13th December 2019. Interest payable on this delayed payment is Rs. _____	NIL as there is no delay	18	20	25	A. NIL as there is no delay	II
17.	Liability payable Rs. 1000 on account of excess ITC wrongly claimed during May 2019. Accordingly Interest shall be payable @ _____ p.a.	10%	18%	24%	20%	C. 24%	II
18.	An E- Commerce operator has made gross taxable supplies of Rs. 30,000. And sales returns were of Rs. 5,000. TCS applicable shall be Rs. _____	250	500	NIL as TCS not applicable	1,000	A. 250	II
19.	The electronic credit ledger used under GST for records is in the form_____.	GST PMT – 01	GST PMT – 02	GST PMT – 05	GST PMT – 06	B. GST PMT - 02	II

20.	To pay off liability on account of CGST, input tax credit of _____ can be used.	Only IGST	Only CGST	CGST and IGST	SGST and CGST	C. CGST and IGST	II
21.	The Annual Return shall be filed by the registered taxable person in Form _____.	GSTR 7	GSTR 8	GSTR 9	GSTR 10	C.GSTR 9	II
22.	The GST Return for TCS by E- commerce operator shall be filed in Form _____	GSTR 7	GSTR 8	GSTR 9	GSTR 10	B.GSTR 8	II
23.	The GST Return shall be filed by a person having UIN (Unique Identification Number) in Form _____	GSTR 8	GSTR 9	GSTR 10	GSTR 11	D. GSTR 11	II
24.	The GST Return form for Input Service Distributors shall be filed on or before _____day of succeeding month.	8th	10th	13th	20th	C. 13th	II
25.	The TDS Return under GST shall be filed by the registered taxable person on or before _____day of succeeding month.	8th	10th	13th	20th	B. 10th	II
26.	The Annual Return shall be filed by the taxable person on or before _____date of the following Financial Year.	30th June	31st July	30th September	31st December	D.31st December	II

27.	GSTR 1 is applicable for _____ .	E – Commerce Operator liable for TCS	Non Resident Taxable Person	Input Service Distributor	Registered Person who has not opted Composition scheme	D. Registered Person who has not opted Composition scheme	II
28.	The maximum amount of late fees payable by any registered person on failure to furnish GST returns u/s 39 by the due date is Rs. _____	5,000	10,000	3,000	7,500	A. 5000	III
29.	The TDS Return under GST is required to be filed on _____ basis.	Monthly	Quarterly	Annually	Only once	A. Monthly	III
30.	Any GST returns requirement (none of the forms) is not at all applicable for _____	Non Resident Taxable Person	E – Commerce Operator liable for TCS	Unregistered person	Input Service Distributor	C.Unregistered person	II
31.	A registered person who has opted composition scheme has made taxable outward supplies in the month Dec. 2019, GST return GSTR 4 applicable for him shall be filed by him on or before _____ .	20th Jan. 2020	10th Jan. 2020	20th April 2020	30th April 2020	D. 30th April 2020	II
32.	GST Returns help government _____ .	Only if any disputes arise	Only when refund is payable	Only when reports are prepared	To collect data and check compliances of taxpayers	D. To collect data and check compliances of taxpayers	II

33.	A Company has provided wrong details in GSTR 1 for the month May 2019, Annual return was filed on 15th December 2020 and Return for September month on 20th October 2020. So, the rectification is allowed on or before _____	31st December 2020	15th December 2020	20th October 2020	31st March 2020	C. 20th October 2020	II
34.	Goods under Customs Act does not include _____	Vessels	Aircraft	Vehicles	Immovable Property	D. Immovable Property	IV
35.	Customs duty is applicable on _____	Manufacturing of goods	Sale of goods in India	Import and Export of goods	Services provided in India	C. Import and Export of goods	IV
36.	The rate of duty under customs shall be the rate prevailing on _____ day in case of imports where goods cleared from warehouse.	Date of Ex- Bond Bill of Entry	Date of Entry Inwards	Date of Bill of Entry and Date of Entry Inwards whichever is later	Date of Bill of Entry and Date of Entry Inwards whichever is earlier	A. Date of Ex-Bond Bill of Entry	IV
37.	Safeguard Duty is calculated on _____	Assessable Value	Assessable Value + Basic Customs	Basic Customs Duty	Assessable value + IGST + Basic	A. Assessable Value	IV
38.	The exchange rate applicable on the date of _____ shall be considered in case of Imports.	Date of shipping bill	Date of Order permitting clearance and loading	Date of Bill of Entry	Date of Entry Inwards	C. Date of Bill of Entry	IV

39.	Social welfare surcharge (SWS) is calculated @ _____%.	2	3	5	10	D. 10	IV
40.	Anti Dumping Duty is levied in case of _____	Imports at a price less than nominal value	Increased quantity of imports causing serious injury to domestic industry	The foreign country providing subsidy in relation to such product	Illegal Imports	A. Imports at a price less than nominal value	IV
41.	CIF value = _____	FOB + Freight + Insurance	FOB + Insurance	FOB - Insurance	FOB - Freight - Insurance	A.FOB + Freight + Insurance	IV
42.	The CIF value shall not include _____.	Transportation charges before importation	Manufacturing cost	Unloading and Handling Charges	Insurance cost	C. Unloading and Handling Charges	IV
43.	Goods imported at CIF price of Rs. 90,000 and transportation cost Rs. 22,000 and insurance cost Rs. 5,000 FOB Price shall be Rs. _____	63,000	85,000	90,000	1,17,000	A. 63,000	IV
44.	Assessable value of the goods imported is Rs. 70,000. Basic customs duty and SWS applicable totally Rs. 9,200. IGST @ 12% applicable. IGST payable shall be Rs. _____.	8,400	9,200	9,206	9,504	D.9,504	IV
45.	As per annexure I, cigarettes exceeding _____are fully taxable without any allowance.	25	50	100	125	C.100	V

46.	A female passenger can carry jewellery upto the maximum value of Rs. _____ under jewellery allowance under customs.	20,000	40,000	50,000	1,00,000	D.1,00,000	V
47.	Baggage means _____	Goods imported	Goods exported	Goods accompanied by a passenger	Goods use on aircraft as store	C. Goods accompanied by a passenger	V
48.	Mr. R is an Indian citizen who came to India from Germany and carried 1.5 ltr. Wine worth Rs. 8000. The dutiable value of baggage is Rs. _____ after claiming general allowance.	8,000	6,000	4,000	NIL	D.NIL	V
49.	The duty free allowance available in case of Infant arriving from specified countries by air route is Rs. _____.	NIL	15,000	50,000	1,00,000	A. NIL	V
50.	A car imported for personal use by paying duty of Rs. 15,000. It was re-exported after using for 1 quarter. So, duty drawback shall be allowed for Rs. _____.	13,800	14,400	14,600	15,000	B.14,400	V
51.	The eligible input tax will be automatically credited to the_____.	Electronic Credit Ledger	Electronic Cash Ledger	Electronic Liability register	Electronic Account Ledger	A Electronic Credit Ledger	I
52.	Every deposit made towards tax shall be credited to _____.	Electronic Credit Ledger	Electronic Cash Ledger	Electronic Liability register	Electronic Account Ledger	B Electronic Cash Ledger	I

53.	As per Rule 88A, IGST credit shall first be utilised towards payment of ____.	CGST	SCGST	IGST	UTGST	C IGST	I
54.	Every person who fails to pay tax shall be liable to pay interest not exceeding ____.	10%	12%	18%	24%	C 18%	I
55.	A taxable person who makes an undue or excess claim of input tax credit shall be liable to pay interest not exceeding ____.	10%	12%	18%	24%	D 24%	I
56.	TDS provision applicable only when the total value of supply, under a contract, exceeds ____.	Rs 100,000	Rs 150,000	Rs 200,000	Rs 250,000	D Rs 250,000	I
57.	Late fee of Rs____per day is to be paid for delay in issuance of TDS certificate.	Rs 50	Rs100	Rs 200	Rs 250	B Rs 100	I
58.	Every electronic commerce operator is required to collect tax at source has to furnish a statement in form ____.	GSTR-1	GSTR-3	GSTR-7	GSTR-8	D GSTR-8	II
59.	Refund is normally credited to a) Consumer Welfare Fund b) Electronic Cash Ledger c) Electronic Credit Ledger d) Assessee's account	Consumer Welfare Fund	Electronic Cash ledger	Electronic Credit Ledger	Assessee's account	A Consumer Welfare Fund	II
60.	The rate of interest to be payable in case of delay in sanctioning the refund claimed should be not exceeding ____.	18%	8%	6%	5%	C 6%	I

61.	Which form is furnished for submission of details of outward supplies?	GSTR-1	GSTR-2	GSTR-3	GSTR-3B	A GSTR-1	II
62.	GSTR-2 gives the details of ____.	All inward supplies	All outward supplies	Composite tax	TDS	A all inward supplies	II
63	GSTR-9 is also called ____.	Annual Return	Monthly return	Quarterly Return	Half yearly Return	A Annual Return	II
64	Final Returns are to be furnished by a registered person whose registration is ____.	Suspended	Cancelled	Revoked	Transferred	B Cancelled	II
65	____ is to be furnished electronically upto 31 st December of succeeding financial year by every registered person.	Final Return	Annual Return	Return of outward supply	Return of inward supply	B Annual Return	II
66	Every registered person under GST should submit details of outward supplies by ____.	10 th of succeeding month	20 th of succeeding month	10 th of next quarter	15 th of next quarter	A 10th of succeeding month	II
67	Final return in Form GSTR-10 should be submitted ____.	within one year of registration	within 3 months of such cancellation of registration	within 3 months of outward supply	within one month of renewal of registration	B within 3 months of such cancellation of registration	II
68	Fees of ____ per day is to be levied for delay in furnishing returns.	Rs 50	Rs 100	Rs 200	Rs 250	B Rs 100	II
69	The maximum amount of late fees payable by a registered person for delayed furnishing of returns u/s 39 is ____.	Rs 1500	Rs 2500	Rs 5000	Rs 10000	C Rs 5000	II
70	A registered person under GST can file quarterly return if the turnover is ____.	does not exceed Rs 2 Lakhs	does not exceed Rs 75 Lakhs	does not exceed Rs 1 crore	does not exceed Rs 1.5 crore	D does not exceeds Rs 1.5 crore	II
71.	Voluntary estimation of tax obligations is called ____.	Best judgement assessment	Provisional assessment	Self assessment	Protective assessment	C Self assessment	III

72.	___ can be done in case a registered person fails to furnish a return.	Best judgement assessment	Provisional assessment	Self assessment	Protective assessment	A Best judgement assessment	III
73.	___ can be done in case a taxable person fails to obtain registration.	Best judgement assessment	Provisional assessment	Self assessment	Protective assessment	A Best judgement assessment	III
74.	Every registered person has to maintain certain books of accounts at his ____.	Principal place of business	Principal place of business or any branch office	Any branch office	Any place whether office or residence	A Principal place of business	III
75.	Accounts and records are to be maintained ____.	Electronic form	Manually	Electronic form and manually	Electronic form or manually	D Electronic form or manually	III
76.	___ means examination of records, returns and other documents maintained by registered person under GST.	Audit	Verification	Assessment	Vouching	A Audit	III
77.	Special Audit u/s 66 is to be completed within ____.	30 days	45 days	90 days	180	C 90 days	III
78.	Every Registered person is required to ___ taxes payable under GST and furnish returns for each tax period.	Re-assess	Self-assess	Scrutinize	Calculate	B Self-assess	III
79.	A special audit under Section 66 can be conducted by ____.	Advocate practicing as a GST practitioner	Company secretary	Chartered accountant or company secretary	Chartered accountant or cost accountant	D Chartered accountant or cost accountant	III
80.	E way bill is to be uploaded on GST portal before movement of goods if value of goods is ____.	More than Rs 10000	More than Rs 25000	More than Rs 50000	More than Rs 100000	C More than Rs 50000	III

81.	Customs duty is administered by ____.	CBDT	CBIC	GST council	Supreme court	B CBIC	IV
82.	Classification of goods under Customs Tariff Act, 1975 is based on ____.	localized classification methods	Harmonized System of Nomenclature	Indian Classification	American code of classification	B Harmonized System of Nomenclature	IV
83.	Exclusive economic zone extends to ____ nautical miles from the base line of the coast of India.	200 nautical miles	24 nautical miles	12 nautical miles	100 nautical miles	A 200 nautical miles	IV
84.	Assessable Value (A.V.) =Rs. 1 lakh (1) BCD- 10% (2) IGST-12% (3) SOCIAL WELFARE SURCHARGE @ 10% Calculate total duty payable	Rs 10,000	Rs 24,320	Rs 35,520	Rs 13,200	B Rs 24,320	IV
85.	Where the insurance amount is not available, for ascertaining the assessable value for customs duty, the percentage of FOB value to be taken is ____.	1%	1.125%	10%	20%	B1.125%	IV
86.	Goods which are same in all respects, including physical quantity is known as ____.	Similar goods	Identical goods	Alike goods	Indistinguishable goods	B Identical goods	IV
87.	An importer imported some goods of Rs 4,10,000 on CIF basis. Following Euro rates on the date of presentation of BOE (Bill of Entry) is given. What is the exchange rate for customs valuation?	Inter-bank closing rate Rs 63.50 per Euro	RBI rate 1 Euro = Rs 63.75	Exchange rate notified by CBIC - 1 Euro = Rs 64.05	Rate at which bank has ready payment from importer 1 Euro = Rs 64.20	C Exchange rate notified by CBIC - 1 Euro = Rs 64.05	IV

88.	Social welfare surcharge is calculated at ____.	10% on IGST	10% on BCD	12% on BCD	18% on IGST	B 10% on BCD	IV
89.	Determine the Assessable value of imported goods if FOB value is 1000 USD, Freight charges are not known and Insurance is 10 USD.	1010 USD	1210 USD	1200 USD	1110 USD	B1210 USD	IV
90.	Exchange rate notified by RBI 1US \$= Rs 73, Exchange rate notified by CBEC 1US \$= Rs 72, Exchange rate at which bank realized payment from importer 1US \$= Rs 69, Inter Bank Closing rate is 1US \$ = 71. The relevant exchange rate for customs duty would be ____.	1US \$= Rs 73	1US \$= Rs 72	1US \$= Rs 71	1 US\$ = Rs 69	B 1US \$= Rs 72	IV
91.	In case of imports other than imports by EOU the imported goods can be kept in Customs bonded ware-house for ____ days without paying any interest.	45 days	90 days	180 days	365 days	B 90 days	IV
92.	Bill of entry for warehousing is also known as ____.	Ex- bond	Cum- bond	Into-bond	No- Bond	C Into- Bond	V
93.	Baggage rules shall apply to unaccompanied baggage provided such baggage arrives ____ before arrival of the passenger.	2 months	3 months	4 months	6 months	A 2 months	V
94.	Drawback u/s 74 for re-export of used goods after 15 months but before 18	65%	60%	55%	Nil	B 60%	V

	months shall be provided at ___ % of duty paid on imported goods. a) 65% b) 60% c) 55% d) Nil						
95.	Mr A imported computers for office use and paid Rs 10,00,000. As import duty. The computers were re-exported after 14 months. The amount of duty drawback u/s 74 will be ____.	No duty drawback	Rs 600,000	Rs 650,000	Rs 950,000	C Rs 650,000	V
96.	FOB value of exported goods is Rs 3000. Rate of amount of duty drawback is 1.5% of FOB Market Price of goods Rs 3100 Value of imported materials used in goods Rs 2,500 So, the amount of duty drawback is ____.	Nil	Rs 45	Rs 46.50	Rs 37.50	A Nil	V
97.	After visiting USA for a month, Mr Uday an Indian resident aged 35 years brought to India- a laptop valued at Rs 60,000; personal effects valued at Rs 100,000 So the amount of custom duty payable by Mr Uday is ____.	Nil	Rs 42,350	Rs 3,850	Rs 19,250	A Nil	V
98.	Refund / drawback / Input tax credit for IGST paid on	CGST Act, 2017	Customs Act, 1962	Customs Tariff Act, 1975	Central Excise Act, 1944	A CGST Act, 2017	V

	imported goods shall be claimed under___.						
99.	In case imported goods are being cleared from warehouse for home consumption ___ date shall be considered for determining rate of duty.	Date of ex-bond bill of entry	Date of into-bond bill of entry	Date of granting entry inward	Date of presentation of goods	A Date of ex-bond bill of entry	V
100.	Male passengers returning to India after staying abroad for more than 1 year can carry gold jewellery up to ___ in baggage without payment of duty.	Nil	20grams	Rs 50,000	Lower of 20 grams or Rs 50,000	D Lower of 20 grams or Rs 50,000	V

SAMPLE QUESTIONS	Class: T.Y.BCOM (Accounting & Finance)
EXAMINATION CODE: 4C00456	SEMESTER: VI/CBCS
SUBJECT: Economics III (Indian Economy)	PAPER CODE: 85607

Sr. No	Question	Option A	Option B	Option C	Option D	Correct Answer	Chap. No
1.	---- is the second most populous state in India	Maharashtra	Gujarat	Madhya Pradesh	Tamilnadu	Maharashtra	1
2.	According to census 2011 the density of population was ----	602	457	382	554	382	1
3.	The rural India has more than ---- of the total population.	70%	90%	85%	65%	70%	1
4.	As per the Sample Registration System Report, the sex ratio in 2017 was-----.	898	896	900	902	896	1
5.	Annapurna scheme was introduced in -----	April 2001	April 2002	April 2003	April 2000	April 2000	2
6.	Multidimensional Poverty Index is used by the - -----to estimate poverty	UN	Planning Commission	World Bank	RBI	UN	2

7.	The state of ----- created maximum job opportunities under MGNREGS IN 2011-12	Maharashtra	Delhi	Tamilnadu	Rajasthan	Rajasthan	2
8.	The size of India's population according to 2011 census is -----millions.	1210.86	1300.23	1100.32	1500.24	1210.86	2
9.	-----is the known as the ' Aadhar Gaon'	Bundi Village	Thambali Village	Ganganagar Village	Karauli Village	Thambali Village	3
10.	----- Coefficient is used to measure the extent of inequality.	Lorenz	Gini	Index	Karl Pearson	Gini	3
11.	PradhanMantri Ujjwala yojna is concerned with ----	Electricity connection	Mobile connection	Television connection	LPG connection	LPG connection	3
12.	JNNURM stands for -----	Jawaharlal Nehru National Urban Reuse Mission	Jawaharlal Nehru National Unique Renewal Mission	Jawaharlal Nehru National Urban Renewal Mission	Jawaharlal Nehru National Urban Renewal Management	Jawaharlal Nehru National Urban Renewal Mission	4
13.	Price policy mainly benefits-----	Poor farmers	Skilled farmers	Urban farmers	Rich farmers	Poor farmers	8

14.	Demand for agricultural commodities----- -----	Elastic	Unit elastic	Inelastic	Relatively elastic	Inelastic	8
15.	High yielding variety seeds were used in the cultivation of-----	Wheat and rice	Sugar	Pulses	Rice	Wheat and rice	7
16.	Statutory minimum support price is applicable to -----	Jute, sugarcane	Rice & Wheat	Pulses	Cotton	Jute,Sugarcane	8
17.	----- system of taxation is used to reduce inequality	Proportionate	Progressive	Regressive	Marginal	Progressive	3
18.	-----are used by the Government in recent times to strengthen the last mile delivery of the various welfare programmes of the Government.	JAM	RAM	CPAN	DTAN	JAM	5
19.	NSSO stands for-----	Natural Sample Survey Organisation	National Simple Survey Organisation	National Sample Survey Organisation	National Sample Systematic Organisation	National Sample Survey Organisation	4
20.	Unemployment among the educated people is known as-----	Seasonal Unemployment	Educated Unemployment	Disguised Unemployment	Open Unemployment	Educated Unemployment	4
21.	The unemployment rate in India in 2017-18 was ----- based on usual status	6.1%	7.2%	5-7%	4.9%	6.1%	4
22.	‘Make in India’ was launched in -----with the goal of making India a manufacturing a global hub.	2012	2013	2014	2015	2014	4
23.	PMKVY stands for-----	Pradhan Mantri Kaushal Vikas Yojana	Pradhan Mantri Krishi Vikas Yojana	Pradhan Mantri Kaushal Vidhyala Yojana	Pradhan Mantri Kaushal Vijay Yojana	Pradhan Mantri Kaushal Vikas Yojana	5
24.	‘Rajiv Awas Yojan’ was announced by the Government to have a -----	Slum free India	Poverty free India	Unemployment free India	Inequality free India	Slum free India	5

25.	Urbanisation -----employment opportunity	Decreases	Increases	Not affected	mixed effect	Increases	5
26	During the British regime, the----- collected the land revenue from the farmers on behalf of the Government.	Tenant	Zamindars	Labour	Agents	Zamindars	6
27	Co-operative farming enables -----farming.	Small scale	Micro Scale	Medium scale	Large scale	Large scale	6
28	In 2013-14 , food grains production in India.	265.6 million tonnes	260.6 million tonnes	165.6 million tonnes	270.6 million tonnes	265.6 million tonnes	7
29	Public distribution system is handled by-----	CACP	FCI	Department of Agriculture	Price monitoring Board	FCI	7
30	CACP stands for-----	Commission for Agricultural cost and prices	Centre for Agricultural cost and prices	Commission for Agricultural commodity and prices	Commission for Agricultural cost and profit	Commission for Agricultural cost and prices	8
31	----- plays an important role in agricultural pricing	Demand	Weather condition	Supply	Fertility of soil	Supply	8
32	----- is an apex bank for rural finance.	IDBI	NABARD	ICICI	SBI	NABARD	9
33	-----no. of private sector banks were nationalised in the year 1969	Fifteen	Fourteen	Nine	Twelve	Fourteen	9
34	The Kisan Credit Card is issued by -----	Government	NABARD	SBI	RRB	NABARD	9
35	Five RRB's were started in -----	1976	1978	1975	1969	1975	9
36.	Demand for agricultural commodity is-----	very elastic	Unitary elastic	Less elastic	Perfectly elastic	less elastic	11

37.	Market information reduces exploitation of ___	Farmers	traders	wholesalers	middleman	Farmers	11
38.	Objective of National Agricultural Policy was to achieve & sustain growth rate at ___	2 % per annum	3% per annum	4% per annum	5% per annum	4% per annum	11
39.	India has ___ largest arable land	First	Second	Third	Fourth	Second	11
40.	India has ___ million hector of waste land	89.5	79.5	69.5	59.5	79.5	11
41.	The general changes in the agriculture sector & it's related activities will help to promote _____	Rural development	Urban development	State development	Market development	rural development	11
42.	Make in India was launched in	2014	2015	2016	2017	2014	12
43.	India's rank in ease of doing business is ___	100	101	102	103	100	12
44.	Industrial development in India since 1956 was based on	Wage goods model	Consumer goods	Agro based goods	Mahalnobis model	Mahalnobis model	12
45.	During the period 1976 to 1991 industrial growth in India was___	Recovered	Slowed down	Stagnant	Fast	stagnant	12
46.	Which of the following crisis was responsible for the announcement of industrial policy	Balance of payment crisis	Gulf war	IMF crisis	Oil crisis	Balance of payment crisis	13

47.	Locational restrictions were made flexible in the policy of	1948	1956	1973	1991	1991	13
48.	Which of the following is not role of public sector in India	Export promotion	Import substitution	Increase in unemployment	Foreign exchange earnings	Increase in unemployment	14
49.	The sale of equity in public sector enterprise is known as	Investment	Disinvestment	New investment	Further investment	Disinvestment	14
50.	Public sector enterprise constitutes a major segment of ___ activity in Indian Economy	Agriculture	Industrial	Service	Service and agriculture	Industrial	14
51.	UAN stand for__	Udyog aadhar number	Udyog availability number	Udyog access number	Udyog activity number	Udyog aadhar number	14
52.	_____ is concerned with revival and rehabilitation of distressed MSMEs	Corrective action plan	Corrective action procedure	New action plan	Introduction of action procedure	Corrective action plan	15
53.	MRTP was replaced by ____	Contract act	Industry act	Competition act	Factories act	competition act	16
54.	Licensing system was ____ in the 1991 industrial policy	Introduced	Abolished	Revised	Amended	abolished	16
55.	IT and _____ is a very important component of the service sector	Internet	Digital India	ITES	Telecommunication	ITES	17
56.	Services in the _____ list are not taxed by the Government	Positive	Negative	Neutral	Nominal	Negative	16
57.	Cooperative credit has _____ structure	Two Tier	Four Tier	Five Tier	Three Tier	Three Tier	16
58.	Which of the following is a growth potential in the health care industry in India?	Growing Insurance market	Expanding Medical Tourism	Telemedicine	E-tourist visas	Growing Insurance market	17

59.	.In Tourism Sector FDI is encouraged upto ----- -----	50%	49%	100%	45%	100%	17
60.	E-tourist visa is concerned with ---- _____	Cultural Tourism	Medical Tourism	Adventure Tourism	Industrial Tourism	Medical Tourism	17
61.	The Scheme launched to correct regional imbalances and to improve the quality of medical education -----	PMSSY	AYUSH	NRHM	NRLM	PMSSY	17
62.	NRHM stands for _____	National Regional Health Mission	National Rural Health Mission	National Rehabilitation Health Mission	National Recovery Health Mission	National Rural Health Mission	17
63.	Balance of payment always -----	Equal	Balances	Surplus	Deficit	Balances	19
64.	Special Economic zones are meant for-----	International product	Export Promotion	Domestic Product	Import Promotion	Export Promotion	18
65.	India's rank in the World Bank's Ease of Doing Business Report 2018 is ----- out of 190 countries	50	100	150	75	100	18
66.	There is full convertibility of rupee in the -----	Capital account	Merchandise account	Current account	Trading account	Current Account	19
67.	The share of exports from India's manufacturing sector is -----	Decreasing	Nominal	Increasing	No change	Increasing	19
68.	Merchandise account is included in ----- account	Trading account	Capital account	Receipts and payments account	Current account	Current	19
69.	Current account deficit is balanced by a ----- in the capital account	Deficit	Surplus	No change	Equal	Surplus	19
70.	Adverse Balance of payments occurs when payments are ----- receipts	More than	Less than	Equals to	Constant	More than	19
71.	India has a ----- in balance of trade.	Surplus	No change	Equal	Deficit	Deficit	19

72.	The New Trade policy is announced in the	Union Budget 2013-2014	Union Budget 2012-2013	Union Budget 2015-16	Union Budget 2014-2015	Union Budget 2015-16	19
73.	FDI flow has increased since----	1990	1991	1992	1984	1991	20
74.	---- Equity participation is allowed in infrastructure development.	50%	35%	100%	25%	100%	20
75.	The capital which flows into the equity market is known as -----	Growth Investment	Portfolio investment	Defensive investments	Shares	Portfolio investment	20
76.	MNC's stands for--	Multilayer companies	Multinational companies	Multinational committee	Multidimensional companies	Multinational companies	20
77.	The foreign exchange reserves of India by March 2015 amounted to US \$----- Billion.	400.2	350.5	341.6	525.8	341.6	20
78.	FERA was replaced by -----	GATS	WTO	FEMA	GATT	FEMA	20
79.	SAARC STANDS FOR ---	South Asian Association for Rural cooperation	South Asian Association for Relative cooperation	South Asian Association for Regional cooperation	South Asian Association for Rigid cooperation	South Asian Association for regional Cooperation	21
80.	At present ---- countries are members of WTO.	160	164	150	124	164	21
81.	Singapore is one of the member nations of the - -----	SAARC	ASEAN	BREXIT	EU	ASEAN	21
82.	WTO replaced ----- in 1995	FERA	GATT	FEMA	GATS	GATT	21
83.	The tenth ministerial conference was held at ---- - in December 2017.	South Africa	Malaysia	Nairobi	Kenya	Nairobi	21
84.	Bhutan is a member of-----	ASEAN	BREXIT	EU	SAARC	SAARC	21
85.	----- Market is the most volatile market.	Money market	Call money market	Commercial paper market	Treasury Bill Market	Call money	22
86.	Certificate of deposits are issued by -----	Money market	Commercial banks	RBI	SEBI	Commercial banks	22
87.	REPO means-----	Relative purchase option	Regulated purchase option	Repurchase option	Reorganised purchase option	Repurchase option	23

88.	There are ____ regulated agricultural market in India at present	8187	9167	7157	5127	7157	23
89.	Primary marketing societies are at ____	Village level	State level	Centre level	City level	village level	23
90.	Money market is a market for ____	Short term funds	Medium term funds	Ong term funds	Medium term and long term funds	Short term funds	22
91.	Call money market period is for ____	Only 2 days	2 days to 14 days	5 days to 13 days	6 days to 12 days	2 days to 14 days	22
92.	Treasury bills are issued by ____ on behalf of government of India	Commercial bank	RBI	Co-operative bank	State government	RBI	22
93.	Indigenous bankers are component of	RBI	Commercial bank	Co-operative bank	Unorganised money market	Unorganized money market	22
94.	Which of given is not the main player of Indian money market	Primary dealers	Commercial bank	Co-operative bank	Over the counter exchange of India	Over the counter exchange of India	22
95.	Certificate of deposits are issued by	Central bank	Commercial bank	Co-operative bank	Stock market	Commercial bank	24
96.	__ was the first mutual fund established in India	UTI	LIC	GIC	HDFC	UTI	25
97.	During inflation RBI __ securities to absorb excess liquidity	Buys	Sells	Issues	Repurchase	Sells	25

98.	Capital Market is regulated by -----	RBI	SEBI	Money market	IRDA	SEBI	25
99.	SEBI was established in -----	1969	1970	1988	1990	1988	25
100	The National Stock Exchange was started in---- --	1990	1991	1992	1993	1992	25

Sample Questions		Class : TY B.Com (Accounting & Finance)
Examination Code: 2C00456		Semester VI/CBCS
Subject : Cost Accounting IV		Paper Code 85602

Sr. No	Question	Option A	Option B	Option C	Option D	Correct Answer	Module
1	One of the element is not a basic element of a budget	defines the responsibility of each employee	comprehensive plan	expressed in financial terms	future plan for a specified period	defines the responsibility of each employee	Module 1
2	The non availability of scarce factor can _____	increase the production	increase the sale	stop the production	productio remains constant	stop the production	Module 1
3	Flexible budgets are useful for	planning purpose only	planning performance evaluation and feedback control	control of performance only	performance only	planning purpose only	Module 1
4	Which is of the budget is prepared for a long period of time	production budget	purchase budget	cash budget	capital expenditure budget	capital expenditure budget	Module 1
5	A flexible budget takes into account	fixed cost only	variable cost only	semi-variable cost only	fixed, variable and semi-variable cost	fixed, variable and semi-variable cost	Module 1
6	Budget period depends on	type of budget	management policy	government policy	taxation policy	management policy	Module 1
7	The object of budgetary control is	planning purpose only	organising	past experince	taxation policy	planning purpose only	Module 1
8	Budget manual is a	detailed information plans , policies, procedures and operations	Annual magazine	note book	budgeted prepared manually	detailed information plans , policies, procedures and operations	Module 1
9	Performance of any organisation depends on	political factors only	social factors	critical factor	emotional factor	critical factor	Module 1
10	Sales budget shows	estimate of future sales	estimate fo future production	estimate of inventory	estimates of labour	estimate of future sales	Module 1

11	Production budget is expressed in	quantity only	cost only	quantity and cost	price	quantity only	Module 1
12	The budget which helps to plan and control of cash is	production budget	Cash budget	Sales budget	flexible budget	Cash budget	Module 1
13	The budget which is dynamic is	Fixed budget	Flexible budget	cash budget	Sales budget	Flexible budget	Module 1
14	The budget which covers all the functional budget is	Master budget	sales budget	production budget	Cost budget	Master budget	Module 1
15	Production cost budget shows	Budgeted cost of production	Budgeted cost of sales	Budgeted purchases	Budgeted capacity	Budgeted cost of production	Module 1
16	The scarce factor of production is known as _____	limiting factor	least factor	latest factor	largest factor	limiting factor	Module 1
17	Flexible budget is drawn for _____ level of activity	one year	multiple	three	fixed	multiple	Module 1
18	Budgetary control is costly for organisation	small	large	corporate	industry	small	Module 1
19	Sales budget shows estimate of _____ sale	future	past	present	standard	future	Module 1
20	Cash budget shows budgeted	receipts and payments	income and expenditure	profit and loss	under absorption and overabsorption	receipts and payments	Module 1
21	_____ is taken for comparison from previous year	flexible	fixed cost per unit	current	basic budget	basic budget	Module 1
22	Sales budget is prepared by _____ manager	production	sales	assistant	purchase	sales	Module 1
23	_____ is shown in receipts column in cash budget	rent received	rent paid	credit sales	depreciation	rent received	Module 1
24	_____ are not considered in cash budget	Preliminary expenses	cash sales	sales commission paid	rent received	Preliminary expenses	Module 1
25	Contribution is equal to ?	Fixed Cost + Profit	Sales + Variable Cost	Fixed Cost + Variable Cost	Sales + Fixed Cost	Fixed Cost + Profit	Module 2 & 3
26	Which of the following costs will be deducted from Sales	Direct Materials	Office Rent	Fixed Factory Overheads	Sale of scrap	Direct Materials	Module 2 & 3

	Revenue for calculating Contribution?						
27	P/V ratio is equal to ?	Profit/Fixed Cost	Contribution/Sales	Profit/Contribution	Profit/Sales	Contribution/Sales	Module 2 & 3
28	What is the formula to calculate Break Even Point ?	Fixed Cost / PV Ratio	Fixed cost X Sales/Total Contribution	Fixed Cost / Contribution per unit	Fixed Cost / Total Contribution	Fixed Cost / Contribution per unit	Module 2 & 3
29	What will happen to Break Even Point if Variable Cost increases ?	Break Even Point Increases	Break Even Point Decreases	Break Even Point Remains the Same	Break Even Point Becomes Zero	Break Even Point Increases	Module 2 & 3
30	What is the formula to calculate Margin of Safety ?	Profit / Fixed Cost	Actuals Sales - Break Even Point Sales	Contribution/Sales	Profit/Contribution	Actuals Sales - Break Even Point Sales	Module 2 & 3
31	CVPA stands for ?	Cost Volume Profit Analysis	Cost Value Profit Analysis	Contribution Volume Profit Analysis	Contribution Value Profit Analysis	Cost Volume Profit Analysis	Module 2 & 3
32	The selling price per unit less the variable cost per unit is known as ?	Fixed cost per unit	Gross profit per unit	Net profit per unit	Contribution per unit	Contribution per unit	Module 2 & 3
33	At Break Even Point , contribution will be equal to ?	Variable cost	Fixed cost	Sales	Zero	Fixed cost	Module 2 & 3
34	Which of the following options best describes the utility of CVP Analysis ?	It is used as a tool of Profit Planning	It is used for for taxation planning purposes	It is used to prepare external financial statements	It is used to correct financial results	It is used as a tool of Profit Planning	Module 2 & 3
35	The P/V Ratio of a company is 20%, contribution is Rs. 1,00,000, what would be the Sales of the company ?	1,00,000	2,00,000	4,00,000	5,00,000	5,00,000	Module 2 & 3
36	Which costing technique charges Fixed as well as Variable Costs to the products ?	Absorption Costing	Marginal Costing	Standard Costing	Contract Costing	Absorption Costing	Module 2 & 3

37	Which of the following is the assumption of Marginal Costing ?	Operating Efficiency will increase	There will be a change in the selling price per unit	Variable Cost per unit will increase	Fixed Cost will remain constant	Fixed Cost will remain constant	Module 2 & 3
38	Which cost is treated as period cost ?	Variable Cost	Fixed Cost	Total Cost	Semi Variable Cost	Fixed Cost	Module 2 & 3
39	Which of the following is the limitation of Absorption Costing ?	It takes into consideration Cost Volume Relationship	It charges fixed costs to the products	It does not include Fixed Cost in Closing Stocks	It helps in taking product mix decision	It charges fixed costs to the products	Module 2 & 3
40	Which cost is also known as Variable Cost?	Marginal Cost	Fixed Cost	Total Cost	Semi Variable Cost	Marginal Cost	Module 2 & 3
41	A chart which indicates different amount of sales and costs at different volumes is known as	Break Even Chart	Break Revenue Chart	P/V Ratio Chart	Profit Chart	Break Even Chart	Module 2 & 3
42	Which of the following is the limitation of Marginal Costing ?	Separation of costs into fixed and variable is difficult	Marginal Costing does not help in profit planning	Marginal Costing does not help in taking managerial decisions	Marginal Costing does not help in production planning.	Separation of costs into fixed and variable is difficult	Module 2 & 3
43	What is the P/V Ratio if Selling Price Per Unit is Rs. 20, Variable Cost per unit is Rs. 8 ?	20%	25%	50%	60%	60%	Module 2 & 3
44	For Alpha Ltd. Profits for Year 1 are Rs. 10,000 and Profits for Year 2 are Rs. 20,000. For this company, Sales for Year 1 are Rs. 50,000 and Sales for Year 2 are Rs. 1,00,000. What is the P/V Ratio ?	20%	25%	50%	60%	20%	Module 2 & 3
45	P/V Ratio of a company is 30%, What is the Variable Cost of this company, if Sales is Rs. 9,00,000	2,70,000	6,30,000	2,00,000	6,50,000	6,30,000	Module 2 & 3

46	Fixed Cost of a Company is Rs. 2,00,000 , P/V Ratio is 50%. How much sales company should undertake to earn profits of Rs. 2,00,000?	Rs. 10,00,000	Rs. 8,00,000	Rs. 4,00,000	Rs. 6,00,000	Rs. 8,00,000	Module 2 & 3
47	Contribution to Sales Ratio of a company is 40%, therefore Variable Cost is how much percentage of Sales ?	40%	60%	100%	Cannot be determined	60%	Module 2 & 3
48	Total Fixed Cost of a company is Rs. 10,00,000 and Contribution per unit is Rs. 10. What will be the Break Even Point of the company in units ?	10,000 units	100 units	1,000 units	1,00,000 units	1,00,000 units	Module 2 & 3
49	If Margin of Safety if Rs. 20,000 and P/V Ratio is 40%, what will be the profit ?	Rs. 800	Rs. 8000	Rs. 12,000	Rs. 1200	Rs. 8000	Module 2 & 3
50	In Break Even Chart, at Break Even Point which two lines intersect ?	Sales Line and Total Cost Line	Sales Line and Variable Cost Line	Sales Line and Fixed Cost Line	Variable Cost and Fixed Cost Line	Sales Line and Total Cost Line	Module 2 & 3
51	Angle of Incidence in Break Even Chart shows relationship between ?	Profit and Sales	Profit and Variable Cost	Variable Cost and Fixed Cost	Variable Cost and Total Cost	Profit and Sales	Module 2 & 3
52	A company makes three products A,B and C and all of these require a special material Alpha which is scarce in nature. What should be the decision criteria to allocate the raw material to these three products ?	On the basis of Contribution per unit of Alpha	On the basis of Profit Volume Ratio of three products A, B and C	On the basis of Total Profits of three products A, B and C	On the basis of Variable Cost of Three Products A, B and C	On the basis of Contribution per unit of Alpha	Module 2 & 3
53	Limiting Factor is also known as	Key Factor	Less Factor	Least Factor	Large Factor	Key Factor	Module 2 & 3

54	Assume that no limiting factor is in operation, which of the following statements is true with regards to taking a decision of buying the component from outside rather than making it inhouse?	If the bought out price of component is lower than its marginal cost, company should buy the component	If the bought out price of component is higher than its marginal cost, company should buy the component	If the bought out price of component is higher than its total cost, company should buy the component	If the bought out price of component is higher than its fixed cost, company should buy the component	If the bought out price of component is lower than its marginal cost, company should buy the component	Module 2 & 3
55	A company can choose any of these Sales Mix - (1) 250 units of A and 250 units of B, (2) 400 units of A and 100 units of B, (3) 150 units of A and 350 units of B. How should the company take this decision ?	On the basis of Contribution per unit of Product A and Product B	On the basis of Fixed Cost	On the basis of Variable Cost per unit	On the basis of Selling Price per unit	On the basis of Contribution per unit of Product A and Product B	Module 2 & 3
56	Contribution per unit of Product A, B and C is Rs. 25, 24 and 22 respectively. Direct Labours Hours required per unit of A, B and C are : 4 hours, 3 hours and 2 hours respectively. What is the Contribution per hour for Product B ?	6.25	8	11	12	8	Module 2 & 3
57	Contribution per unit of Product A, B, C and D is Rs. 20, 15, 30 and 25 respectively. Raw material in kgs required per unit of A, B, C and D is : 2 kg, 5 kg , 10 kg and 5 kg respectively. Which product is more profitable if raw material availability is the limiting factor ?	Product A	Product B	Product C	Product D	Product A	Module 2 & 3

58	Contribution per unit of Product A, B, C and D is Rs. 40, 50, 30 and 35 respectively. Raw material in kgs required per unit of A, B, C and D is : 2 kg, 10 kg , 15 kg and 3 kg respectively. Which product is more profitable if sales volume is the limiting factor ?	Product A	Product B	Product C	Product D	Product B	Module 2 & 3
59	A company is manufacturing three products A, B and C .Sales for three products is Rs. 30,00,000, Rs. 15,00,000 and Rs. 9,00,000 respectively. Total Variable Cost is Rs. 18,00,000, Rs. 10,00,000 and Rs. 8,00,000 respectively. Total Fixed Cost is 5,00,000, Rs. 2,50,000 and 1,50,000 respectively. Should Product C be continued or discontinued ?	Product C should be discontinued as it is giving loss of Rs. 50,000	Product C should be discontinued as it is giving loss of Rs. 1,00,000	Product C should not be discontinued as it is giving positive contribution of Rs. 1,00,000	Product C should not be discontinued as it is giving positive contribution of Rs. 1,50,000	Product C should not be discontinued as it is giving positive contribution of Rs. 1,00,000	Module 2 & 3
60	A company's current sales are Rs. 7,60,000 and Variable Cost is Rs. 5,70,000. Fixed Cost are Rs. 3,50,000. Since the company is incurring losses, so management plans to shut down the plant. The fixed cost after shut down will be reduced to Rs. 1,30,000 and additional cost of shut down will be Rs. 15,000. Should the plant be shut down ?	The plant should not be shut down as it is giving contribution of Rs. 3,90,000	The plant should be shut down as loss will be reduced by Rs. 15,000	The plant should be shut down as loss will be reduced by Rs. 25,000	The plant should not be shut down as loss will be increased by Rs. 15,000	The plant should be shut down as loss will be reduced by Rs. 15,000	Module 2 & 3

61	<p>A company would sell 40,000 units of a product if the unit selling price was set at Rs. 10 and these would generate a total contribution of Rs. 1,60,000. Setting unit selling price of Rs, 10.50 and 11 would result in sales of 36000 and 31000 units respectively. What is the amount of contribution if 36000 units are sold ?</p>	Rs. 1,54,000	Rs. 1,60,000	Rs. 1,62,000	Rs. 1,55,000	Rs. 1,62,000	Module 2 & 3
62	<p>A company manufactures and sells 2 products (X and Y) both of which utilise the same skilled labour. For the coming period, the supply of skilled labour is limited to 2000 hours. Selling price per unit of X is Rs. 20 and Y is Rs.40 Variable cost per unit of X is Rs.12 and Y is Rs. 30. Skilled labour hours required are 2 hours for X and 4 hours for Y. Maximum demand for X is 800 units and Y is 400 units. In order to maximise profit in the coming period, how many units of each product should the company manufacture and sell?</p>	200 units of X and 400 units of Y	400 units of X and 300 units of Y	600 units of X and 200 units of Y	800 units of X and 100 units of Y	800 units of X and 100 units of Y	Module 2 & 3

63	A manufacturer is selling 15000 units in the domestic market. The selling price in the domestic market is Rs. 2 per unit , and Variable Cost is Rs. 1.50 per unit. Fixed Costs are Rs. 7000. The manufacturer has received a enquiry from an overseas organisation for purchasing 6000 units at Rs. 1.45 per unit. Should the offer be accepted assuming there will be no change in variable cost ?	The overseas offer should be accepted as it will generate additional sales revenue of Rs. 8700	The overseas offer should be accepted as it will generate additional profits of Rs. 200	The overseas offer should not be accepted as price offered is less than the variable cost.	The overseas offer should be accepted as it will increase the sales by 6000 units	The overseas offer should not be accepted as price offered is less than the variable cost.	Module 2 & 3
64	Which technique of costing considers that variable costs are important for decision making purposes ?	Absorption Costing	Marginal Costing	Standard Costing	Contract Costing	Marginal Costing	Module 2 & 3
65	Which of the following is true about absorption costing ?	Both fixed and variable costs are considered for product costing	Only variable cost are considered for product costing	The profitability of different products is judged by P/V ratio	Cost per unit remains the same	Both fixed and variable costs are considered for product costing	Module 2 & 3
66	If Fixed Costs are Rs. 1,40,000 and P/V Ratio is 20%, what will be the Break Even Point in Rs. ?	Rs. 7,00,000	Rs. 10,00,000	Rs. 12,00,000	Rs. 15,00,000	Rs. 7,00,000	Module 2 & 3
67	All other things remaining the same, An increase in selling price will lead to ?	Increase in P/V Ratio	Decrease in P/V Ratio	No Change in P/V Ratio	Cannot be determined	Increase in P/V Ratio	Module 2 & 3
68	If Variable Cost is 30% of Sales, what will be the contribution at Sales Level of Rs. 15,00,000 ?	Rs. 3,00,000	Rs. 10,00,000	Rs. 10,50,000	Rs. 8,00,000	Rs. 10,50,000	Module 2 & 3
69	The contribution to sales ratio of a company is 20% and profit is Rs. 64500. If the total sales of the company are Rs. 7,80,000, the fixed cost is ?	Rs. 156000	Rs. 120000	Rs. 105600	Rs. 91500	Rs. 91500	Module 2 & 3

70	The profit volume ratio and margin of safety ratio are 30% and 40% respectively. If the total sales is Rs, 3,00,000, the profit of the firm is ?	Rs. 54000	Rs. 48000	Rs. 36000	Rs. 30000	Rs. 36000	Module 2 & 3
71	Cost variance is a difference between _____ and _____.	Standard, actual cost	Material, Labour, expenses	Production Manager, Sales Manager	Direct cost, Indirect cost	Standard, actual cost	Module 4
72	Cost variance = Actual Cost – _____.	Standard cost	Actual Cost	Variance	direct cost	Standard cost	Module 4
73	Material Cost Variance is favourable when actual cost is _____ than the standard cost.	Less	More	Controllable	not controllable	Less	Module 4
74	_____ variance arises due to controllable factors.	Controllable	Non-controllable	Abnormal gain	Abnormal loss	Controllable	Module 4
75	Material cost variance is non controllable when it arises due to	Change in quantity	Change in wastage	Change in tax rate	change in time	Change in tax rate	Module 4
76	Material mix variance is a difference between	SMC – AMC	Std. Quantity – Actual Quantity	(revised std mix – actual mix) x std. rate	Std. price - Actual price	(revised std mix – actual mix) x std. rate	Module 4
77	Material yield variance arises due to change in the	Wastage	Input	Output	time	Wastage	Module 4
78	Material cost variance is equal to	MPV + MUV	MUV + MYV	MYV + MPV	MPV + MUV + MYV	MPV + MUV	Module 4
79	Labour cost variance is a difference between	Std. labour cost and actual labour cost	Std. labour hrs – actual labour hrs	Std. labour rate – actual labour rate	std. labour mix - actual labour mix	Std. labour cost and actual labour cost	Module 4
80	Favorable labour efficiency variance indicates	Improvement in labour efficiency	Improvement in quality	Cost reduction	increase in cost	Improvement in labour efficiency	Module 4
81	Labour rate variance is favourable when	Actual rate is lower than the std. rate	Actual time is less than std. time	Actual rate is higher than std. rate	actual rate = std. rate	Actual rate is lower than the std. rate	Module 4

82	Idle time variance is always	Favourable	Unfavourable	Controllable	uncontrollable	Unfavourable	Module 4
83	Labour mix variance is	SLH – ALH	SLR – ALR	std. cost – actual cost	SCSLM – SCALM	SCSLM – SCALM	Module 4
84	Labour yield variance is	SLC – ALC	SLR – ALR	Idle hrs × std. rate	SLY – ALY × SR	SLY – ALY × SR	Module 4
85	Overheads include	Indirect material, indirect labour	Indirect material, indirect labour, indirect expenses	Fixed overheads	only direct cost	Indirect material, indirect labour, indirect expenses	Module 4
86	Variable overhead variance is	std. cost – actual cost	std. variable overheads – actual variable overheads	std. output – actual output	actual output -std. output	std. cost – actual cost	Module 4
87	Fixed overheads variance is favourable when	Actual fixed overheads are less than std fixed overheads	std. fixed overheads are less than actual fixed overheads	std. fixed overheads are equal to actual fixed overheads	fixed capacity overheads = variable expenditure overheads	Actual fixed overheads are less than std fixed overheads	Module 4
88	Fixed overheads expenditure variance is a difference between	Budgeted fixed overhead and actual fixed overheads	std. fixed overheads and actual fixed overheads	Fixed over heads and variable over heads	fixed capacity overheads & variable expenditure overheads	Budgeted fixed overhead and actual fixed overheads	Module 4
89	Fixed overhead efficiency variance is a difference between	Recovered overheads – std. over heads	std. cost – actual cost	std. hours – actual hours	actual hours - Std. hours	Recovered overheads – std. over heads	Module 4
90	Fixed overheads capacity variance is a difference between	std. overheads and budgeted overheads	Fixed overheads and actual overheads	std. capacity and actual capacity	variable overheads and actual overheads	std. overheads and budgeted overheads	Module 4
91	Fixed overheads calendar variance arises due to	Change in the number of working days	Change in the labour hours	Change in output	Change in input	Change in the number of working days	Module 4
92	Sales value variance is	SPV + SVV	SPV + SMV	Budgeted sale – actual sale	Actual sales - Budgeted sales	SPV + SVV	Module 4
93	Labour strike causes	Material price variance	Idle time variance	Material yield variance	Labour efficiency variance	Idle time variance	Module 4

94	Sales volume variance is	$(AQ - SQ) \times SP$	$(AP - SP) \times AQ$	$AM - SM$	$SSQ - ASQ$	$(AQ - SQ) \times SP$	Module 4
95	Sales mix variance is	$SSVAM - SSVRSM$	$SCSM - SCAM$	$SLH - ALH \times SR$	$SSP - ASP$	$SSVAM - SSVRSM$	Module 4
96	Idle time variance is caused due to	Power Failure	Change in quantity	Change in efficiency	change in price	Power Failure	Module 4
97	The manager responsible for idle time variance is	Production manager	Sales manager	M.D.	Chief accountant	Production manager	Module 4
98	In a factory where standard cost system is operating 2,000 kgs of a material @ Rs. 12 per kg are used for a product resulting in a price variance of Rs. 6,000 F and usage variance of Rs. 3,000 (Adv). Then standard material cost for actual production was	Rs. 24,000	Rs. 27,000	Rs. 36,000	Rs. 38,000	Rs. 27,000	Module 4
99	A company budgets for fixed over heads of Rs. 24,000 and production of 4,800 units. Actual production is 4,200 units and fixed over heads incurred is Rs. 22,000. The fixed over heads volume variance is	3,000 A	1,500 A	2,500 F	3,500 F	3,000 A	Module 4
100	XYZ Ltd purchased 6,850 kg of material for Rs. 21,920. The material price variance was Rs. 1,370 (f). The standard price per kg was	Rs. 3.40	Rs. 3.25	Rs. 3.15	Rs. 3.50	Rs. 3.40	Module 4