

## CORPORATE &amp; MANAGEMENT ACCOUNTING (CMA)

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

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## PART—I

1. Measurement, Forecasting, Decision Making, Comparison and Evaluation, Control and Government Regulation and Taxation are the functions of .....  
(A) Book-keeping  
(B) Accounting  
(C) Accountancy  
(D) Accounting Cycle
2. Capital, Reserves and Undistributed Profits are the examples of .....  
(A) Internal Liability  
(B) Contingent Liability  
(C) Current Liabilities  
(D) External Liabilities
3. .... is an activity concerned with recording and classifying financial data related to business operations in order of occurrence.  
(A) Recording  
(B) Classifying  
(C) Measurement  
(D) Book-keeping
4. General ledger is further divided into two categories namely :  
(A) Debtors' Ledger and Creditors Ledger  
(B) Cash Book and Cash Account  
(C) Nominal Ledger and Private Ledger  
(D) Private Ledger and Public Ledger
5. The revenue expenditure results .....  
(A) in the reduction in losses  
(B) in the reduction in expenditure  
(C) in the reduction in profit or surplus  
(D) in no reduction in profit or surplus
6. Financial Statements may be rounded off to the nearest hundreds, thousands, lakhs or millions, or decimals thereof where the turnover of the company .....  
(A) Less than one crore rupees  
(B) Less than one hundred crore rupees  
(C) One crore rupees or more  
(D) One hundred crore rupees or more
7. Profit on Re-issue of forfeited shares is a profit of a capital nature and, hence, it should be credited to .....  
(A) Capital Reserve  
(B) Capital Redemption Reserve  
(C) Revaluation Reserve  
(D) General Reserve
8. Subscribed Share Capital is "that portion of the issued Share Capital which has actually been subscribed by the public and subsequently allotted to the shareholders by the entity". This also includes any ..... issued to the Shareholders.  
(A) Redeemable shares  
(B) Preference shares  
(C) Bonus shares  
(D) Cumulative shares

9. If expenses or income that do not arise in the ordinary course and are material, they should be stated separately in the profit and loss account under the heading :
- (A) Prior Period Items  
(B) Extraordinary Items  
(C) Financial Expenses  
(D) Operating Expenses
10. Where any company fails to comply with the provisions of this section 53(3) of the Companies Act, 2013 in respect of the issue of shares at discount, such company and every officer who is in default shall be liable to a penalty which may extend to .....
- (A) an amount equal to the amount raised through the issue of shares at a discount or five lakh rupees, whichever is less  
(B) an amount equal to the amount raised through the issue of shares at a discount or five lakh rupees, whichever is higher  
(C) an amount equal to the amount raised through the issue of shares at a discount or fifty lakh rupees, whichever is less  
(D) an amount equal to the amount raised through the issue of shares at a discount or fifty lakh rupees, whichever is higher
11. As per Table F of the Companies Act, 2013, the maximum rate of interest on calls in advance prescribed is ..... p.a.
- (A) 5%  
(B) 6%  
(C) 10%  
(D) 12%
12. ABC Limited issued at par 2,00,000 equity shares of ₹ 10 each payable at ₹ 3 on application, ₹ 2.5 on the allotment, ₹ 2 on the first call and remaining on the final call. All the shares were fully subscribed. One of the shareholders who held 10,000 shares paid the full amount along with the first call itself. The final call was made after four months from the date of the first call. The amount of interest on calls in advance is .....
- (A) ₹ 500  
(B) ₹ 1,000  
(C) ₹ 833.33  
(D) ₹ 416.67
13. In the case of shares, the rate of underwriting commission paid or agreed to be paid shall not exceed :
- (A) five per cent (5%) of the price at which the shares are issued or a rate authorized by the articles, whichever is less  
(B) five per cent (5%) of the price at which the shares are issued or a rate authorized by the articles, whichever is higher  
(C) two and half per cent (2.5%) of the price at which the shares are issued or a rate authorized by the articles, whichever is less  
(D) two and half per cent (2.5%) of the price at which the shares are issued or a rate authorized by the articles, whichever is higher

14. In case the shares are bought back at discount, the amount of discount on buy-back will be credited to .....
- (A) Capital Redemption Reserve A/c  
(B) Capital Reserve A/c  
(C) General Reserve A/c  
(D) Discount on the issue at discount A/c
15. Vesting has two components .....
- (A) Vesting date and vesting period  
(B) Vesting percentage and vesting date  
(C) Vesting percentage and vesting price  
(D) Vesting percentage and vesting period
16. Which debentures are paid on the basis of priority as compared to other debentures ?
- (A) Redeemable  
(B) Registered  
(C) First Mortgage  
(D) Naked
17. PQR Ltd. had issued ₹ 1,00,000, 8% debentures on which interest was payable half-yearly on 30th September and 31st March. Tax deducted at source is 10%. The necessary journal entries relating to debenture interest on 30th September assuming that all money was duly paid by the company.
- (A) Debenture Interest A/c DR ₹ 4,000 and CR Debenture Holder's A/c ₹ 4,000  
(B) Debenture Interest A/c DR ₹ 4,000 and CR Debenture Holder's A/c ₹ 3,600 and Income Tax Payable A/c ₹ 400  
(C) Debenture Interest A/c DR ₹ 8,000 and CR Debenture Holder's A/c ₹ 8,000  
(D) Debenture Interest A/c DR ₹ 8,000 and CR Debenture Holder's A/c ₹ 7,200 and Income Tax Payable A/c ₹ 800
18. When debentures are issued at a discount and are redeemable at a premium, which of the following accounts is debited at the time of issue ?
- (A) Debentures A/c  
(B) Premium on redemption of debentures A/c  
(C) Loss on the issue of debentures A/c  
(D) Profit and Loss A/c
19. If the sinking fund is non-cumulative, the interest received on Sinking Fund Investment .....
- (A) Credited to Sinking Fund A/c  
(B) Credited to the Profit & Loss A/c  
(C) Credited to General Reserve  
(D) Credited to Sinking Fund Investment A/c
20. ABC Ltd. purchase a building for ₹ 25,00,000 payables as 20% as cash and balance by allotment of 10% debentures of ₹ 100 each at a premium of 25%. Calculate the number of debentures to be issued :
- (A) 25,000  
(B) 20,000  
(C) 17,500  
(D) 16,000

21. Discount on the issue of debentures is ..... and can be written off against .....
- (A) Capital Loss, Capital Profit  
 (B) Revenue Loss, Revenue Profit  
 (C) Capital Loss, Revenue Profit  
 (D) Revenue Loss, Capital Profit
22. In which case, a special resolution is not required at a general meeting of the company to buy-back the shares :
- (A) the buy-back is 10% or less of the company's total paid-up equity capital and free reserves  
 (B) the buy-back is 10% or less of the total paid-up equity capital and free reserves of the company and such buy-back has been authorized by the Board using a resolution passed at its meeting  
 (C) the buy-back is 25% or less of the company's total paid-up equity capital and free reserves  
 (D) the buy-back is 25% or less of the total paid-up equity capital and free reserves of the company and such buy-back has been authorized by the Board using a resolution passed at its meeting
23. 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. [Section 68(4)]
- (A) Six months  
 (B) One year  
 (C) Eighteen months  
 (D) Two years
24. The amount credited to the Debenture Redemption Reserve shall be utilized by the company for the purpose of .....
- (A) Purchase of own debentures  
 (B) Redemptions of shares  
 (C) Purchase of assets for the business  
 (D) Redemption of debentures
25. Underwriter Ltd. issued 1,25,000 shares which were underwritten as follows :  
 P : 40%, Q : 40% and R : 20%  
 Details of the marked application are :  
 P : 40,000 shares, Q : 32,000 shares and R : 8,000 shares.  
 Unmarked applications are for 20,000 shares.  
 The net liability of individual underwriters P, Q and R is :
- (A) 50,000; 50,000; 25,000  
 (B) 40,000; 32,000; 8,000  
 (C) 10,000; 18,000; 17,000  
 (D) 2,000; 10,000; 13,000

26. Option discount under Employees Stock Option Scheme (ESOS) means :
- (A) the excess of the market value of the share at the date of grant of the option under ESOS over the exercised price of the option (including upfront payment, if any)
- (B) the market value of the share at the date of grant of the option under ESOS
- (C) the excess of the face value of the share at the date of grant of the option under ESOS over the exercised price of the option (including upfront payment, if any)
- (D) the exercised price of the option (including upfront payment, if any)
27. The name of statement which is used as a temporary statement to judge a company's financial position until the full annual statements to be issued.
- (A) Temporary statement
- (B) Budgeted statement
- (C) Interim statement
- (D) Provisional statement
28. A liability which can be measured only by using a substantial degree of estimation is called .....
- (A) Reserve
- (B) Provision
- (C) Contingent liability
- (D) Current liability
29. LMN Limited has a managing director and one part-time director. Net profit before provision for income tax and managerial remuneration is ₹ 2,25,00,000. The eligible amount of managerial remuneration will be :
- (A) 24,75,000
- (B) 22,50,000
- (C) 18,00,000
- (D) 13,50,000
30. Following are the data extracted from the financial statement of ABC Limited :
- |                                      |             |
|--------------------------------------|-------------|
| Authorized capital                   | 50 crore    |
| Paid up share capital                | 30 crore    |
| Reserve & surplus                    | 10 crore    |
| Revaluation reserve                  | 2 crore     |
| Working capital loan                 | 1 crore     |
| Preliminary expenses not written off | 1.5 crore   |
| Profit and loss (Loss)               | (2.5) crore |
- What will be the amount of effective capital to calculate the managerial remuneration ?
- (A) 36 crore
- (B) 39 crore
- (C) 37 crore
- (D) 38.5 crore

31. ABC Ltd. is a manufacturing company having a turnover of ₹ 2,100 crore during the financial year 2021-22. ABC Ltd. has a profit for the financial year 2021-22 ₹ 210 crore, financial year 2020-21 ₹ 180 crore, financial year 2019-20 ₹ 135 crore, financial year 2018-19, ₹ 105 crore and financial year 2017-18 is ₹ 78 crore.  
What will be the minimum amount of CSR that must be spent by the company during the financial year 2021-22 ?
- (A) 4.2 crore  
(B) 2.85 crore  
(C) 2.80 crore  
(D) 2.49 crore
32. A ..... is a business segment or a geographical segment identified on the basis of the foregoing definitions for which segment information is required to be disclosed by this standard.
- (A) Business segment  
 (B) Reportable segment  
(C) Geographical segment  
(D) Financial segment
33. The dividend received out of post-acquisition profits of the subsidiary is .....
- (A) Final Dividend  
(B) Deemed Dividend  
(C) Capital Dividend  
(D) Revenue Dividend
34. If the net cost of investment of the holding company in the equity and preference shares of the subsidiary company is more than the share of the holding company in the net assets of the subsidiary company, the difference between the two is .....
- (A) Goodwill on consolidation  
(B) Capital reserve on consolidation  
(C) Profit on consolidation  
(D) Loss on consolidation
35. H Ltd. acquires 70% of the equity shares of S Ltd. on 1-1-2022. On that date, the paid up capital of S Ltd. was 5,00,000 equity shares of ₹ 10 each; the accumulated reserve balance was ₹ 20,00,000. Assets of S Ltd. were revalued on 1-1-2022 and a revaluation profit of ₹ 14,00,000 was calculated. H Ltd. paid ₹ 40,00,000 to purchase the said interest. Which of the following is correct in relation to the cost of control of the group consolidated financial statement ?
- (A) Capital Reserve ₹ 80,000  
(B) Goodwill ₹ 80,000  
(C) Capital Reserve ₹ 18,80,000  
 (D) Goodwill ₹ 18,80,000
36. Which Accounting Standard was issued by ICAI on 'consolidated financial statement' ?
- (A) AS-20  
 (B) AS-21  
(C) AS-22  
(D) AS-23
37. Stock Reserve for unrealised profit in respect of inter-company transactions should be created by .....
- (A) debiting the Consolidated Profit and Loss Account and crediting Stock Reserve Account  
(B) debiting the Stock Reserve Account and credited Consolidated Profit and Loss Account  
(C) debiting the Consolidated Profit and Loss Account and crediting Capital Reserve Account  
(D) debiting the Goodwill account and credit Consolidated Profit and Loss Account

38. Which statement is true in respect of the treatment of equity dividend proposed by the subsidiary company during the current year ?
- (A) It will be simply ignored for the consolidation. It will not be mentioned even in the notes to accounts to the balance sheet of the subsidiary
- (B) Such proposed dividend is simply shown in the notes to accounts to the Balance Sheet related to the year of the proposal
- (C) The entry will be passed if the same has not already been passed
- (D) Add the proposed dividend amount with the existing dividend
39. What is the treatment requirement for revenue dividend received by the minority ?
- (A) To be credited to Profit & Loss A/C
- (B) To be debited to Profit & Loss A/C
- (C) To be added in Revenue reserves in the Balance Sheet
- (D) No treatment
40. Shareholder Value Added (SVA) is .....
- (A) Net operating Profit (-) Cost of capital
- (B) Net operating profit after tax (-) Cost of capital
- (C) Net operating profit after tax & Dividend (-) Cost of capital
- (D) Net operating profit after tax (+) Cost of capital
41. If the sales are ₹ 50,00,000, operating expenses ₹ 38,50,000, Tax paid ₹ 3,58,800 and dividend paid ₹ 1,22,000. What will be Net Operating Profit After Tax ?
- (A) ₹ 11,50,000
- (B) ₹ 10,28,000
- (C) ₹ 6,69,200
- (D) ₹ 7,91,200
42. Non-listed public companies appoint at least one-woman director as per Section 149(1) of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and qualifications of directors) Rules, 2014.
- (A) Where paid up share capital of ₹ 10 crore or more or having turnover of ₹ 30 crore or more
- (B) Where paid up share capital of ₹ 100 crore or more or having turnover of ₹ 300 crore or more
- (C) Where paid up share capital of ₹ 10 crore or more or having turnover of ₹ 300 crore or more
- (D) Where paid up share capital of ₹ 100 crore or more or having turnover of ₹ 30 crore or more



43. Companies (Auditor's Report) Order, 2020 (CARO 2020), clause (vii) related to :
- (A) Reporting requirements of Maintenance of Cost Record
- (B) Reporting requirements on transactions with related parties
- (C) Reporting requirement on statutory dues
- (D) Reporting requirements on the internal audit system
44. While preparing the Cash Flow Statement, adjustment for Proposed Dividend is :
- (A) Add the previous year's proposed dividend under net profit before tax and extraordinary items and deduct it under Financing Activity
- (B) Add the current year's proposed dividend under net profit before tax and extraordinary items and deduct the previous year's proposed dividend under Financing Activity
- (C) Add the current year's proposed dividend under Net Profit before Tax and Extraordinary Items and deduct the current year's proposed dividend under Financing Activity
- (D) Add the current year's proposed dividend under net profit before tax and extraordinary items
45. While preparing the cash flow statement 'Interest paid to debentureholders' will be considered as a .....
- (A) Operating Activity
- (B) Investing Activity
- (C) Financing Activity
- (D) Investing and Financing Activity
46. In the Balance Sheet of ABC Ltd. A provision for taxation of ₹ 4,00,000 and ₹ 5,00,000 on 31-03-2021 and 31-03-2022 respectively. It made a provision for taxation of ₹ 4,50,000 during the year. How much amount of tax is paid during the year ?
- (A) ₹ 5,50,000
- (B) ₹ 3,50,000
- (C) ₹ 4,50,000
- (D) ₹ 8,50,000
47. Profit during the year ₹ 2,20,000. During the year, there was an increase in stock by ₹ 72,000. and a decrease in creditors by ₹ 48,000. What is the amount of cash from operating activities ?
- (A) ₹ 3,20,000
- (B) ₹ 2,24,000
- (C) ₹ 1,76,000
- (D) ₹ 1,00,000

48. ABC Limited purchased machinery for ₹ 50,00,000 and sold an old plant with a book value of ₹ 13,20,000 at a loss of ₹ 1,30,000. ABC Limited also received a dividend of ₹ 1,20,000 on investment in shares. The amount of inflow/outflow in investing activity will be :
- (A) ₹ 14,40,000/₹ 50,00,000  
 (B) ₹ 13,20,000/₹ 50,00,000  
 (C) ₹ 13,10,000/₹ 50,00,000  
 (D) ₹ 13,20,000/₹ 48,70,000
49. Cash collected from debtors is .....
- (A) Credit sales (+) Decrease in Account Receivable or (-) Increase in Account Receivable  
 (B) Credit sales (-) Decrease in Account Receivable or (+) Increase in Account Receivable  
 (C) Cash sales (+) Decrease in Account Receivable or (-) Increase in Account Receivable  
 (D) Cash sales (-) Decrease in Account Receivable or (+) Increase in Account Receivable
50. Corporate entities are required to follow accounting standards while preparing their financial statements as per ..... of the Companies Act, 2013.
- (A) Section 129  
 (B) Section 130  
 (C) Section 131  
 (D) Section 132
51. As per AS-2, Inventory should be valued at .....
- (A) Cost  
 (B) Net realizable value  
 (C) Cost or Net realizable value, whichever is lower  
 (D) Cost or Net realizable value, whichever is higher
52. Which of the following is a Level-1 enterprise ?
- (A) All commercial, industrial or business reporting entities having : Borrowings > 1 crore (at any time during immediately preceding accounting year), Turnover > 10 crore (during preceding accounting year)  
 (B) All commercial, industrial or business reporting entities having : Borrowings > 10 crore (at any time during immediately preceding accounting year), Turnover > 50 crore (during preceding accounting year)  
 (C) All commercial, industrial or business reporting entities having : Borrowings > 10 crore (at any time during current accounting year), Turnover > 50 crore (during preceding accounting year)  
 (D) All commercial, industrial or business reporting entities having : Borrowings > 1 crore (at any time during current accounting year), Turnover > 10 crore (during preceding accounting year)

53. Components of financial statements as per IFRS is .....
- (A) Comprises of Balance Sheet, Profit and Loss A/c, Cash Flow Statement, Statement of changes in equity and accounting policy and notes to accounts
- (B) Comprises of Balance Sheet, Profit and Loss A/c, Cash Flow Statement, and notes to accounts
- (C) Comprises of Balance Sheet, Profit and Loss A/c, Statement of changes in equity and accounting policy and notes to accounts
- (D) Comprises of Balance Sheet, Profit and Loss A/c, Cash Flow Statement, Statement of changes in equity
54. Match List I with items in List II :
- | List I                  | List II                   |
|-------------------------|---------------------------|
| (a) IFRS 2              | (i) Lease                 |
| (b) IFRS 4              | (ii) Share-Based payments |
| (c) IFRS 8              | (iii) Operating Segment   |
| (d) IFRS 16             | (iv) Insurance Contract   |
| (a) (b) (c) (d)         |                           |
| (A) (i) (ii) (iii) (iv) |                           |
| (B) (ii) (iv) (i) (iii) |                           |
| (C) (iv) (ii) (iii) (i) |                           |
| (D) (ii) (iv) (iii) (i) |                           |
55. IFRS Advisory Council meets in London at least .....
- (A) Once in a year for a period of two days
- (B) Twice in a year for a period of two days
- (C) Once in a year for a period of three days
- (D) Twice in a year for a period of three days
56. The structures and processes that support the operations of the international public sector accounting standards board (IPSASB) are facilitated by the .....
- (A) International Accounting Standard Board (IASB)
- (B) International Federation of Accountants (IFAC)
- (C) Financial Reporting Council (FRC)
- (D) Financial Accounting Standard Board (FASB)

57. The IFRS Foundation has a three-tier governance structure namely :
- IFRS Foundation Monitoring Board, IFRS Foundation Trustees and International Accounting Standard Board
  - IFRS Foundation Monitoring Board, IFRS Foundation Employees and International Accounting Standard Board
  - IFRS Foundation member, IFRS Foundation Trustees and International Accounting Standard Board
  - IFRS Foundation members, IFRS Foundation Trustees and International Accounting Standard Board
58. Existing AS 14 requires amortization of goodwill arising on amalgamation in the nature of the purchase. Whereas .....
- Ind AS 103 requires goodwill to be tested impairment on a monthly basis in accordance with Ind AS 36
  - Ind AS 103 requires goodwill to be tested impairment on a quarterly basis in accordance with Ind AS 36
  - Ind AS 103 requires goodwill to be tested impairment on a half-yearly basis in accordance with Ind AS 36
  - Ind AS 103 requires goodwill to be tested impairment on an annual basis in accordance with Ind AS 36
59. "To establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows." This is the objective of .....
- Ind AS 107 Financial Instruments Disclosures
  - Ins AS 109 Financial Instruments
  - Ind AS 110 Consolidated Financial Statements
  - Ins AS 112 Disclosure of Interests in Other Entities
60. The objectives of Ind As 103, Business Combinations are .....
- to improve the relevance, reliability and comparability of the information that a reporting entity provides in its financial statements about a business combination and its effects
  - to specify the financial reporting by an entity when it undertakes a share-based payment transaction
  - to specify the financial reporting for the exploration for and evaluation of mineral resources
  - to require entities to provide disclosures in their financial statements that enable users to evaluate

## PART—II

61. The techniques and processes of ascertaining costs are called .....
- (A) Cost control  
(B) Costing  
(C) Marginal cost  
(D) Standard cost
62. The example of notional expenses is .....
- (A) Lease Rent  
(B) Rent paid for father's property  
(C) Rent for own premises  
(D) Depreciation of property used for own business
63. The department which prepares plans and specifications for each job, supervises production activities, undertakes time and motion studies, performs job analysis, etc. is .....
- (A) Personnel department  
(B) Payroll department  
(C) Time-office  
(D) Industrial engineering department
64. How to calculate the cost per unit to find the value of the closing stock of finished goods ?
- (A)  $\text{Cost per unit} = \text{Cost of production} / \text{unit produced}$   
(B)  $\text{Cost per unit} = \text{Cost of production} / \text{unit sold}$   
(C)  $\text{Cost per unit} = \text{Cost of goods sold} / \text{unit produced}$   
(D)  $\text{Cost per unit} = \text{Cost of sales} / \text{unit produced}$
65. Cost of sales is .....
- (A)  $\text{Cost of production (+) opening stock of finished goods (-) closing stock of finished goods (+) selling and distribution overheads}$   
(B)  $\text{Cost of production (-) opening stock of finished goods (+) closing stock of finished goods (+) selling and distribution overheads}$   
(C)  $\text{Cost of goods sold (-) selling and distribution overheads}$   
(D)  $\text{Cost of goods sold (+) opening stock of finished goods (-) closing stock of finished goods (+) selling and distribution overheads}$

66. From the following data, calculate Prime Cost :

The Raw material consumed is ₹ 20,00,000,  
Opening stock of finished goods ₹ 1,00,000,  
closing stock of finished goods ₹ 1,40,000.  
Direct Labour ₹ 12,00,000 and Indirect  
labour is ₹ 4,00,000.

- (A) ₹ 31,60,000  
(B) ₹ 35,60,000  
 (C) ₹ 32,00,000  
(D) ₹ 36,00,000

67. Any casual vacancy in the office of a Cost Auditor shall be filled by the .....

- (A) Board of Directors  
(B) Central Government  
(C) Audit Committee  
(D) Any Directors with prior approval by the Central Government

68. CRA-1 prescribe the form related to .....

- (A) inform the Central Government of the appointment of cost auditors  
(B) submission of cost audit report  
 (C) maintenance of cost record  
(D) cost audit report furnished to Central Government

69. Match List I (Item) with items in List II (Budget Factor or Key Factor) :

**List I**

**(Item)**

- (a) Material  
(b) Labour  
(c) Plant & Machinery  
(d) Sales

**List II**

**(Budget Factor or Key Factor)**

- (i) Low market demand  
(ii) Availability of supplies  
(iii) Shortage in certain key process  
(iv) Bottlenecks in certain key processes

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

(A) (i) (ii) (iii) (iv)

(B) (ii) (iv) (i) (iii)

(C) (iv) (ii) (iii) (i)

(D) (ii) (iii) (iv) (i)

70. The formula of capacity ratio is .....

(A)  $(\text{Standard hours for actual output} / \text{Budgeted standard hours}) \times 100$

(B)  $(\text{Actual hours works} / \text{Budgeted hours}) \times 100$

(C)  $(\text{Standard hours for actual output} / \text{Actual hours work}) \times 100$

(D)  $(\text{Actual hours works} / \text{Standard hours for actual output}) \times 100$

71. While preparing the production budget, the unit to be produced is equal to .....
- (A) Budgeted Sales quantity (+) Opening stock (-) Closing stock  
 (B) Actual Sales quantity (+) Opening stock (-) Closing stock  
 (C) Actual Sales quantity (+) Closing stock (-) Opening stock  
 (D) Budgeted Sales quantity (+) Closing stock (-) Opening stock
72. Which is not the method of preparation of cash budget ?
- (A) Receipts and Payments Method  
 (B) Adjustment Profit and Loss Account Method  
 (C) Cash flow Method  
 (D) Balance Sheet Method
73. "De nova budgeting" is a better term of .....
- (A) Zero Base Budgeting  
 (B) Performance Budgeting  
 (C) Master Budgeting  
 (D) Basic Budgeting
74. From the following, calculate the Debt-Equity Ratio :
- |                                |          |
|--------------------------------|----------|
|                                | ₹        |
| 10,000 Equity Shares @ 10 each | 1,00,000 |
| General Reserves               | 50,000   |
| Debentures                     | 75,000   |
| Sundry Trade Creditors         | 37,500   |
- (A) 0.25 : 1  
 (B) 0.375 : 1  
 (C) 0.50 : 1  
 (D) 0.75 : 1
75. From the following data, calculate Inventory Turnover Ratio : Cost of goods sold ₹ 3,00,000, Purchases ₹ 3,30,000, opening stock ₹ 60,000.
- (A) 4 times  
 (B) 3 times  
 (C) 2 times  
 (D) 6 times
76. From the following data, calculate the earnings per share (EPS)
- |                         |            |
|-------------------------|------------|
| 50,000 Equity shares of |            |
| ₹ 10 each               | ₹ 5,00,000 |
| 9% Debentures           | ₹ 2,00,000 |
| Net profit after tax    | ₹ 1,18,000 |
- (A) ₹ 6  
 (B) ₹ 5  
 (C) ₹ 3  
 (D) ₹ 2

77. Current liabilities of a company are ₹ 3,00,000. Its current ratio is 3 : 1 and the liquid ratio is 1 : 1. The value of the stock is .....
- (A) ₹ 3,00,000  
(B) ₹ 6,00,000  
(C) ₹ 9,00,000  
(D) ₹ 12,00,000
78. If sales are ₹ 13,20,000 sales returns are ₹ 1,20,000 and cost of goods sold ₹ 6,00,000 and closing stock of finished goods is ₹ 2,00,000, gross profit ratio will be .....
- (A) 50%  
(B) 40%  
(C) 33.33%  
(D) 20%
79. If the current ratio is very high, then .....
- (A) positive impact on the profitability of the organization  
(B) no impact on the profitability of the organization  
(C) adverse impact on the profitability of the organization  
(D) sometimes profitability may affect
80. Higher level of management reports are .....
- (A) more detailed, more frequent  
(B) more detailed, more frequent and more in numbers  
(C) more summarized, more frequent and more in numbers  
(D) more summarized, less frequent and more in numbers
81. Sales minus (-) variable cost is equal to .....
- (A) Fixed cost (+) Profit  
(B) Fixed cost (-) Profit  
(C) Fixed cost (+) Loss  
(D) Fixed cost
82. If the Marginal Cost is ₹ 2,400 and the P/V Ratio is 20%. Sales value will be .....
- (A) ₹ 12,000  
(B) ₹ 480  
(C) ₹ 1,920  
(D) ₹ 3,000
83. The following figures are available from the records of book of account as on 31st March :
- |        | March 2021 | March 2022 |
|--------|------------|------------|
|        | ₹ lakh     | ₹ lakh     |
| Sales  | 150        | 200        |
| Profit | 30         | 50         |
- Calculate Profit Volume Ratio.
- (A) 40%  
(B) 20%  
(C) 25%  
(D) 50%



84. If Fixed expenses is ₹ 4,000 and Break-even point is ₹ 10,000. What will be the profit when sales are ₹ 20,000 ?
- (A) ₹ 6,000  
(B) ₹ 10,000  
(C) ₹ 4,000  
(D) ₹ 16,000
85. Following are not true in respect of absorption costing :
- (A) Fixed cost is included in the cost of products  
(B) Profitability is measured by profit earned by various products or departments.  
(C) Stock values in Absorption costing are, therefore, higher than in Marginal costing  
(D) Difference in the valuation of opening and the closing stock does not affect the unit cost of production
86. Which formula is used to calculate cost under Activity Based Costing ?
- (A)  $\text{Costs} = \text{Total Cost of Activity} \times \text{Activity Cost Driver Rate}$   
(B)  $\text{Costs} = \text{Resources Consumed} \times \text{Activity Cost Driver Rate}$   
(C)  $\text{Costs} = \text{Resources Consumed} / \text{Activity Cost Driver Rate}$   
(D)  $\text{Costs} = \text{Total Cost of Activity} / \text{Activity Cost Driver Rate}$
87. The correct stages in developing an Activity Based Costing System are .....
- (A) identify activities, identify resources, identify cost objects, determine resource drivers, determine cost (activity) drivers, assign costs to the cost objects  
(B) identify activities, identify resources, identify cost objects, determine cost (activity) drivers, determine resource drivers, assign costs to the cost objects  
(C) identify resources, identify activities, identify cost objects, determine resource drivers, determine cost (activity) drivers, assign costs to the cost objects  
(D) identify resources, identify activities, identify cost objects, determine cost (activity) drivers, determine resource drivers, assign costs to the cost objects

88. Total assets is ₹ 22,50,000, Fixed assets ₹ 20,00,000 valued at 10% above the book value and miscellaneous expenditure is ₹ 2,50,000 and 12% Debentures ₹ 4,00,000. The value of NAV as per the Net Assets Method will be .....
- (A) ₹ 20,75,000  
 (B) ₹ 18,50,000  
 (C) ₹ 18,00,000  
 (D) ₹ 16,00,000
89. In the capitalization of Earning method, the Capitalization rate is .....
- (A) Capitalization Rate = Growth Rate – Discount Rate  
 (B) Capitalization Rate = Discount Rate – Growth Rate  
 (C) Capitalization Rate = Earning Rate – Growth Rate  
 (D) Capitalization Rate = Growth Rate – Earning Rate
90. The formula of Price-Earning Ratio is :
- (A) Yield per share/Normal rate of return × 100  
 (B) Rate of earning/Normal rate of return × 100  
 (C) Market value per share/Earning per share  
 (D) Possible rate of dividend × Paid up value per share/Normal rate of dividend
91. The formula using for calculating diluted earnings per share is :
- (A) profit or loss attributable to ordinary equityholders/weighted average number of ordinary shares outstanding  
 (B) the weighted average number of ordinary shares outstanding/profit or loss attributable to ordinary equityholders <https://www.pyqonline.com>  
 (C) profit or loss attributable to ordinary equityholders/average number of ordinary shares outstanding  
 (D) the average number of ordinary shares outstanding/profit or loss attributable to ordinary equityholders
92. The following data available from the record of ABC Limited :
- 10,000, 9% Preference Shares of ₹ 100 each fully paid and 80,000 equity shares of ₹ 10 each fully paid, Reserves and Surplus; ₹ 1,00,000. Total assets ₹ 30,00,000 out of total assets ₹ 40,000 worth of Assets are fictitious. Calculate the intrinsic value per equity share.
- (A) ₹ 23.25  
 (B) ₹ 10.75  
 (C) ₹ 8.25  
 (D) ₹ 6.75

93. As per valuation guidelines prescribed by RBI under the Foreign Exchange Management Act, 1999, the price for the transfer of shares by a non-resident to an Indian resident shall not be more than the fair value of shares if the transfer of fund exceeds .....
- (A) USD 2 million  
(B) USD 5 million  
(C) USD 10 million  
(D) USD 25 million
94. The total capital employed in the firm is ₹ 15,00,000. The Normal Rate of return is 12% and the profit for the year is ₹ 1,50,000. Calculate the value of goodwill as per the Capitalization method :
- (A) ₹ 12,50,000  
(B) ₹ 10,00,000  
(C) ₹ 5,00,000  
(D) ₹ 2,50,000
95. The date at which entity and counterparty have a shared understanding of the terms and conditions of the agreement is called .....
- (A) Option date  
(B) Grant date  
(C) Vesting date  
(D) Exercise date
96. The company is required to recognize employees stock compensation expenses :
- (A) On the date of receipt of order for goods and services  
(B) On the date of receipt of goods and services  
(C) On the date of billing for goods and services  
(D) On the date of receipt of payment for goods and services
97. Cash flows become logically comparable when they are appropriately adjusted for their difference in .....
- (A) Timing and Return  
(B) Timing and Risk  
(C) Risk and uncertainty  
(D) Return and uncertainty
98. (Net Operating Profit after Taxes) – (Equity Capital × % Cost of Equity Capital) is the formula of .....
- (A) SVA <https://www.pyqonline.com>  
(B) MVA Whatsapp @ 9300930012  
(C) EVA Send your old paper & get 10/-  
(D) CAPM अपने पुराने पेपर्स भेजे और 10 रुपये पायें.  
Paytm or Google Pay से
99. .... represents the economic profits generated by a business above and beyond the minimum return required by all the providers of capital.
- (A) Economic Value Added  
(B) Arbitrage Pricing Theory  
(C) Shareholders Value Added  
(D) Market Value Added
100. Prospective Price Earnings Ratio/Prospective average earnings growth is a formula for calculation of .....
- (A) Price to Book Ratio  
(B) Price Earnings Growth Ratio  
(C) Dividend Yield Ratio  
(D) Dividend Growth Ratio