

## FINAL ANSWER KEY

Question 39/2025/OL

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Exam: Accounts Officer

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Department Kerala Co operative Milk Marketing Federation Ltd

Question1:-In case of Dissolution of partnership firm, which of the following is/are incorrect treatment in respect of adjustment in realisation account?

Treatments in Final accounts

- i. Contra asset account are transferred to debit side of realisation account at Gross figures
- ii. Goodwill account appearing in the books is not transferred to realisation account like other assets
- iii. While bank loan account is not transferred to Realisation account, bank overdraft account must be transferred to Realisation account
- iv. When some of the assets are taken over by creditors, no entry is to be passed for assets taken over by creditors, the actual amount paid to creditors after adjusting agreed value of assets to be debited to realisation account

A:-i and ii only

B:-ii and iii only

C:-iii and iv only

D:-i and iv only

Correct Answer:- Option-B

Question2:-Which of the following best describe the adjustment of Profit or Loss on revaluation and assets and liabilities in case of retirement of partner?

A	B	C
I Memorandum Revaluation account	Assets and Liabilities appear in Balance sheet at revised Value	Profit/Loss on Revaluation is transferred to All partners Capital Account in Old Ratio
II Revaluation Account	Assets and Liabilities appear in Balance sheet at Original Value	Profit/Loss on Revaluation is transferred to Continuing partners's Capital Account in New Ratio
III Memorandum Revaluation account	Assets and Liabilities appear in Balance sheet at Original Value	Profit/Loss on Revaluation is transferred to All partners Capital Account in Old Ratio and on reverse side of memorandum account, it is closed by transferring to Continuing partners's Capital Account in New Ratio
IV Revaluation Account	Assets and Liabilities appear in Balance sheet at revised Value	Profit/Loss on Revaluation is transferred to All partners Capital Account in Old Ratio

A:-III and IV only

B:-I and II only

C:-III only

D:-IV only

Correct Answer:- Option-A

Question3:-You are given that P and Q are partners in a firm sharing Profits and Losses in the ratio of 3:2 Mr. C joins the firm for 1/3rd share and has to pay Rs. 25,000 for goodwill but can pay nothing. A and B decided to share profits and

losses equally. If balance sheet shows Rs. 50,000 as goodwill, give journal entry for raising goodwill.

Code Journal Entry

I.	Goodwill Account	Dr.	1,25,000	
	To A capital account			75,000
	To B capital account			50,000
II.	Goodwill Account	Dr.	25,000	
	To A capital account			15,000
	To B capital account			10,000
III.	Goodwill account	Dr.	75,000	
	To A capital account			45,000
	To B capital account			30,000
IV.	Goodwill Account	Dr.	25,000	
	To A capital account			12,500
	To B capital account			12,500

A:-Option III

B:-Option II

C:-Option I

D:-Option IV

Correct Answer:- Option-B

Question4:-The following facts are related to application of computers in accounting. Which of the following best describes characteristics the features of accounting softwares?

- I. Reach is a web based accounting software available free of cost in accounting community.
- II. Xero is a cloud based accounting software for small and medium enterprise in India.
- III. Marg is accounting software where all the business operations are bundled in single software and it ensures that the business owner is able to track every aspect of the business.
- IV. Profit books is an online accounting software developed for small enterprise which can be accessed anywhere being cloud based.

A:-Both I and II are correct

B:-III is only correct

C:-IV is only correct

D:-II and III are only correct

Correct Answer:- Option-C

Question5:-Which of the following combination doesn't represent/part of items under RESERVES and SURPLUS in the final accounts of Companies?

Set I	Set II	Set III	Set IV
Capital Reserves	Debenture Redemption Reserve	General Reserve	Workmen Compensation fund
Capital Redemption Reserve	Revaluation Reserve	Specific Reserve	Dividend Equalisation reserve
Securities Premium Reserve	Dividends reserve	Share Options Outstanding Account	Securities Premium Reserve

A:-Set II only

B:-Set IV only

C:-Set III only

D:-Set I only

Correct Answer:- Option-A

Question6:-You are required to find out value of unsold stock from the following information

On 01-01-2024, Doshi medicals sends 450 cases of medicine costing Rs. 850 per case Surya medicals on consignment basis. The following expenses were incurred (paid in cash) to Doshi Medicals : Packing expenses Rs. 10 per case, freight Rs. 800, forwarding agents expenses Rs. 700 (due) and Insurance premium Rs. 1,800 (paid by cheque). On 31.12.2024, accounts of Surya medicals shows 75 cases as unsold. Surya medicals paid the following expenses. Cartage Rs. 500, unloading Rs. 700 and Rs. 1,800 as Godown rent.

A:-Rs. 65,050

B:-Rs. 65,250

C:-Rs. 65,550

D:-Rs. 64,550

Correct Answer:- Option-B

Question7:-The following statements are related to fund concept of accounting. Which of the following best describe(s) the characteristics of Fund Concept?

I. The fund concept is a theoretical view that focuses on an impersonal fund rather than personality.

II. The accounting equation that best describes fund concept is  $\text{Assets} = \text{Restrictions on Assets}$ .

III. The fund concept explains the financial recording of an organisation in terms of Fund and Assets.

IV. Fund concept is most useful for government and nonprofit organisations.

A:-II and III only

B:-I and IV only

C:-III only

D:-II only

Correct Answer:- Option-C

Question8:-From the following information, find out the amount of Gross Profit for the year ending 31.12.2024

Give that Adjusted Purchases Rs. 8,60,000, Sales 9,40,000, Closing Stock Rs. 6,400, Freight and Cartage Rs. 5,000, Import Duty Rs. 2,500, Export Duty Rs. 1,200

A:-Gross Profit Rs. 71,300

B:-Gross Profit Rs. 77,500

C:-Gross Profit Rs. 83,900

D:-Gross Profit Rs. 72,500

Correct Answer:- Option-D

Question9:-The table presents Indian Accounting Standards and description of Accounting Standard discussed under the code. You are required to match the Accounting Standard with its description as given in the table.

	Accounting Concepts		Utility/Assumptions
I.	Ind AS 12	A.	Earning per share
II.	Ind AS 23	B.	Income Taxes
III.	Ind AS 33	C.	Investment Property
IV.	Ind AS 40	D.	Borrowing Cost

A:-I-D, II-A, III-C, IV-B

B:-I-B, II-D, III-A, IV-C

C:-I-A, II-C, III-B, IV-D

D:-I-C, II-B, III-D, IV-A

Correct Answer:- Option-B

Question10:-The following facts are related to Accounting principle called Matching Principle. You are required to identify the correct combination of statements related to matching principle.

I. Matching doesn't mean that expenses must be identifiable with revenues. Expenses charged to a period may or may not be related to the revenue recognised in that period.

II. Matching Principle is basically an accrual concept as it disregards the timing and the amount of actual cash inflow or cash outflow and concentrates on the occurrence of revenue and expenses.

A:-Both are correct

B:-Statement I is correct but II is incorrect

C:-Statement II is correct but I is incorrect

D:-Both are incorrect

Correct Answer:- Option-A

Question11:-A company has a financial structure where equity constitutes 70% of its total capital (equity + debt). The cost of equity is 10%, the gross loan interest rate is 5% and the corporate tax rate is 30%. What is the company's Weighted Average Cost of Capital (WACC)?

A:-7.55%

B:-7.80%

C:-8.70%

D:-8.05%

Correct Answer:- Option-D

Question12:-What is the Economic Order Quantity (EOQ) based on the following information?

- Annual consumption of materials : 10,000 kg
- Order placing cost per order : Rs. 50
- Cost per kg of raw materials : Rs. 2
- Storage cost : 8% of the average inventory value.

A:-3200 kg

B:-1000 kg

C:-2500 kg

D:-4000 kg

Correct Answer:- Option-C

Question13:-Which one of the following is correct about MM Hypothesis?

- i. Market value of equity shares of a firm depends solely on its earning power and is not influenced by the manner in which its earnings are split between dividends and retained earnings.
- ii. Market value of equity shares is affected by dividend size.
- iii. Under MM hypothesis there is no meaningful distinction between dividend and share repurchases. They both are ways for a company to return cash to shareholders.

A:-Only i and ii are correct

B:-Only ii and iii are correct

C:-i and iii are correct

D:-i, ii and iii are correct

Correct Answer:- Option-C

Question14:-Which one of the following is a correct statement about Assumptions of Gordon's Model?

- i. Firm is an all equity firm i.e. no debt.
- ii. IRR will remain constant, because change in IRR will change the growth rate and consequently the value will be affected. Hence this assumption is necessary.
- iii.  $K_e$  will not remain constant.

A:-Only i and ii are correct

B:-Only ii and iii are correct

C:-i and iii are correct

D:-i, ii and iii are correct

Correct Answer:- Option-A

Question15:-Which of the following components are included in the calculation of the Weighted Average Cost of Capital (WACC)?

A:-Only the cost of debt

B:-Only the cost of equity

C:-A combination of debt, equity and preferred stock

D:-Only retained earnings

Correct Answer:- Option-C

Question16:-Which of the following capital budgeting methods considers the time value of money using discounted cash flows?

A:-Payback period

B:-Accounting Rate of Return

C:-Net Present Value (NPV)

D:-Inventory Turnover Ratio

Correct Answer:- Option-C

Question17:-Which of the following statements is correct with respect to Gordon's model?

A:-When IRR is greater than cost of capital, the price per share increases and dividend pay-out decreases

B:-When IRR is greater than cost of capital, the price per share decreases and dividend pay-out increases

C:-When IRR is equal to cost of capital, the price per share increases and dividend pay-out decreases

D:-When IRR is lower than cost of capital, the price per share increases and dividend pay-out decreases

Correct Answer:- Option-A

Question18:-Capital structure of a business firm influences the

A:-Risk

B:-Return

C:-Both Risk and Return

D:-None of the above

Correct Answer:- Option-C

Question19:-Optimum leverage is a function of which of the following factors?

A:-Amount of fixed and variable cost

B:-Variable contribution margin

C:-Volume of purchases

D:-Amount of semi-variable cost

Correct Answer:- Option-B

Question20:-In which of the following techniques is depreciation considered as a cost?

A:-Accounting Rate of Return

B:-Net Present Value

C:-Internal Rate of Return

D:-None of the above

Correct Answer:- Option-A

Question21:-The costing technique of charging all variable manufacturing costs and fixed production overheads to a product/process and writing off all administrative and marketing overheads against profits in the year in which it arise is known as

A:-Uniform Costing

B:-Absorption Costing

C:-Direct Costing

D:-Standard Costing

Correct Answer:- Option-B

Question22:-Which of the following costing method is used by the firms that provide service but do not produce tangible products?

A:-Composite Costing

B:-Operation costing

C:-Operating costing

D:-Efficiency costing

Correct Answer:- Option-C

Question23:-Calculate 'Conversion Cost' from the following:

Direct material Rs. 600, Direct labour Rs. 800, Direct expenses Rs. 400, Production Overheads Rs. 200

A:-Rs. 2,000

B:-Rs. 1,200

C:-Rs. 1,800

D:-Rs. 1,400

Correct Answer:- Option-D

Question24:-Calculate Economic Order Quantity from the following.

Consumption/Month : 4000 units, Purchase price/unit : Rs. 25, Carrying Cost/year : 12%, Per order cost : Rs. 180.

A:-2400 units

B:-1850 units

C:-2275 units

D:-2050 units

Correct Answer:- Option-A

Question25:-Following statements are on 'Purchase Requisition'. Identify the wrong statement.

A:-It can be prepared by the department requiring material

B:-It can be prepared by the storekeeper if items are of regular use

C:-It contains the details of quantity and price of the item to be purchased

D:-It is the basis for sharing all purchase procedures

Correct Answer:- Option-C

Question26:-Identify the bonus plan from the following features:

i. It is a combination of time rate, piece rate and bonus plan.

ii. Standard time is fixed for each work.

iii. It guarantee the day wages to workers.

iv. There are three rates of payments

A:-Bedeaux point system

B:-Gantt Task and Bonus system

C:-Hayne's system

D:-Emerson efficiency system

Correct Answer:- Option-B

Question27:-Which of the following overhead absorption system is based on actual figures?

A:-Blanket Overhead Rate

B:-Comprehensive Rate

C:-Real overhead Rate

D:-Actual Overhead rate

Correct Answer:- Option-D

Question28:-In marginal costing method, what is done with fixed costs?

A:-It is treated as period cost and written off from profit for that period

B:-It is treated as fixed overhead and apportioned between different products/service/activity once marginal costing is done

C:-It is discarded and transferred to general P and L account at the year end

D:-It is used only when, make or buy decisions are to be taken

Correct Answer:- Option-A

Question29:-Consider the following statements on 'standards' used in Standard Costing. Identify the wrong one.

A:-Normal standard is based on industry average

B:-Basic standard is established on some base year

C:-Current standard is established for a limited period

D:-Ideal standard is based on perfect performance

Correct Answer:- Option-A

Question30:-The following statements are on Break Even Analysis. Identify the wrong one.

A:-Margin of safety will be always positive

B:-In certain case, if we apply marginal costing, Break even point can become negative

C:-A composite Breakeven point is used by firms manufacturing more than one product

D:-In calculating cash Breakeven Point, only cash fixed costs are taken

Correct Answer:- Option-B

Question31:-\_\_\_\_\_ is based on the premise that when people interact in a free and uninhibited atmosphere, they will generate creative ideas.

A:-Planning

B:-Innovation

C:-Brainstorming

D:-Directing

Correct Answer:- Option-C



Question32:-The systematic effort to delegate to lowest levels of authority is

A:-Centralisation

B:-Departmentalisation

C:-Decentralisation

D:-None of these

Correct Answer:- Option-C

Question33:-What are the main factors that affect leadership effectiveness in case of Fiedler's contingency model?

A:-Personality and situation

B:-Initiative and honesty

C:-Punctuality and dedication

D:-Hard work and unity

Correct Answer:- Option-A

Question34:-\_\_\_\_\_ is the systematic study of meaning.

A:-Linguistics

B:-Scalar chain

C:-Semantics

D:-Motion study

Correct Answer:- Option-C

Question35:-Which is the system where business results are compared against the results that were either budgeted or planned?

A:-Management by control

B:-Management by exception

C:-Management by objectives

D:-Management by exemption

Correct Answer:- Option-B

Question36:-The leadership style that emphasises the importance of diversity, equity and inclusion in the work place is called

A:-Inclusive leadership

B:-Inclusion leadership

C:-Democratic leadership

D:-Participative leadership

Correct Answer:- Option-A

Question37:-The process for structuring and running organisations is called

A:-Organisation chart

B:-Organisation schedule

C:-Organisational design

D:-None of these

Correct Answer:- Option-C

Question38:-Which theory of motivation proposes external control?

A:-Need hierarchy

B:-Theory Y

C:-Theory X

D:-Theory Z

Correct Answer:- Option-C

Question39:-Who was the founder of Neo classical theory?

A:-F.W. Taylor

B:-Maslow

C:-Elton Mayo

D:-MC Greger

Correct Answer:- Option-C

Question40:-Peter F Drucker developed the concept of

A:-Management by objectives

B:-Management by simulation

C:-Management by exception

D:-None of these

Correct Answer:- Option-A

Question41:-Which of the following statements are TRUE with regard to the concept of Demand?

- i. Demand for a commodity arises when there is a desire for such commodity backed by willingness to pay for it and ability to pay for it.
- ii. Demand for inputs and factors of production on the part of producers are termed as Direct Demand.
- iii. From the consumers point of view, market demand means the aggregate of all individual demands.

A:-Statement i and ii alone are true

B:-Statement i and iii alone are true

C:-Statement ii and iii alone are true

D:-Statement i, ii and iii are true

Correct Answer:- Option-B

Question42:-Which of the following is FALSE with regard to the law of demand?

- i. Prestige goods are an exception to the law of demand.
- ii. Demand Curve is the graphical representation of demand schedule.
- iii. Law of diminishing marginal utility is a strong reason for the downward sloping nature of demand curve.

A:-Statement i alone is false

B:-Statement ii alone is false

C:-Statement iii alone is false

D:-None of the statements are false

Correct Answer:- Option-D

Question43:-Find the WRONG statements from the following

- i. The concept of elasticity of demand was introduced by Alfred Marshal.
- ii. Perfectly inelastic demand means that the elasticity is equal to zero.
- iii. Relatively elastic demand refers to a situation where the elasticity is less than one.

A:-Statement iii alone is wrong

B:-Statement ii alone is wrong

C:-Statement i alone is wrong

D:-All statements are wrong

Correct Answer:- Option-A

Question44:-Which of the following statements are CORRECT with regard to the elasticity of demand?

- i. Price elasticity of demand is calculated by dividing the proportionate change in the quantity demanded with the proportionate change in the price.
- ii. Negative Income Elasticity refers to a situation where the increase in income leads to a corresponding increase in the quantity demanded.
- iii. Advertisement elasticity of demand measures the degree of change in the quantity demanded for a given change in the advertisement cost.

A:-Statement i and ii alone are correct

B:-Statement ii and iii alone are correct

C:-Statement i and iii alone are correct

D:-All the statement are correct

Correct Answer:- Option-C

Question45:-Identify the INCORRECT statement from the following

- i. Change in the demand due to change in factors such as income, population, taste and preference (other than price) is called Extension or contraction of demand.
- ii. Change in the demand due to a change in the price (other things remain constant) is called as shift in demand.
- iii. When the demand of commodity is related with the price of other commodity, it is called cross demand

A:-Statement i and ii alone are incorrect

B:-Statement ii and iii alone are incorrect

C:-Statement i and iii alone are incorrect

D:-All statements are incorrect

Correct Answer:- Option-A

Question46:-Identify the TRUE statements with regard to demand forecasting.

- i. Demand estimation means finding future values of demand where as demand

forecasting involves finding the current demand.

- ii. Consumer clinics method of demand forecasting involves giving some amount of money to selected group of consumers and observing their consumption behaviour.
- iii. Delphi method of demand forecasting involves extensive consumer survey and subsequent empirical data analysis

A:-Statement i alone is true

B:-Statement ii alone is true

C:-Statement iii alone is true

D:-Statement i and ii alone are true

Correct Answer:- Option-B

Question47:-Find out the WRONG statements from the following related to the production function.

- i. Production function indicates the functional relationship between input and output (maximum quantity of output that can be produced from minimum quantities of inputs).
- ii. Cobb-Douglas production function indicates the constant returns to scale but are called as log linear function.
- iii. One of the managerial of production function is that it helps to determine the minimum level of output by incurring high cost factor combination.

A:-Statement i alone is wrong

B:-Statement ii alone is wrong

C:-Statement iii alone is wrong

D:-Statement ii and iii alone are wrong

Correct Answer:- Option-C

Question48:-Find out the CORRECT statements from the following

- i. Law of Diminishing Returns analyse production in the short run and Law of Returns to Scale analyse production in the long run
- ii. Isoquants are upward rising curve from left to right
- iii. Iso-cost line indicates different combination of labour and capital for a given amount of money

A:-Statement i and ii alone are correct

B:-Statements i and iii alone are correct

C:-Statements ii and iii alone are correct

D:-All statements are correct

Correct Answer:- Option-B

Question49:-Identify the WRONG statements with regard to the pricing policies

- i. Barometric pricing involves price leadership where one firm fix the price and other firms simply follows it
- ii. Price Skimming in the case of a new product means charging a low price

during its

introduction and slowly increasing it in future

- iii. Penetration Pricing for a new product involves charging a higher price during its introduction and slowly reduce it in future

A:-Statements i, ii and iii are wrong

B:-Statements i and ii alone are wrong

C:-Statements i and iii alone are wrong

D:-Statements ii and iii alone are wrong

Correct Answer:- Option-D

Question50:-Identify the TRUE statements from the following relating to Business Cycles

- i. The expansion phase of business cycle extends from trough to peak (depression to boom)  
while the contraction phase ranges from the peak to trough (boom to depression)
- ii. Full employment or Prosperity phase indicates the optimum level of economic activities
- iii. Recession means an upward movement of economic activities from the depression stage to the boom stage

A:-Statements i and ii alone are true

B:-Statements i and ii alone are true

C:-Statements ii and iii alone are true

D:-All statements are true

Correct Answer:- Option-A

Question51:-Which of the following is NOT a situation in which a company may be wound up by the tribunal?

A:-Company has not filed Income Tax return for the last three years

B:-Company is unable to pay its debt

C:-Tribunal is of the opinion that it is just and equitable that the company should be wound up

D:-Tribunal has ordered the winding up of the company under Chapter XIX

Correct Answer:- Option-A

Question52:-The minimum number of directors required in the Board of Directors of Public, Private and One person Company is

A:-5, 3, 1

B:-3, 2, 1

C:-10, 5, 1

D:-7, 3, 2

Correct Answer:- Option-B

Question53:-Who has the power to call general meetings of the company for the purpose of obtaining the sanction of the company by ordinary or special resolution for voluntary winding up?

A:-Registrar of the Company

B:-Board of Directors of the Company

C:-Company Secretary

D:-Liquidator

Correct Answer:- Option-D

Question54:-In the context of winding up of the company which of the following is the correct preferential payment order of the following four items

A:-(a) all revenues, taxes, cesses and rates due from the company to the government (b) all wages or salary (c) all accrued holiday remuneration becoming payable to any employee (d) all sums due to any employee from the provident fund or any other fund for the welfare of the employees

B:-(a) all wages or salary (b) all revenues, taxes, cesses and rates due from the company to the government (c) all accrued holiday remuneration becoming payable to any employee (d) all sums due to any employee from the provident fund or any other fund for the welfare of the employees

C:-(a) all sums due to any employee from the provident fund or any other fund for the welfare of the employees (b) all revenues, taxes, cesses and rates due from the company to the government (c) all wages or salary (d) all accrued holiday remuneration becoming payable to any employee

D:-all revenues, taxes, cesses and rates due from the company to the government (b) all wages or salary (c) all sums due to any employee from the provident fund or any other fund for the welfare of the employees (d) all accrued holiday remuneration becoming payable to any employee

Correct Answer:- Option-A

Question55:-Who appoint the official liquidator for the winding up of the company by the Tribunal?

A:-General Body Meeting by Passing Special Resolution

B:-General Body Meeting by Passing Ordinary Resolution

C:-Central Government

D:-The Tribunal

Correct Answer:- Option-C

Question56:-Companies Act 2013 is not applicable to

A:-Companies situated in Jammu and Kashmir

B:-Companies situated in Jammu and Kashmir and Union Territories

C:-Insurance companies its provisions are inconsistent with provisions of IRDA Act 1999

D:-Companies registered under Companies Act 1956

Correct Answer:- Option-C

Question57:-The board of public company may call extraordinary general meeting on the requisition of \_\_\_\_\_ of the members having voting right and the quorum of the meeting will be \_\_\_\_\_.

A:-Not less than 50 percent, hundred members if the number of members is not more than one thousand

B:-Not less than 1/3rd, Fifty members if the number of members is not more than one thousand

C:-Not less than 1/4th, Ten members if the number of members is not more than one thousand

D:-Not less than 1/10th, Five members if the number of members is not more than one thousand

Correct Answer:- Option-D

Question58:-Maximum number of public companies in which a person can act as director at a time is

A:-5

B:-10

C:-25

D:-20

Correct Answer:- Option-B

Question59:-Quorum for a meeting of the Board of Directors will be

A:-1/3rd of the total or 5 whichever is higher excluding directors by video conferencing

B:-1/4th of the total or 2 whichever is higher excluding directors by video conferencing

C:-1/2nd of the total or 10 whichever is higher excluding directors by video conferencing and excluding by audio visual means

D:-1/3rd of the total or 2 whichever is higher excluding directors by video conferencing or by other audio visual means

Correct Answer:- Option-D

Question60:-As per sec 177 of the companies act 2013 audit committee shall consist of

A:-Directors only

B:-Directors and Company Secretary

C:-Directors, Company Secretary and Auditors

D:-Directors, Company Secretary and Representatives of Auditors

Correct Answer:- Option-A

Question61:-Which of the following statements is/are correct to OTCEI market?

i. It was setup in 1992

ii. Its promoters include UTI, ICICI, IDBI etc.

iii. OTCEI provides screen-based trading system

iv. OTCEI traded securities can be traded on other stock exchanges

A:-Only iv

B:-Only ii, iii and iv

C:-Only i, ii and iii

D:-All are correct

Correct Answer:- Option-C

Question62:-Which of the following statements is/are correct to New issue market?

i. Bought out deals is not a method of new issue of securities

ii. Book building is a method for new issue of securities

iii. Both new and existing companies can raise capital through new issue market

iv. Bonus issue is one of the methods of fresh issue of shares through which companies raise capital

A:-Only i, ii and iii

B:-Only i and iii

C:-Only iii and iv

D:-Only ii and iii

Correct Answer:- Option-D

Question63:-Which of the following statements is/are correct to Indian financial system?

i. NBFCs are not part of the financial system

ii. Derivative market is a segment in the money market

iii. Financial services is one of the components of financial system

iv. Primary market is not part of financial system

A:-Only i, ii and iii

B:-Only iii

C:-Only i,ii and iv

D:-All are incorrect

Correct Answer:- Option-B

Question64:-Match the following :

- |                       |  |
|-----------------------|--|
| 1. Zero interest bond | i. Issued when foreign company raise capital from Indian investors   |
| 2. IDR                | ii. Bonds sold at a discount from their maturity value               |
| 3. FCDs               | iii. Bonds sold at a large discounts to its nominal value            |
|                       | iv. Debenture convertible into shares automatically and compulsorily |

A:-1-ii, 2-i, 3-iv

B:-1-ii, 2-iv, 3-i

C:-1-i, 2-iv, 3-ii



D:-1-ii, 2-iii, 3-iv

Correct Answer:- Option-A

Question65:-STRIPS stands for

A:-Standard Trading of Registered Interest and Principal of Securities

B:-Separate Trading of Registered Interest and Principal of Securities

C:-Standard Trading and Regulation of Interest and Principal of securities

D:-Separate Trading and Regulation of Interest and Principal of Securities

Correct Answer:- Option-B

Question66:-Which of the following is Not a marketable financial asset?

A:-Mutual fund units

B:-UTI units

C:-Government securities

D:-National savings certificate

Correct Answer:- Option-D

Question67:-Which of the following statements is/are correct about the Indian financial system?

- i. Nationalisation of financial institutions increased the pace of development of financial system
- ii. Establishment of new financial institutions made no impact on the development of financial system
- iii. Establishment of development banks influenced the development of financial system
- iv. Credit rating agencies contributed much to the development of financial system

A:-Only i and ii

B:-Only ii and iii

C:-All are correct

D:-All except ii

Correct Answer:- Option-D

Question68:-Which of the following statements is/are correct about stock exchanges in India?

- i. BSE functions as Association of Persons
- ii. NSE is a demutualised stock exchange
- iii. BSE is a company limited by guarantee
- iv. BSE is a demutualised stock exchange

A:-Only iii and iv

B:-Only i and ii

C:-Only ii and iv

D:-Only i, ii and iii

Correct Answer:- Option-B

Question69:-Which of the following statements is/are correct about listing of securities?

- i. Listed companies must notify the stock exchange the reissue of forfeited shares
- ii. Submission of particulars of forfeited shares to the stock exchange with the application for listing is not mandatory
- iii. Listed companies must notify the stock exchange any change in its capital structure
- iv. Listing agreement is not mandatory for getting listed in stock exchanges

A:-Only ii and iv

B:-Only i, ii and iv

C:-Only i and iii

D:-Only i, ii and iii

Correct Answer:- Option-C

Question70:-Match the following :

- |                              |  |
|------------------------------|--|
| 1. Account period settlement | i. Trades during the day are settled on the net obligation for that day  |
| 2. Rolling settlement        | ii. Day when the broker makes payment to the stock exchange              |
| 3. Pay-in day                | iii. Trades during a period more than one day are settled on a net basis |
| 4. Pay-out day               | (iv) Day when the stock exchange makes payment to the broker             |

A:-1-iii, 2-i, 3-ii, 4-iv

B:-1-i, 2-iii, 3-iv, 4-ii

C:-1-iii, 2-i, 3-iv, 4-ii

D:-2-ii, 2-iii, 3-iv, 4-i

Correct Answer:- Option-A

Question71:-Income Tax is paid during the current financial year on the income of the previous financial year at the rates in force during the \_\_\_\_\_ year.

A:-Previous financial year

B:-Current financial year

C:-Previous calendar year

D:-Current calendar year

Correct Answer:- Option-B

Question72:-Rebate under section 87A is available only to a \_\_\_\_\_ assessee.

A:-Resident Individual

B:-All Individuals

C:-Resident Firm

D:-Resident Company

Correct Answer:- Option-A

Question73:-Which of the following statement is/are correct regarding allocation of amount of income Tax? State government will not be given any share of income tax revenue from the following :

- i. Income tax amount recovered from companies.
- ii. Amount of Surcharge
- iii. Amount of Health and education cess
- iv. Tax amount collected from Capital Gain

A:-Only i and ii

B:-Only i, ii and iii

C:-Only ii, iii and iv

D:-All of the above i, ii, iii and iv

Correct Answer:- Option-B

Question74:-When a person is responsible for doing any work under the Income Tax Act and he fails to do it, he is called

A:-Deemed Assessee

B:-Representative Assessee

C:-Assessee in Default

D:-Normal Assessee

Correct Answer:- Option-C

Question75:-Which of the following is a fully Taxable Perquisite for all employees?

A:-Rent free Accommodation

B:-Facility of Car

C:-Leave Travel concession

D:-Residential Accommodation provided at site

Correct Answer:- Option-A

Question76:-Which of the following statement is/are correct about Expected Rent where standard rent has not been fixed under the head Income from House Property?

- i. Municipal value or Fair rent whichever is higher
- ii. Municipal value or Fair rent whichever is lower
- iii. Municipal value of actual rent whichever is higher
- iv. Municipal value or actual rent whichever is lower

A:-Only i and iii

B:-Only i

C:-Only iii and iv

D:-All the above (i), (ii), (iii) and (iv)

Correct Answer:- Option-B

Question77:-Long Term capital loss on the transfer of long-term capital assets can be set off against the following

A:-Short term capital gain

B:-Long term capital gain

C:-Both short term and long-term capital gain

D:-Any other head of income

Correct Answer:- Option-B

Question78:-Tax cascading means

A:-Tax on tax

B:-Zero tax

C:-Tax avoidance

D:-Tax exemption

Correct Answer:- Option-A

Question79:-Goods and Service Tax is a \_\_\_\_\_ tax

A:-Direct tax

B:-Value Added tax

C:-Progressive tax

D:-Proportional tax

Correct Answer:- Option-B

Question80:-Which of the following statement is/are correct about Input tax credit set off under GST Act?

A:-ITC of IGST against IGST, CGST, and SGST/UTGST in that order

B:-ITC of CGST against SGST in that order

C:-ITC of SGST/UTGST against IGST, CGST and SGST in that order

D:-ITC of CGST against IGST, SGST and CGST in that order

Correct Answer:- Option-A

Question81:-\_\_\_\_\_ may be defined as one or more folders or other storage media, in physical or electronic form, containing records that comprise audit documentation for a specific engagement.

A:-Audit file

B:-Audit evidence

C:-Completion Memorandum

D:-Audit Folder

Correct Answer:- Option-A

Question82:-Which of the following is not correct?

A:-SA 230-Audit Documentation

B:-SA 500-Audit Evidence

C:-SA 505-Written Representation

D:-SA 560-Subsequent events

Correct Answer:- Option-C

Question83:-Control risk is a function of the effectiveness of the design, implementation and maintenance of \_\_\_\_\_ by management.

A:-internal audit

B:-internal control

C:- reliance control

D:-operating effectiveness of controls

Correct Answer:- Option-B

Question84:-Audited financial statement are not a guarantee against probable wrong doings in financial matters of companies. What kind of assurance does audit of financial statement provide?

A:-It provides reasonable assurance meaning a moderate level of assurance

B:-It provides reasonable assurance meaning a low level of assurance

C:-It provides reasonable assurance meaning a high level of assurance

D:-It provides reasonable assurance meaning an absolute level of assurance

Correct Answer:- Option-C

Question85:-SA 230 stands for

A:-Quality control for an audit of financial statements

B:-Agreeing the terms of audit engagements

C:-Audit documentation

D:-Responsibility of joint auditor

Correct Answer:- Option-C

Question86:-Which of the following is not a part of Temporary Audit file?

A:-Final statement and audit report

B:-Audit planning documents

C:-Extracts of minutes of board meetings

D:-Legal and organization structure of the company

Correct Answer:- Option-D

Question87:-The object of investigation is

A:-General

B:-Special

C:-Positive

D:-Negative

Correct Answer:- Option-B

Question88:-The process of distribution of work among employees according to their ability is known as

A:-Internal audit

B:-Internal control

C:-Internal check

D:-None of these

Correct Answer:- Option-C

Question89:-Audit procedures to obtain audit evidences include

A:-Compliance procedure

B:-Substantive procedure

C:-Both of (1) and (2)

D:-Neither (1) or (2)

Correct Answer:- Option-C

Question90:-Which one of the following statements is correct?

A:-Valuation is a part of verification

B:-Verification is a part of valuation

C:-Valuation has nothing to do with verification

D:-Auditor is a valuer

Correct Answer:- Option-A

Question91:-Which of the following pricing strategies is MOST effective in markets with high competition, low differentiation and price-sensitive customers?

A:-Value-Based pricing

B:-Cost-Plus Pricing

C:-Penetration Pricing

D:-Skimming Pricing

Correct Answer:- Option-C

Question92:-Which of the following best describes the difference between Brand Equity and Brand value?

A:-Brand equity is the financial worth of a brand, whereas brand value is the consumer perception of the brand

B:-Brand equity refers to intangible benefits like customer loyalty, whereas brand value is the financial worth of a brand

C:-Brand equity and brand value are the same concepts

D:-Brand equity is calculated using tangible assets, while brand value depends only on marketing efforts

Correct Answer:- Option-B

Question93:-In the context of consumer learning, which of the following theory

suggests that consumers develop attitudes and behaviours through observing others?

A:-Classical conditioning

B:-Operant Conditioning

C:-Social Learning Theory

D:-Cognitive Dissonance Theory

Correct Answer:- Option-C

Question94:-In the context of promotion mix strategy, which of the following statements about Push and Pull Strategies is the MOST accurate?

A:-A push strategy focuses on stimulating end consumers' demand directly through advertising, whereas a pull strategy relies on intermediaries to drive demand

B:-A pull strategy is more cost-effective than a Push Strategy since it does not required significant advertising investment

C:-Push Strategies rely on personal selling and trade promotions to encourage intermediaries to stock and sell products, while pull strategies create direct consumer demand through advertising and brand loyalty programs

D:-Push Strategies are only useful in B2B markets, while pull strategies are exclusive to B2C markets

Correct Answer:- Option-C

Question95:-A luxury watch brand wants to expand its market reach. It currently targets high-income business professionals but plans to launch a new collection for trendy young consumers who value fashion and social status. Which segmentation strategy combination is the MOST appropriate for this expansion?

A:-Demographic and Behavioural Segmentation

B:-Geographical and Psychographic Segmentation

C:-Demographic and Geographic Segmentation

D:-Psychographic and Behavioural Segmentation

Correct Answer:- Option-D

Question96:-Statement : Target marketing allows companies to increase their competitive advantage.

Reason : Companies that focus on specific customer segments can tailor their offerings

more effectively

Select the right option from the following:

A:-Both the statement and reason are correct, and the reason explains the statement

B:-Both the statement and reason are correct, but the reason does not explain the statement

C:-The statement is correct, but the reason is incorrect

D:-The statement is incorrect, but the reason is correct

Correct Answer:- Option-A

Question97:-Statement : Market segmentation helps businesses improve customer satisfaction.

Reason : Segmenting a market allows companies to offer the same product to all

consumers at the lowest cost.

Select the right option from the following

A:-Both the statement and reason are correct, and the reason explain the statement

B:-Both the statement and reason are correct, but the reason does not explain the statement

C:-The statement is correct, but the reason is incorrect

D:-The statement is incorrect, but the reason is correct

Correct Answer:- Option-C

Question98:-Match the marketing strategies with their descriptions :

List 1

- A. Market Penetration
- B. Product Development
- C. Market Development
- D. Diversification

List 2

- 1. Selling a new product in a new market
- 2. Increasing market share with existing products
- 3. Introducing a new product in an existing market
- 4. Entering new markets with new products

Options :

A:-A-2, B-3, C-1, D-4

B:-A-1, B-2, C-3, D-4

C:-A-3, B-1, C-2, D-4

D:-A-4, B-3, C-2, D-1

Correct Answer:- Option-A

Question99:-Match the features of product mix with their explanations :

List 1

- A. Width
- B. Length
- C. Depth
- D. Consistency

List 2

- 1. Varieties offered for each product in the product line
- 2. Total number of product lines a Company carries
- 3. Total number of items in product mix
- 4. Closeness exhibited by product lines

Options :

A:-A-1, B-2, C-3, D-4

B:-A-2, B-3, C-1, D-4

C:-A-3, B-1, C-2, D-4

D:-A-4, B-3, C-2, D-1

Correct Answer:- Option-B

Question100:-Match the following promotional strategies with their primary purpose :

List 1

- A. Public Relation

List 2

- 1. Building long-term customer relationships



- |                     |  |
|---------------------|--|
| B. Sales promotion  | 2. Personal and targeted marketing communication |
| C. Direct marketing | 3. Short-term incentives to boost sales          |
| D. Advertising      | 4. Mass communication to create brand awareness  |

Options :

A:-A-1, B-2, C-3, D-4

B:-A-1, B-3, C-2, D-4

C:-A-3, B-1, C-2, D-4

D:-A-4, B-3, C-2, D-1

Correct Answer:- Option-B