144/2025

Question Booklet Alpha Code **A**

Question Booklet Serial Number

Total No. of questions : 100

Time : 1 Hour 30 Minutes

Maximum : 100 Marks

INSTRUCTIONS TO CANDIDATES

1. The question paper will be given in the form of a Question Booklet. There will be four versions of question booklets with question booklet alpha code viz. A, B, C & D.
2. The Question Booklet Alpha Code will be printed on the top left margin of the facing sheet of the question booklet.
3. The Question Booklet Alpha Code allotted to you will be noted in your seating position in the Examination Hall.
4. If you get a question booklet where the alpha code does not match to the allotted alpha code in the seating position, please draw the attention of the Invigilator IMMEDIATELY.
5. The Question Booklet Serial Number is printed on the top right margin of the facing sheet. If your question booklet is un-numbered, please get it replaced by new question booklet with same alpha code.
6. The question booklet will be sealed at the middle of the right margin. Candidate should not open the question booklet, until the indication is given to start answering.
7. Immediately after the commencement of the examination, the candidate should check that the question booklet supplied to him contains all the 100 questions in serial order. The question booklet does not have unprinted or torn or missing pages and if so he/she should bring it to the notice of the Invigilator and get it replaced by a complete booklet with same alpha code. This is most important.
8. A blank sheet of paper is attached to the question booklet. This may be used for rough work.
9. **Please read carefully all the instructions on the reverse of the Answer Sheet before marking your answers.**
10. Each question is provided with four choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and darken the bubble corresponding to the question number using Blue or Black Ball-Point Pen in the OMR Answer Sheet.
11. **Each correct answer carries 1 mark and for each wrong answer $1/3$ mark will be deducted. No negative mark for unattended questions.**
12. No candidate will be allowed to leave the examination hall till the end of the session and without handing over his/her Answer Sheet to the Invigilator. Candidates should ensure that the Invigilator has verified all the entries in the Register Number Coding Sheet and that the Invigilator has affixed his/her signature in the space provided.
13. Strict compliance of instructions is essential. Any malpractice or attempt to commit any kind of malpractice in the Examination will result in the disqualification of the candidate.

144/2025

Maximum : 100 marks

Time : 1 hour and 30 minutes

1. Cash inflow in the case of Net Present Value method of capital budgeting is :

(A) Profit after depreciation and tax

(B) Profit after depreciation, but before tax

(C) Profit before depreciation and tax

(D) Profit before depreciation, but after tax

2. Which of the following statement is/are correct to capital budgeting techniques?

(i) Accounting rate of return method considers profit after depreciation and tax for evaluating the profitability of projects.

(ii) Pay-back period method considers the cash inflows during the whole life of the project.

(iii) Net Present Value may be positive or negative, but never zero.

(iv) IRR is the discount rate at which NPV is zero.

(A) All are correct

(B) Only (ii) and (iii)

(C) Only (i) and (iv)

(D) Only (i) and (ii)

3. What will be the cost of debt capital in the following case?

A company issues Rs. 2,00,000, 10% debentures. The tax rate applicable is 50% :

(A) 10%

(B) 5%

(C) 15%

(D) None of the above

4. Which of the following statement is/ are correct to Capital structure?

(i) At financial break -even point earnings before interest and tax is more than the fixed financial charges.

(ii) Point of indifference is a concept which can be used for determining capital structure.

(iii) Optimum capital structure is the composition of various sources of capital by which cost of capital shall not be minimum.

(iv) Optimum capital structure is the composition of various sources of capital by which the value of the firm can be maximised

(A) Only (ii) and (iv)

(B) Only (ii) and (iii)

(C) Only (i) and (iii)

(D) Only (i) and (ii)

5. Determine EOQ from the following information :

Annual consumption in units 500

Cost of placing an order Rs. 50

Cost of holding inventory 5% of material cost

Cost of material Rs. 100 per unit

(A) 150 units
(B) 100 units
(C) 200 units
(D) 225 units

6. From the following information calculate Current Ratio :

Stock in trade Rs. 15,000

Debtors Rs. 8,000

Cash Rs. 3,000

Plant and machinery Rs. 4,000

Creditors Rs. 10,000

Cost of goods sold Rs. 50,000

(A) 2.3
(B) 3.0
(C) 8.0
(D) 2.6

7. Which of the following statements is/ are correct to Funds flow Statement, when it is considered in its broader sense?

(i) Statement of changes in working capital is not part of Funds Flow statement

(ii) Schedule of changes in working capital shows the changes in the working capital during a financial year

(iii) Non- fund or non- operating item which have already been credited to Profit and Loss Account are added to closing balance of Profit and Loss Account given in the Balance sheet for calculating fund from operation.

(iv) Non- fund or non- operating item which have already been debited to Profit and Loss Account are added to Closing balance of Profit and Loss Account given in the Balance sheet for calculating fund from operation.

(A) All are correct
(B) Only (iv)
(C) Only (i), (ii), and (iii)
(D) Only (ii)

8. Which of the following statements is/are correct to Financial Analysis?

(i) It facilitates forecasting of future prospects of the firm

(ii) Creditors and suppliers of a firm are not interested in financial analysis

(iii) Comparison of financial data of a company for several years is called horizontal analysis

(iv) Cost-volume profit analysis is not a method of Financial Analysis

(A) Only (ii) and (iii)
(B) Only (i) and (ii)
(C) Only (i) and (iii)
(D) Only (i) and (iv)

9. Match the following :

(1)	Trend analysis	(i)	Receivables management
(2)	A-B-C analysis	(ii)	Capital budgeting technique
(3)	Ageing Schedule	(iii)	Cash management
(4)	Miller and Orr model	(iv)	Inventory management
		(v)	Financial analysis

(A) (1)-(v), (2)- (iv), (3)-(i), (4)-(iii)
(B) (1)-(v), (2)-(iii), (3)- (i), (4)-(iv)
(C) (1)-(iii), (2)-(iv), (3)-(ii), (4)-(v)
(D) (1)-(iii), (2)-(ii), (3)-(iv), (4)-(v)

10. Which of the following statements is/are correct to working capital management?

(i) In total approach of estimation of working capital requirement depreciation and other non-cash items are ignored.

(ii) Percentage of sales method is one of the methods of estimating working capital requirement

(iii) Production policy and credit policy of the firm do not influence the working capital requirement.

(iv) Work-in-process conversion period and receivable conversion period influence the working capital requirement.

(A) Only (i) and (ii)
(B) Only (ii) and (iii)
(C) Only (ii) and (iv)
(D) All are correct

11. As per section 2(31), Person includes the following :

(i) Municipality
(ii) District Board
(iii) University
(iv) BOI

(A) (i) and (ii) only
(B) (ii) and (iii) only
(C) (i), (ii) and (iii) only
(D) (i),(ii),(iii) and (iv) only

12. Compute the residential Status of Mr. Mohan for the previous year 2024-25, if he did not go out of India before this and came back to India on 10th April ,2025 in the following case :

- He goes for employment purposes to the U.K and leaves India on 15th September, 2024

(A) Ordinarily Resident
(B) Not Ordinarily Resident
(C) Non-Resident
(D) None of the Above

13. Which of the following is/are correct?

Find out the fully exempted allowances from the following :

(i) Dearness allowance

(ii) Hill allowance

(iii) Tiffin allowance

(iv) Overtime allowance

(A) (i) and (iii) only

(B) (ii) and (iv) only

(C) (i) and (ii) only

(D) None of the above

14. Compute the annual value of the house in the following cases :

Expected Rent Rs. 2,00,000

House let-out @ Rs. 20,000 p.m.

House tax paid by owner Rs. 18,000 (10% of municipal value)

House remains vacant for 1 month

(A) 2,02,000

(B) 2,00,000

(C) 2,50,000

(D) 2,10,000

15. Which of the following is/are correct in connection with casual income?

(i) Any receipt which is of a casual and non- recurring nature.

(ii) Voluntary payment received in exercise of an occupation.

(A) Only (i) is correct

(B) Only (ii) correct

(C) Both (i) and (ii) are correct

(D) Both (i) and (ii) are incorrect

16. Which of the following is/are correct?

Zero Coupon Bond:

(i) Issued by any infrastructure capital company or infrastructure capital fund or infrastructure debt fund notified by the Central Government under Sec. 10(47) or a Public Sector company or a Scheduled bank on or after 1st June 2025.

(ii) In respect of which no payment and benefit is received and receivable before maturity or redemption from such issuing entity.

(A) Only (i) is correct

(B) Only (ii) is correct

(C) Both (i) and (ii) are correct

(D) Both (i) and (ii) are incorrect

17. ————— is a device to avoid tax by high income group of assessees by transferring securities to low-income class of assessees on the eve of the due date of interest.

(A) Tax Evasion

(B) Bond washing transactions

(C) Tax Deducted at source

(D) Tax avoidance

18. Loss of Speculation business can be set- off from :

(i) Speculation income only

(ii) Non-Speculation income

(iii) Both above

(iv) None of the above

(A) Only (i) is correct

(B) Only (ii) is correct

(C) Only (i) and (ii) are correct

(D) Both (i) and (ii) are incorrect

19. Under the following sections, which all deductions will be entitled to individuals only :

(i) 80CCC

(ii) 80G

(iii) 80CCD

(iv) 80 U

(A) (i) and (iv) only

(B) (i) and (iii) only

(C) (i), (ii) and (iii) only

(D) (i), (ii) , (iii) and (iv) only

20. Relief under Section 89 is allowed to an employee, if he is liable to pay tax in respect of the following during the financial year :

(i) Gratuity

(ii) Salary received in advance

(iii) Arears of family pension

(iv) Commuted value of pension

(A) (i) and (ii) only

(B) (i) and (iii) only

(C) (i) and (iv) only

(D) (i), (ii), (iii) and (iv) only

21. Which Co-operative Societies Act provided for the classification of societies on the basis of their liabilities into limited and unlimited?

(A) 1904
(B) 1912
(C) 1919
(D) None of these

22. Which section of Kerala Co-operative Societies Act 1969 provides that a society can change its name by means of an amendment to the bye laws?

(A) Section 11
(B) Section 9
(C) Section 10
(D) None of these

23. According to section 74 of Kerala Co-operative Societies Act 1969 the Registrar shall make an order for cancellation of registration of a society under the following circumstances :

(i) If the liquidator fails to take charge of the liquidation within two months time from the date of order.

(ii) If an appeal made to the Government confirmed and by the time liquidator has not been appointed within two months

(iii) When the affairs of the society is wound up

(iv) When the Registrar is satisfied that the final wind up is not possible due to destruction of records

Which of the above statements is / are correct?

(A) (i) and (ii) only
(B) (ii) and (iii) only
(C) (iii) and (iv) only
(D) All of these

24. Section 29 of Kerala Co-operative Societies Act 1969 deals with :

(A) Annual General Body Meeting
(B) Election Committee Meeting
(C) Managing Committee Meeting
(D) None of these

25. Membership of a co-operative society is open to the following category of people and institutions :

(i) An individual

(ii) Any other society

(iii) A local self government

(iv) The Government

(v) A body of persons approved by government

Which of the above statements is/are correct?

(A) (i) and (iv) only
(B) (iii) and (v) only
(C) (i) and (ii) only
(D) All of these

26. Section 28 and Rule 44 of Kerala Co-operative Societies Act 1969 deals with :

(A) Disqualification of managing committee members
(B) Qualification of General body members
(C) Disqualification of General body members
(D) None of these

27. Which section of Kerala Co-operative Societies Act 1969 deals with Annual General Body meeting?

(A) Section 28
(B) Section 27
(C) Section 29
(D) Section 26

28. Section 72 of Kerala Co-operative Societies Act 1969 deals with :

(A) Winding up of societies
(B) Powers of liquidator
(C) Appointment of liquidator
(D) Liquidation procedure

29. Which section of Kerala Co-operative Societies Act 1969 deals with appointment of Vigilance Officer?

(A) Section 69A
(B) Section 68A
(C) Section 70A
(D) Section 67A

30. Which section of Kerala Co-operative Societies Act 1969 deals with inquiry?

(A) Section 66
(B) Section 65
(C) Section 67
(D) Section 64

31. Within which period from the date of close of the financial year, the accounts of the cooperative societies shall be audited :

(A) Four Months
(B) Six Months
(C) Eight Months
(D) Ten Months

32. Who shall approve the Audit Manual of a Co-operative society?

(A) Board of Directors
(B) Joint Registrar(Audit)
(C) Deputy Registrar (Audit)
(D) Director of Cooperative Audit

33. The maximum amount of audit fee payable by a cooperative society is :

(A) Rs. 10,000
(B) Rs. 50,000
(C) Rs. 1,00,000
(D) Rs. 1,000

34. Audit fee of Primary Co-operative Agricultural and Rural Development Banks is calculated on :

(A) The aggregate of loans issued and recovered
(B) The Working capital
(C) The sale proceeds
(D) Gross Income

35. Following classes of societies are exempted from the payment of audit fees :

(i) All farming societies which do not accept deposits and do not grant loans and advances
(ii) All social welfare societies which do not accept deposits and do not grant loans
(iii) Coir Co-operative societies

(A) Only (iii)
(B) Only (i) and (ii)
(C) All of the above (i), (ii) and (iii)
(D) Only (i) and (iii)

36. The type of Audit which is not allowed in the cooperative audit is :

(A) Financial Audit
(B) Test Audit
(C) Administrative Audit
(D) Interim Audit

37. In a co-operative society, the Auditor submit the audit report to :

(A) Registrar of Cooperative Societies (B) Director of Cooperative Audit

(C) Managing Committee (D) General Body

38. The Auditor's plan of action, specifying the scheme of work to be done is :

(A) Audit Programme (B) Audit manual

(C) Audit Memorandum (D) Audit Note

39. A co-operative society is classified into category A, if it secure marks above :

(A) 80 marks (B) 70 marks

(C) 60 marks (D) 90 marks

40. The system of arrangement of work in such a way that the work of one person is automatically checked by another :

(A) Internal Control (B) Internal Check

(C) Concurrent audit (D) Continuous Audit

41. The spot exchange rate is 1 EUR = 1.16 USD. The one-year forward rate is quoted as 1 EUR = 1.18 USD. What does this forward quote suggest about market expectations?

(A) Interest rates are higher in the Eurozone than in the U.S.

(B) The market expects no change in the exchange rate

(C) The Euro is expected to appreciate against the U.S. Dollar

(D) The U.S. Dollar is expected to appreciate against the Euro

42. Which is the primary function of a financial guarantee?

(A) Provide guarantee a company's product quality

(B) Insure against physical damage to assets

(C) Provide guarantee a minimum rate of return on an investment

(D) Ensure that debt holders receive timely interest and principal payments

43. In India which institution handle dematerialisation process :

(A) NSDL (B) RBI

(C) SEBI (D) Both (A) and (C)

44. How long do money market instruments take to mature?

(A) 5 to 10 years (B) One year or less

(C) More than one year (D) 1 to 5 years

45. If a 364-day T-Bill, face value Rs. 100, is purchased for Rs 95, its approximate annualized yield is :

(A) 5.26% (B) 5.00%

(C) 5.52% (D) 5.75%

46. The process which transforms a pool of loans like mortgages into tradable securities that are sold to investors is called :

(A) Amortization
(B) Securitization
(C) Underwriting
(D) Foreclosure

47. To minimize the market impact of selling a large block of 45,00,000 shares, a mutual fund should use the :

(A) IPO route
(B) Retail investor platform
(C) Block deal window
(D) Regular market order on the exchange

48. Which of these securities is characterized by regular interest payments and the return of principal upon a specified future date?

(A) Preferred Stock
(B) Common Stock
(C) Exchange-Traded Fund
(D) Corporate Bond

49. Mr. Sharma purchase one put option on ABC Ltd. with a strike price of Rs. 100 for a premium of Rs. 10. At expiration, if the stock price is Rs. 70, what is the net profit per share?

(A) Rs. 30
(B) Rs. 20
(C) Rs. 100
(D) Rs. 80

50. What is the name of the premier stock index in India that is composed of 30 well-established and financially sound companies traded on the Bombay stock exchange :

(A) Nifty Next 50
(B) Nifty 50
(C) S and P BSE sensex
(D) BSE 500

51. A company sells goods at a high price in order to create an impression of superior quality and social status among the public. What kind of Pricing does this represent?

(A) Captive pricing
(B) Balt pricing
(C) Image pricing
(D) Special event pricing

52. (i) It refers to the entire range of products offered by the company
(ii) It helps in meeting the diverse needs of customers
(iii) It helps in increasing the market share and revenue
(iv) It allows better brand positioning

What term in marketing is referred here in the above statements?

(A) Product line
(B) Product mix
(C) Product width
(D) Product Segmentation

53. This marketing concept sees marketing as a unified and all- encompassing process and ensures that every part of the organization works together to provide value to customers while meeting the business goals. Name the marketing concept :

(A) Holistic marketing concept
(B) Societal marketing concept
(C) Sustainable marketing concept
(D) None of these

54. Which is True about market segmentation?

(i) It helps to formulate suitable marketing mix for a target market
(ii) It is only based on demographics
(iii) It helps to study the nature and degree of competition prevailing in a particular market
(iv) It is one time process and does not require continuous monitoring and adjustment

(A) (i), (ii) and (iii)
(B) (i) and (iii)
(C) (ii) , (iii) and (iv)
(D) (ii) and (iii)

55. The process of creating a strategic road map for achieving marketing objectives, which includes analysing the current market, understanding target audience, setting goals, and developing specific strategies and tactics to promote products is called :

(A) Market Targeting
(B) Market Research
(C) Market Planning
(D) Market Positioning

56. In a product life cycle, the product reaches a stage where the company reduces the sales promotion so as to take advantage of the increasing consumer demand. Mention the stage in the product life cycle :

(A) Introduction
(B) Growth
(C) Maturity
(D) Decline

57. A Company wants to generate interest and enthusiasm among the customers upon its newly launching product. For that they plan to undergo a social media campaign, send email newsletters, give advertisements in leading channels, other promotional measures in various media etc. This is an example of which kind of marketing approach :

(A) Influencer Marketing
(B) Relationship Marketing
(C) Integrated Marketing
(D) Affiliate marketing

58. Which of the following is an example of Sales centered objective?

(A) Planning to launch a new product line within the next 6 months
(B) Enhance the sales revenue by 10 % by the end of this year
(C) Increase the market share from 15% to 20% within next 12 months
(D) Increase the brand awareness by 25% in the succeeding year

59. A Pharmaceutical company fixes the price of a medicine meant for diabetics according to the government regulations, which clearly specifies the maximum price that can be charged. Name the pricing strategy adopted by the company :

(A) Administered pricing
(B) Economy pricing
(C) Value based pricing
(D) Reference pricing.

60. Identify the activity/activities that are directly associated with Product planning :

(i) Identifying market opportunities and needs of customers
(ii) Developing product strategies and roadmaps
(iii) Maintaining physical infrastructure
(iv) Handling customer inquiries and support

(A) (i), (ii) and (iv)
(B) (ii), (iii) and (iv)
(C) (i) and (ii)
(D) Only (ii)

61. In which type of costing production is made by specific order :

(A) Process costing
(B) Job costing
(C) Marginal costing
(D) Cost control

62. Which cost is considered as product cost?

(A) Variable Cost
(B) Fixed Cost
(C) Production Cost
(D) Absorption Cost

63. What is the principal ledger of costing department in which the impersonal accounts are maintained?

(A) Stores ledger
(B) Profit and loss account
(C) Cost ledger
(D) Balance sheet

64. Which of the following is the basic purpose of ABC?

(A) Business process re-engineering
(B) Inventory Control system
(C) Fundamental cost object
(D) None of these

65. State another term for standard cost :

(A) Cost sheet
(B) Predetermined cost
(C) Management cost
(D) Process Cost

66. How can the standard quantity of material be calculated?

(A) actual output * standard quantity
(B) actual input * standard quantity
(C) actual output * actual quantity
(D) standard cost * actual cost

67. Identify the benefit of cost reduction :

(A) Break event point analysis
(B) Increase in productivity
(C) Preparation of cost
(D) Unit costing

68. Calculate MCV, if SQ = 200 kgs, AQ = 100 kgs, SP = Rs. 50 and Ap = Rs. 40 :

(A) 7000
(B) 9000
(C) 6000
(D) 8000

69. Which of the following is an example of deferred cost?

(A) Outstanding cost
(B) Prepaid rent
(C) Inventories cost
(D) Capacity cost

70. Which cost is considered as aggregate of direct material cost and direct labour cost?

(A) Programmed cost
(B) Estimated cost
(C) Prime cost
(D) Sunk Cost

71. An Enterprise Information System (EIS) provides a technology platform that enables organisations to integrate and coordinate their business processes on a robust foundation. Identify the statement that does not fall under the list of objectives of EIS :

(A) Reduce service cycles
(B) Identify manual processes
(C) Reduce costs
(D) Increase operational efficiency

72. A manufacturing company is facing an issue of not being able to provide timely supply of its products to the customers. Mr. Anil, an IS Auditor of this company identified that the delay is due to the manual processing of certain processes involved in the company. He suggested that the company should adopt __________ to overcome the problem.

(A) Core Banking System
(B) Strategic Level Systems
(C) Business Process Automation
(D) Expert Systems

73. A bank shares financial data of its borrowers with third-party without consent of borrowers. Identify the rule of Sensitive Information and personal Data Rules, 2011 that bank has violated :

(A) Rule 3
(B) Rule 4
(C) Rule 5
(D) Rule 6

74. Money Laundering is defined as the process by which the proceeds off the crime and the true ownership of those proceeds are concealed or made opaque so that the proceeds appear to come from a legitimate source. This Process involves many stages as mentioned below :

(i) Layering
(ii) Integration
(iii) Placement

Choose the correct sequence :

(A) (i), (ii), (iii)
(B) (iii), (ii), (i)
(C) (ii), (iii), (i)
(D) (iii), (i), (ii)

75. To make a success in the business and to reduce the timing of manual work, the organization should implement Business Process Automation (BPA), which involves documentation as well. Which of the following not a benefit of documentation of BPA implementation?

(A) Design new policy format
(B) To find the bottlenecks
(C) Identify the source of inefficiency
(D) Clarity on the process

76. An online store follows a process of intimating about whole tracking of the order placed by the customers through SMS on their registered mobile numbers. This activity is a perfect example of :

(A) Supply Chain Management
(B) Customer Relationship Management
(C) Order to Cash Cycle
(D) Precure to Pay

77. Mr. X works on the Financial and Accounting System of a private firm and maintains different types of master data in the system. Which of the following master data is not controlled by the user and depends on the changes recommended by the government from time to time?

(A) Payroll Master data
(B) Statutory Master data
(C) Inventory Master data
(D) Accounting Master data

78. Choose the incorrect statement from the following statements on Traditional commerce and e-commerce :

(A) Traditional commerce works on manual processing and e-commerce works in an electronic mode
(B) The resource focus of Traditional commerce is on the demand side, whereas e-commerce focuses on the Supply side
(C) Traditional commerce is limited to a particular area, whereas e-commerce has a worldwide reach
(D) Unlike Traditional commerce, e-commerce provides a uniform platform for information exchange

79. Which of the following sections of the Information Technology Act, 2000 deals with punishment for cheating by personation by using a computer resource?

(A) Section 66 E
(B) Section 66 B
(C) Section 66 C
(D) Section 66 D

80. Which of the following statement is incorrect with respect to the Core Banking System?

(A) CBS software enables integration of all third-party applications

(B) CBS has a common database in a central server, giving a consolidated view of the bank's operations

(C) Branches function as delivery channels providing services to its customers

(D) CBS has a non-modular structure capable of being implemented in stages as per the bank's requirements

81. Determinant of Matrix $|A| = \begin{vmatrix} a_{11} & a_{12} \\ a_{21} & a_{22} \end{vmatrix} =$:

(A) $a_{11} \times a_{12} - a_{21} \times a_{22}$ (B) $a_{21} \times a_{11} - a_{22} \times a_{12}$

(C) $a_{11} \times a_{22} - a_{21} \times a_{12}$ (D) $a_{12} \times a_{21} - a_{11} \times a_{22}$

82. Solution to the Matrix equation $\begin{bmatrix} 2 & 3 \\ 1 & 1 \end{bmatrix} \begin{bmatrix} X \\ Y \end{bmatrix} = \begin{bmatrix} 4 \\ 0 \end{bmatrix}$ where $A = \begin{bmatrix} 2 & 3 \\ 1 & 1 \end{bmatrix}$ $B = \begin{bmatrix} 4 \\ 0 \end{bmatrix}$ $X = \begin{bmatrix} X \\ Y \end{bmatrix}$:

(A) $X = A^{-1} \times B$ (B) $X = |A| \times |B|$

(C) $X = \dfrac{A^{-1}}{B}$ (D) $X = \dfrac{|A|}{|B|}$

83. Find the present value of Rs. 1,100 due at the end of one year if the rate of discount is 10% per annum :

(A) Rs. 1,090 (B) Rs. 1,000

(C) Rs. 990 (D) Rs. 1,010

84. The cost price of 15 articles is equal to the selling price of 12 articles. Find the gain percentage :

(A) 3% (B) 30%

(C) 20% (D) 25%

85. Which of the following averages is useful in construction of Index Numbers?

(A) Geometric Mean (B) Harmonic Mean

(C) Median (D) Mode

86. Compute the variance of a series if it's Mean is 10 and Standard Deviation is 3 :

(A) 30 (B) 3.33

(C) 9 (D) 3.10

87. If the Karl Pearson's coefficient of correlation between X and Y is –0.75, covariance is –15 and Standard Deviation of Y series is 5, what will be the standard deviation of X series :

(A) 3 (B) 4

(C) 5 (D) 6

88. Which of the following is correct?

(i) $bxy = r \cdot \frac{\sigma_x}{\sigma_y}$

(ii) $byx = r \cdot \frac{\sigma_y}{\sigma_x}$

(iii) $r = bxy \cdot byx$

(iv) $r = (bxy \cdot byx)^2$

(A) (i) and (ii) are correct
(B) (i), (ii) and (iii) are correct
(C) Only (iii) is correct
(D) Only (iv) is correct

89. If $f(x) = 4x^2 - 3x + 5$, find the value of $f(-1)$:

(A) 7
(B) 12
(C) –5
(D) –7

90. In time series analysis, secular trend shows :

(A) Movement of time series data of short term duration
(B) The growth or decline over a long period of time
(C) Variations caused by unforeseen factors
(D) Movements caused by phases of Business Cycles

91. Which of the following best describes the main focus of Behavioral Finance?

(A) Mathematical modeling of stock prices
(B) Understanding how psychological factors affect financial decisions
(C) Evaluating corporate financial statements
(D) Predicting foreign exchange rates

92. The *Expected Utility Theory* assumes that investors :

(A) Are always risk-seeking
(B) Make decisions based on emotional preferences
(C) Are rational and maximize expected satisfaction
(D) Follow crowd behavior during uncertainty

93. The *Capital Asset Pricing Model* (*CAPM*) primarily relates expected return to :

(A) Inflation and interest rates
(B) Systematic risk measured by beta
(C) Market volume and liquidity
(D) Historical average returns

94. According to *Prospect Theory*, investors evaluate outcomes based on :

(A) Final wealth position only
(B) Changes relative to a reference point
(C) Market equilibrium prices
(D) Rational expectation models

95. *Mental Accounting* refers to :

(A) Using statistical models to value options

(B) The cognitive process of categorizing money into separate accounts

(C) An accounting method for tracking multiple portfolios

(D) Tracking tax liabilities in investment decisions

96. Which of the following statements about *Noise Traders* is TRUE?

(A) They always act on fundamental analysis

(B) Their trades increase market efficiency

(C) Their irrational trades may cause price deviations from fundamentals

(D) They have perfect information about the market

97. *Overconfidence bias* in investors most directly leads to :

(A) Reduced portfolio turnover

(B) Under estimation of risk and excessive trading

(C) Accurate prediction of market prices

(D) Diversified asset allocation

98. Which of the following behavioral anomalies directly contradicts the *Efficient Market Hypothesis* (*EMH*)?

(A) Random walk theory

(B) Price reactions to new information

(C) Momentum and reversal effects

(D) Portfolio diversification

99. In the context of group behavior, *herding* occurs when :

(A) Investors independently reach similar decisions

(B) Individuals mimic the actions of others regardless of their own information

(C) Market analysts follow rational expectations

(D) Traders apply Bayesian updating correctly

100. During periods of market volatility, behavioral finance suggests that effective investment management involves :

(A) Ignoring investor emotions and biases completely

(B) Recognizing cognitive biases and maintaining disciplined strategies

(C) Following market rumors for quick gains

(D) Relying only on algorithmic trading

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