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# DDA AAO

Previous Year Paper  
26 Sept, 2017



## DELHI DEVELOPMENT AUTHORITY



DELHI DEVELOPMENT AUTHORITY

On-Line applications from eligible candidates as per the criteria laid down for  
filling up of various posts including backlog vacancies

Roll No:	
Participant Name:	
Test Center Name:	
Test Date:	26/09/2017
Test Time:	2:30 PM - 4:30 PM
Subject:	Assistant Accounts Officer

Section : Domain

Q.1 If the security's return plots below the SML, then it can be said that:

Ans  1. It is a defensive security.

2. It is overpriced.

3.

The ROR is much lower than the actual ROR.

4.

The investor would try to buy more of the security.

Question ID : 716295233

Status : Not Answered

Chosen Option : --

Q.2 A 15% debenture of face value ₹ 100 of 8 years to maturity is trading at a premium of 9%. Realized amount is ₹ 95. Assuming the frequency as one, what would be the yield?

Ans  1. 12.77%

2. 10.54%

3. 12.52%

4. 25.22%

Question ID : 716295215

Status : Not Answered

Chosen Option : --

Q.3 Which of the following represents the maximum growth rate at which the firm can grow, by using both internal and external debt but without changing the debt-equity mix?

Ans  1. Compounded growth rate

2. Exponential growth rate

3. Sustainable growth rate

4. Internal growth rate

Question ID : 716295241

Status : Answered

Chosen Option : 4

Q.4 What is the cost of a debenture, if it is issued at face value of ₹ 100? The coupon is 13%, the maturity is 6 years, redemption is at 6% premium and realizable amount is ₹ 97.50 and Tax = 38%.

Ans  1. 4.72%

2. 2.35%

3. 9.31%

4. 12.52%

Question ID : 716295235

Status : Not Answered

Chosen Option : --

Q.5 The risk of a portfolio of two securities increases, if there is \_\_\_\_\_ correlation between their returns.

Ans  1. imperfect positive

2. perfect negative

3. perfect positive

Question ID : 716295236

Status : Answered

Chosen Option : 2

#### 4. imperfect negative

Q.6 Which of the following statement(s) regarding IRR is/are true?

- (i) A project cost can have only one IRR.
- (ii) If IRR is less than the firm's cost of capital, the project should be rejected.
- (iii) A project can have multiple IRR depending on the cash flows streams.

Ans  1. Only (i)

 2. Both (ii) and (iii)

 3. Only (iii)

 4. Only (ii)

Question ID : 716295224

Status : Answered

Chosen Option : 2

Q.7 From the financial point, which of the following should be an acceptance criterion considering the profitability index method?

Ans  1.  $PI > 1$

 2.  $PI > 0$

 3.  $PI = 1$  and  $PI > 0$

 4.  $PI < 1$  and  $PI > 0$

Question ID : 716295246

Status : Answered

Chosen Option : 1

Q.8 What does the percent of sales method of financial forecasting assume?

Ans  1.

All the cost elements will bear the same relationship with sales as in the past

 2.

All the cost elements will change by the same percentage as the change in sales

 3.

Future relationship between the manufacturing cost only and sales will be similar to the historical relationship

 4.

Future relationship between the selling and administrative costs only, and sales will be similar to the historical relationship

Question ID : 716295218

Status : Answered

Chosen Option : 2

Q.9 Which of the following is NOT a limitation of financial analysis?

Ans  1. It ignores price-level change.

 2.

These reports are always final and not interim.

 3. It discloses only monetary facts.

 4. It is influenced by personal judgment.

Question ID : 716295217

Status : Answered

Chosen Option : 4

Q.10 \_\_\_\_\_ involves evaluation of financial performance over a period of time using financial ratio analysis.

Ans  1. Liquidity ratio

 2. Trend ratio

 3. Solvency ratio

 4. Inter-firm comparison

Question ID : 716295227

Status : Answered

Chosen Option : 2

Q.11 Which accounting ratio will be useful in indicating the falling demand for a product in the market?

Ans  1. Fixed asset turnover ratio

 2. Average collection period ratio

 3. Inventory turnover ratio

 4. Finished goods turnover ratio

Question ID : 716295245

Status : Answered

Chosen Option : 4

Q.12 A company A Ltd. has a debt-to-equity ratio of 1.6 compared with its industry average of 1.4. What does this mean?

Ans  1.

The company will never experience any difficulty with its creditors.

Question ID : 716295214

Status : Answered

Chosen Option : 2

✓ 2.

The company has greater than average financial risk when compared to companies in the same industry.

✗ 3.

The company will be viewed as having high credit worthiness.

✗ 4.

The company has been less leveraged as compared to other firms in the industry.

**Q.13** Given a debt-equity ratio is 3:2, total assets = ₹ 1,500 and short-term debt = ₹ 300. Assuming that the total debt consists only of long-term debt and short-term debt, what is the long-term debt?

- Ans   
✗ 1. ₹ 200  
✗ 2. ₹ 300  
✗ 3. ₹ 1500  
✓ 4. ₹ 600

Question ID : 716295249

Status : Answered

Chosen Option : 4

**Q.14** Long-term solvency is indicated by:

- Ans   
✓ 1. Debt-equity Ratio  
✗ 2. Interest Coverage Ratio  
✗ 3. Liquidity Ratio  
✗ 4. Return on Capital Employed

Question ID : 716295208

Status : Answered

Chosen Option : 1

**Q.15** The current ratio of a company is 2 : 1. The company wishes to sell a motor car for cash despite having a slight loss. After executing such a sale, what will happen to the ratio?

- Ans   
✗ 1. The ratio will remain the same.  
✓ 2. The ratio will improve.  
✗ 3. The ratio will reduce.  
✗ 4. It will not affect the current ratio.

Question ID : 716295242

Status : Answered

Chosen Option : 2

**Q.16** What does efficient frontier consist of?

- Ans   
✓ 1. Efficient portfolios  
✗ 2. Both efficient and inefficient portfolios  
✗ 3.  
Portfolios that have negatively correlated securities  
✗ 4.  
Portfolios that have positively correlated securities

Question ID : 716295237

Status : Answered

Chosen Option : 4

**Q.17** Calculate the return on equity of Company XYZ, if its net profit margin, total asset turnover ratio and debt/equity ratio are 5%, 2 and 1.5 respectively.

- Ans   
✗ 1. 32%  
✗ 2. 6.75%  
✓ 3. 25%  
✗ 4. 12%

Question ID : 716295250

Status : Answered

Chosen Option : 3

**Q.18** If a firm has realized its debtors and has paid off its creditors to the same extent, then the current ratio will:

- Ans   
✗ 1. increase, if it was more than 1 previously.  
✗ 2. increase, if it was less than 1 previously.  
✗ 3. remain unchanged.  
✓ 4. increase, if it was equal to 1 previously.

Question ID : 716295210

Status : Answered

Chosen Option : 3

**Q.19** What does  $\frac{\text{Funds Bearing Fixed Interest or Dividends}}{\text{Total Capital Employed}}$  signify?

Question ID : 716295223

- Ans  1. Fixed asset ratio  
 2. Dividend yield ratio  
 3. Capital gearing ratio  
 4. Debt service coverage ratio

Status : **Answered**  
 Chosen Option : 3

- Q.20 If the average collection period of receivable varies between 20 days and 30 days for a company whose sales are ₹ 900 lakhs, the level of receivable varies between \_\_\_\_\_.  
 Assume 360 days in a year.

- Ans  1. ₹ 50 lakhs and ₹ 75 lakhs  
 2. ₹ 25 lakhs and ₹ 50 lakhs  
 3. ₹ 50 lakhs and ₹ 90 lakhs  
 4. ₹ 20 lakhs and ₹ 75 lakhs

Question ID : 716295251  
 Status : **Answered**  
 Chosen Option : 1

- Q.21 A company gets 50,000 bolts annually from one of its suppliers at a cost of ₹ 5 per bolt. The materials manager of the firm says if the firm itself starts producing the bolts, it incurs a cost of ₹ 4.00 per bolt (depreciation not being accounted for). The machinery costs ₹ 40,000 and needs to be depreciated at the rate of 25% per annum on WDV basis. The machines' expected life period is 3 years. If the firm's tax rate is 55% and its cost of capital is 14%, should the firm adopt materials manager's proposal?

Assumption: Scrap value of the machine is nil at the end of 3 years.

Question ID : 716295229  
 Status : **Not Answered**  
 Chosen Option : --

- Ans  1. Since the NPV is ₹ 32,098, the proposal should be accepted.  
 2. Since the NPV is ₹ 10,000, the proposal should be accepted.  
 3. Since the NPV is ₹ 5,520, the proposal should be rejected  
 4. Since the NPV is ₹ 2,098, the proposal should be rejected

- Q.22 Which of the following are false regarding accounting rate of return?

- (i) Depreciation is not considered for its calculation.  
 (ii) Depreciation is added back to the annual income.  
 (iii) For decision making, ARR of a project is compared with that of the firm or industry as a whole.  
 (iv) If ARR is greater than one for a project, it should be accepted.

Question ID : 716295226  
 Status : **Answered**  
 Chosen Option : 3

- Ans  1. Only (ii), (iii) and (iv)  
 2. Only (i), (iii) and (iv)  
 3. Only (i), (ii) and (iv)  
 4. (i), (ii), (iii) and (iv)

- Q.23 Which of the following statement(s) is/are incorrect regarding net benefit-cost ratio (NBCR)?  
 (i) It does not take time value into consideration.  
 (ii) If NBCR = 0.75, the project cannot be accepted.  
 (iii) NBCR criterion cannot be used when the investment outlay is spread over more than one period.

Question ID : 716295225  
 Status : **Answered**  
 Chosen Option : 1

- Ans  1. Only (i) and (iii)  
 2. Only (i) and (ii)  
 3. Only (ii) and (iii)  
 4. (i), (ii) and (iii)

- Q.24 Which among the following is NOT a technique of financial analysis?

- Ans  1. Funds / cash flow analysis  
 2. Journal entries  
 3. Common-size financial statements  
 4. Trend percentages

Question ID : 716295216  
 Status : **Answered**  
 Chosen Option : 2

- Q.25

If the effective rate of interest is 10.25% per annum and the nominal rate of interest is compounded twice a year, then what is the nominal rate of interest per annum?

- Ans  1. 10.50%  
 2. 11.00%  
 3. 10%  
 4. 9%

Question ID : 716295244

Status : Answered

Chosen Option : 3

Q.26 CRT Ltd. had sales of ₹ 10 crore during last year. For the current year, the projections of the company are:

- Growth in sales by 25%
- Profit margin of 8%
- Dividend pay-out ratio of 50%
- Equity share capital of ₹ 200 lakh
- Total assets and current liabilities worth ₹ 650 lakh and ₹ 150 lakh respectively

What would be the sustainable growth rate without raising any external finance, if the profit margin is 5%?

- Ans  1. 14.29  
 2. 12.25  
 3. 11.55  
 4. 10.27

Question ID : 716295222

Status : Not Answered

Chosen Option : --

Q.27 Portfolio Z has an expected return of 15% and a standard deviation of 16%. Treasury bills are risk-free, offering an interest of 5%. If you borrow, at the treasury bill rate, an amount equal to your initial wealth and invest everything in portfolio Z, what is the expected return and the standard deviation of the investment?

- Ans  1. 20% and 20% respectively  
 2. 15% and 18% respectively  
 3. 25% and 32% respectively  
 4. 18% and 25% respectively

Question ID : 716295243

Status : Not Answered

Chosen Option : --

Q.28 While doing the time series analysis, you found that the ROE is decreasing. Which of the following may be a probable reason?

- (i) The net profit margin is increasing.
- (ii) Asset turnover is decreasing.
- (iii) The debt assets ratio is decreasing.

- Ans  1. Only (i) and (iii)  
 2. (i), (ii) and (iii)  
 3. Only (i) and (ii)  
 4. Only (ii) and (iii)

Question ID : 716295212

Status : Answered

Chosen Option : 2

Q.29 When will a project be rejected?

- Ans  1. If  $NPV < 0$   
 2. If  $NPV > 0$   
 3. If  $NPV = 0$   
 4.

Question ID : 716295240

Status : Answered

Chosen Option : 1

It is difficult to say as it may vary from case to case.

Q.30 What will be the value of the opening stock of ABC Garments, if the stock velocity is 6, cost of goods sold is ₹ 54,000 and closing stock is ₹ 10,000?

- Ans  1. ₹ 22,250  
 2. ₹ 8,000  
 3. ₹ 9,200  
 4. ₹ 15,200

Question ID : 716295248

Status : Answered

Chosen Option : 2

Q.31 Which among the following should NOT be followed while evaluating a project under inflationary conditions?

- Ans  1.  
Projects having longer payback should be preferred over the short ones

Question ID : 716295213

Status : Answered

Chosen Option : 4

2.

Different sources of finance should be carefully examined keeping in mind the likely revision of rates of interests by lenders and financial institutions

3.

Financial and commercial viability of the project must be reviewed keeping in mind the revised cost of production and increased financial costs

4.

Provisions for cost escalation under different heads should be made

**Q.32** Current ratio is primarily used to assess the:

Ans  1. Level of inventory

2. Effective utilization of capital

3. Application of debt

4. Liquidity position

Question ID : 716295209

Status : Answered

Chosen Option : 4

**Q.33** \_\_\_\_\_ is a way of analysing the change in the project's NPV (or IRR) for a given change in one of the variables.

Ans  1. Capital rationing

2. Risk and return analysis

3. Adjusted net present value

4. Sensitivity analysis

Question ID : 716295247

Status : Answered

Chosen Option : 3

**Q.34** KKK Ltd. has provided the following information of the company.

- Sales for the year is ₹ 45 lakh.
- Growth rate in sales for the next year is 25%.
- Dividend pay-out ratio is twice the growth rate in sales.
- Profit margin is 40% of growth rate in sales.
- Spontaneous liabilities are ₹ 2.25 lakh.
- Total assets are ₹ 18 lakh.

Question ID : 716295221

Status : Not Answered

Chosen Option : --

The External Funds Required (EFR) for the company is:

Ans  1. ₹ 1.125 Lakh

2. ₹ 0.755 Lakh

3. ₹ 1.252 Lakh

4. ₹ 0.225 Lakh

**Q.35** ABC Ltd. is planning to go for expansion of their business and for the same, they require ₹ 10 crore additionally. Internally generated funds that can be utilized are ₹ 1 crore. The balance amount is to be financed by issue of equity shares of ₹ 10 each at a premium of ₹ 5. If issue costs are ignored, what is the number of shares to be issued?

Question ID : 716295252

Status : Answered

Chosen Option : 1

Ans  1. 60 lakh

2. 25 lakh

3. 35 lakh

4. 45 lakh

**Q.36** What is 'capital market line'?

Question ID : 716295239

Status : Answered

Chosen Option : 3

Ans  1. Capital allocation line of a market portfolio

2. Capital allocation line of a risky asset

3.

Capital allocation line of both risk-free asset and market portfolio

4. Capital allocation line of a risk-free asset

**Q.37** What is Portfolio beta?

Question ID : 716295232

Status : Answered

Ans  1.

It is the weighted average of the individual security betas, weights being the proportion of market capitalization.

Chosen Option : 2

2. It is the weighted average of the market beta, weights being the proportion of individual holding pattern of a portfolio.

3. It is the weighted average of the individual security betas, weights being the proportion of market index.

4. It is the weighted average of the individual security betas, weights being the proportion of individual returns.

Q.38 Calculate the degree of total leverage from the given information.

Quantity sold = 6,000 units

S.P/Unit = ₹ 500

Variable Cost/unit = ₹ 200

Fixed Expenses = ₹ 8,00,000

Interest = ₹ 80,000

Preference Dividend = ₹ 60,000

Tax rate = 40%

Question ID : 716295220

Status : Answered

Chosen Option : 3

Ans  1. 1.777

2. 2.195

3. 1.521

4. 2.555

Q.39 For which of the following reasons do capital expenditure decisions occupy a very important place in corporate finance?

- Once the decision is taken, it has far reaching consequences, which extend over a considerably long period, which in turn influence the risk complexion of the firm.
- These decisions involve huge amounts of money.
- These decisions once taken are irreversible.
- These are among the most difficult to make when the company is faced with various potentially viable investment opportunities.

Question ID : 716295228

Status : Answered

Chosen Option : 3

Ans  1. Only (ii), (iii) and (iv)

2. (i), (ii), (iii) and (iv)

3. Only (i), (ii) and (iv)

4. Only (i), (iii) and (iv)

Q.40 If the realized collection period is more than the terms of trade, it can be said that \_\_\_\_\_

- The collection job is poor.
- The quality of debtors is poor.
- The average daily sales are low.

Question ID : 716295211

Status : Answered

Chosen Option : 2

Ans  1. (i), (ii) and (iii)

2. Only (ii) and (iii)

3. Only (i) and (ii)

4. Only (i) and (iii)

Q.41 The dealer of Popular Televisions Ltd. has announced a new scheme. The name of the scheme is "TV at no cost". If a person gives his old TV in working condition and pays ₹ 15,000, a brand new Popular Television TV will be given and after 6 years, ₹ 15,000 will be refunded. Assuming the cost of a new Popular TV to be ₹ 16,000 and the resale price of your old TV to be ₹ 4,000, a private bank offers you an interest rate of 13% p.a. on 30-day deposits. What is the effective interest rate?

Question ID : 716295231

Status : Answered

Chosen Option : 1

Ans  1. 18.92%

2. 21.25%

3. 15.25%

4. 13.80%

Q.42 What does  $\frac{\text{Cash & Marketable Securities}}{\text{Current Liabilities}}$  denote?

Question ID : 716295219

Status : Answered

Chosen Option : 1

Ans  1. Quick ratio

2. Stability ratio

3. Current ratio

#### ✓ 4. Super quick ratio

Q.43 The standard deviation of stock X and Y are 13% and 13% respectively. If the correlation coefficient between X and Y is 0.5%, then what is the covariance?

- Ans  1. 0.12522  
 2. 1.2225  
 3. 0.00845  
 4. 0.00252

Question ID : 716295238

Status : Answered

Chosen Option : 2

Q.44 \_\_\_\_\_ expresses assets and liabilities as percent of total assets and expenses & profits as percent of sales.

- Ans  1. Cash flow statement  
 2. Common size statement  
 3. Statutory balance sheet  
 4. Abridged profit and loss statement

Question ID : 716295230

Status : Answered

Chosen Option : 2

Q.45 Which of the following is NOT an assumption of capital asset pricing model (CAPM)?

- Ans  1.

Single period horizon for investment decisions by the investors.

- 2.

Investors make their investment decisions based on multi-period horizon.

- 3.

Investors are risk-averse and use the expected ROR and SD as appropriate measure of return and risk respectively.

- 4.

Transaction costs in financial markets are low enough to be ignored and assets can be bought and sold in any desired units.

Question ID : 716295234

Status : Not Answered

Chosen Option : --

#### Comprehension:

Read the passage carefully and answer the questions based on it.

FC Ltd. is considering replacing their old machine with a new, more efficient one. The old machine could be sold for ₹ 70,000 in the secondary market. The depreciated book value of the machine is ₹ 1,20,000 with a remaining useful and depreciable life of 8 years. The company uses the straight line method of depreciation. The new machine can be purchased for ₹ 4,50,000. Installation charges are expected to be ₹ 30,000. It has a useful life of 8 years, at the end of which a salvage value of ₹ 40,000 is expected. Due to its greater efficiency, the new machine is expected to result in incremental annual saving of ₹ 1,20,000. The company is in the 40% tax bracket and is allowed to set-off any loss it incurs against the profits of the coming 8 years for determining tax.

#### SubQuestion No : 46

Q.46 What will be the net present value of the proposal, if the required rate of return is 14%? Should the company replace its existing machine?

- Ans  1.

₹ 33,000; The company should replace the existing machine.

- 2.

Question ID : 716295256

Status : Answered

Chosen Option : 3

₹ 25,500; The company should not replace the existing machine.

✓ 3.

₹ 12,300; The company should replace the existing machine.

✗ 4.

₹ 35,500; The company should not replace the existing machine.

**Comprehension:**

Read the passage carefully and answer the questions based on it.

FC Ltd. is considering replacing their old machine with a new, more efficient one. The old machine could be sold for ₹ 70,000 in the secondary market. The depreciated book value of the machine is ₹ 1,20,000 with a remaining useful and depreciable life of 8 years. The company uses the straight line method of depreciation. The new machine can be purchased for ₹ 4,50,000. Installation charges are expected to be ₹ 30,000. It has a useful life of 8 years, at the end of which a salvage value of ₹ 40,000 is expected. Due to its greater efficiency, the new machine is expected to result in incremental annual saving of ₹ 1,20,000. The company is in the 40% tax bracket and is allowed to set-off any loss it incurs against the profits of the coming 8 years for determining tax.

**SubQuestion No : 47**

Q.47 What will be the amount of incremental investment?

- Ans
- ✗ 1. ₹ 2.25 lakh
  - ✗ 2. ₹ 4.55 lakh
  - ✓ 3. ₹ 4.10 lakh
  - ✗ 4. ₹ 3.32 lakh

Question ID : 716295255

Status : Not Answered

Chosen Option : --

**Comprehension:**

Read the passage carefully and answer the questions based on it.

FC Ltd. is considering replacing their old machine with a new, more efficient one. The old machine could be sold for ₹ 70,000 in the secondary market. The depreciated book value of the machine is ₹ 1,20,000 with a remaining useful and depreciable life of 8 years. The company uses the straight line method of depreciation. The new machine can be purchased for ₹ 4,50,000. Installation charges are expected to be ₹ 30,000. It has a useful life of 8 years, at the end of which a salvage value of ₹ 40,000 is expected. Due to its greater efficiency, the new machine is expected to result in incremental annual saving of ₹ 1,20,000. The company is in the 40% tax bracket and is allowed to set-off any loss it incurs against the profits of the coming 8 years for determining tax.

SubQuestion No : 48

Q.48 What will be the incremental cash flow of the replacement proposal for last year?

- Ans  1. ₹ 2.22 lakh  
 2. ₹ 1.28 lakh  
 3. ₹ 1.75 lakh  
 4. ₹ 0.55 lakh

Question ID : 716295254

Status : Answered

Chosen Option : 2

Comprehension:

Read the passage carefully and answer the questions based on it.

PPP Pvt. Ltd. is considering two independent projects A and B. The cash flows associated with the two projects are as under:

Year	0	1	2	3	4	5
Project A	-40	12	14	15	18	9
Project B	-45	10	14	15	18	23

The company's debt- equity ratio is 2. While the debt can be raised at the rate of 15% under pre-tax terms, the equity can be raised at 25.5%. The company is in the tax bracket at 35%.

SubQuestion No : 49

Q.49 Using the concept of NPV, should the company implement Project A or Project B?

- Ans  1. Project B is preferable as its NPV is higher.  
 2. Project A is preferable as its NPV is higher.  
 3. Project B is preferable as its NPV is lower.  
 4.

Project A is less preferable as its NPV is higher.

Question ID : 716295258

Status : Answered

Chosen Option : 2

Q.50 \_\_\_\_\_ is the discount rate that equates the present value of cash inflows with the initial investment associated with a project, thereby causing NPV = 0.

- Ans  1. Cut-off rate

Question ID : 716295267

Status : Answered

- 2. Internal rate of return
- 3. Discounted rate of return
- 4. Accounting rate of return

Chosen Option : 3

**Q.51** Under section 115BBE of the Income Tax Act 1961, income relating to sections 68/69/69A/69B/69C/69D is taxable @

- Ans
- 1. 40%
  - 2. 30%
  - 3. 12%
  - 4. 10%

Question ID : 716295278

Status : Answered

Chosen Option : 1

**Q.52** Which of the following will cause an increase in the net operating cycle of a firm?

- (i) Increase in the average collection period
- (ii) Increase in the average payment period
- (iii) Increase in the finished goods storage period
- (iv) Increase in the raw materials' storage period

Question ID : 716295265

Status : Answered

Chosen Option : 1

- Ans
- 1. Only (i), (iii) and (iv)
  - 2. Only (i), (ii) and (iii)
  - 3. Only (ii), (iii) and (iv)
  - 4. Only (i), (ii) and (iv)

**Q.53** As per section 80 TTA, w.e.f. AY 2013-14, the deduction from Gross Total Income towards interest receipts from savings bank accounts is:

- Ans
- 1. ₹ 8,000
  - 2. ₹ 10,000
  - 3. ₹ 25,000
  - 4. ₹ 5,000

Question ID : 716295281

Status : Answered

Chosen Option : 2

**Q.54** For the assessment year 2017-18, under section 44A of the Income Tax Act 1961, every individual carrying on a profession is required to get his / her accounts audited, if the total gross receipts in a previous year exceeds:

- Ans
- 1. ₹ 5,00,000
  - 2. ₹ 10,00,000
  - 3. ₹ 25,00,000
  - 4. ₹ 50,00,000

Question ID : 716295276

Status : Answered

Chosen Option : 4

**Q.55** Under \_\_\_\_\_ analysis in financial statements analysis, a study is made on the quantitative relationships of the various items in the financial statements on a particular date.

- Ans
- 1. Vertical
  - 2. Horizontal
  - 3. Internal
  - 4. External

Question ID : 716295284

Status : Answered

Chosen Option : 3

**Q.56** Under Section 87A of the Income Tax Act 1961, an individual assessee having a total income of up to ₹ 5,00,000 can claim a rebate of \_\_\_\_\_ for the assessment year 2017-18 (Proposed).

- Ans
- 1. ₹ 2,000
  - 2. ₹ 5,000
  - 3. Nil
  - 4. ₹ 1,500

Question ID : 716295274

Status : Answered

Chosen Option : 1

**Q.57** Setting off of one source of income against the income of another source under the same head of income has been discussed U/s \_\_\_\_\_ as per Income Tax Act, 1961 as a provision.

Ans

Question ID : 716295271

- 1. 72
- 2. 71
- 3. 69
- 4. 70

Status : **Answered**  
Chosen Option : 1

**Q.58** Consider the following data of a project.

Year	Cash Flow (in ₹)
0	150,000
1	54,500
2	72,400
3	83,700
4	88,000
5	93,000

Question ID : **716295266**  
Status : **Answered**  
Chosen Option : 3

If the cost of capital is 15%, what is the approximate discounted payback period?

- Ans
- 1. 2.3 years
  - 2. 1.18 years
  - 3. 2.11 years
  - 4. 1.11 years

**Q.59** What will be the maturity value of a recurring deposit of ₹ 500 p.a. for 12 months @ 9% p.a. compounded quarterly?

- Ans
- 1. ₹ 6,050
  - 2. ₹ 5,950
  - 3. ₹ 6,250
  - 4. ₹ 6,500

Question ID : **716295268**  
Status : **Answered**  
Chosen Option : 3

**Q.60** \_\_\_\_\_ includes four distinct but interrelated steps used to evaluate long-term proposals, that is, proposal generation, evaluation, selection and follow up.

- Ans
- 1. Capital budgeting process
  - 2. Capital structure decisions
  - 3. Capital rationing decisions
  - 4. Capital restructuring process

Question ID : **716295287**  
Status : **Answered**  
Chosen Option : 2

**Q.61** In the context of financial management, \_\_\_\_\_ is the financial situation in which a firm has only fixed amount to allocate among competing capital expenditures.

- Ans
- 1. capital borrowing
  - 2. capital restructuring
  - 3. capital rationing
  - 4. capital gearing

Question ID : **716295260**  
Status : **Answered**  
Chosen Option : 1

**Q.62** Cash flows of a project are given below.

Year	Cash Flow
0	₹ 1,00,000
1	₹ 20,000
2	₹ 25,000
3	₹ 35,000
4	₹ 20,000
5	₹ 20,000

Question ID : **716295261**  
Status : **Answered**  
Chosen Option : 3

What is the pay-back period of the project?

- Ans
- 1. 2.5 years
  - 2. 3 years

3. 4 years

4. 4.5 years

Q.63 Section 80EE of the Income Tax Act 1961 primarily deals with the deduction for:

Ans  1. House rent

2.

Interest on education loans for higher studies

3. Donation towards social causes

4.

Home loan interest for first-time home owners

Question ID : 716295282

Status : Answered

Chosen Option : 2

Q.64 Which of the following rightly indicates the formula for calculation of cost of production?

Ans  1.

Raw materials consumed + Direct labour – Other manufacturing cost + Administration cost

2.

Raw materials consumed + Direct labour + Opening stock of finished goods – Closing stock of finished goods

3.

Raw materials consumed + Direct labour + Other manufacturing cost + Opening WIP – Closing WIP

4. Raw materials consumed + Direct labour

Question ID : 716295286

Status : Answered

Chosen Option : 2

Q.65 Which of the following losses is allowed for set off and can be carried forward as per the provisions of the Income Tax Act 1961 considering the normal course of business as a grocery dealer without any special situations?

Ans  1. Long term capital loss

2. Loss due to speculative business

3.

Loss from business specified other than in Sec 35AD

4.

Loss from owning and maintaining race horses

Question ID : 716295275

Status : Answered

Chosen Option : 1

Q.66 For the assessment year 2017-18, under section 194D, what is the threshold limit of deduction of tax at Source (TDS) on 'Insurance Commission' w.e.f. 01.06.2016?

Ans  1. ₹ 25,000

2. ₹ 20,000

3. ₹ 50,000

4. ₹ 15,000

Question ID : 716295280

Status : Answered

Chosen Option : 4

Q.67 Which of the following is true about PERT system of scheduling?

Ans  1. It is not applicable for any capital projects.

2.

It is a critical application for project commissioning on time.

3.

It is used as a tool for monitoring sales performance.

4.

It is tabulation of important personnel in the project.

Question ID : 716295289

Status : Answered

Chosen Option : 1

Q.68

Question ID : 716295273

Status : Answered

Chosen Option : 1

Given below are the cash flows pertaining to a project.

Year	Amount (₹)
0	-11,00,000
1	6,00,000
2	2,00,000
3	1,00,000
4	5,00,000

Approximately, what is the approximate IRR from the project?

- Ans  1. 22.12%  
 2. 11.25%  
 3. 10.25%  
 4. 15.75%

Q.69 If the present value of cost associated with a machine of life 5 years is ₹ 2,20,000 and cost of capital is 15%, then what will be the annual capital charge?

Question ID : 716295259

Status : Answered

Chosen Option : 1

- Ans  1. ₹ 65,632  
 2. ₹ 45,844  
 3. None of the other options  
 4. ₹ 72,459

Q.70 Which among the following is NOT a short-term source of getting finance?

Question ID : 716295262

Status : Answered

Chosen Option : 2

- Ans  1. Loans from financial institutions  
 2. Trade credit  
 3. Inter-corporate borrowings  
 4. Commercial papers

Q.71 The method in which the exact time required to recover the initial investments from cash flows is calculated is called:

Question ID : 716295263

Status : Answered

Chosen Option : 2

- Ans  1. Accounting rate of return method  
 2. Payback period method  
 3. Net present value method  
 4. Internal rate of return method

Q.72 For a government employee, what is the exemption limit for leave encashment?

Question ID : 716295283

Status : Answered

Chosen Option : 1

- Ans  1. Cash equivalent of 30 days' average salary of every completed year  
 2. Fully exempted  
 3. Leave encashment actually received  
 4. 10 months' average salary

Q.73 For the assessment year 2017-18, under section 194BB, what is the threshold limit of deduction of tax at Source (TDS) on 'Winnings from Horse Races' w.e.f. 01.06.2016?

Question ID : 716295279

Status : Answered

Chosen Option : 1

- Ans  1. ₹ 10,000  
 2. ₹ 5,000  
 3. ₹ 7,500  
 4. ₹ 25,000

Q.74 As per Income-tax Act, 1961, section 80 CCD (1) deals with:

Question ID : 716295270

Ans  1.

deduction in contributing towards Public Provident Fund.

Status : **Answered**

Chosen Option : 4

2.

deduction in contributing towards housing loan interests.

3.

deduction in contributing towards pension funds.

4.

deduction in contributing towards infrastructure bonds.

Q.75 If the assets of a firm are ₹ 8,00,00,000, the liabilities are ₹ 3,25,00,000, accumulated profits are ₹ 1,50,00,000, then what is the capital of the firm?

Ans  1. ₹ 12,75,00,000

2. ₹ 9,75,00,000

3. ₹ 3,25,00,000

4. ₹ 6,25,00,000

Question ID : **716295288**

Status : **Answered**

Chosen Option : 4

Q.76 Which of the following factors influence the working capital management policies of a firm?

- (i) Excise duties on the capital equipment
- (ii) Sudden increase in the demand for the product of the company
- (iii) Adoption of better technology leading to the reduction in production time
- (iv) Sudden stoppage of the supply of a major raw material

Question ID : **716295264**

Status : **Answered**

Chosen Option : 3

Ans  1. Only (i), (ii) and (iv)

2. Only (i), (ii) and (iii)

3. Only (i), (iii) and (iv)

4. Only (ii), (iii) and (iv)

Q.77 Which of the following is NOT a motive for companies to hold cash?

Ans  1. Transaction motive

2. Speculative motive

3. Capital investments

4. Precautionary motive

Question ID : **716295269**

Status : **Answered**

Chosen Option : 2

Q.78 Assuming no information on operating cycle, which of the following statements is true regarding current liabilities?

Ans  1.

The current liability obligations are generally to be satisfied within three months.

2.

The current liability obligations are generally to be satisfied within three years.

3.

The current liability obligations are generally to be satisfied within one year.

4.

The current liability obligations are generally to be satisfied within six months.

Question ID : **716295285**

Status : **Answered**

Chosen Option : 3

Q.79 Under section 115JB of the Income Tax Act 1961, the minimum alternate tax (mat) for the assessment year 2017-18 shall be chargeable @ \_\_\_\_\_ of book profit.

Ans  1. 10%

2. 12%

3. 18.50%

4. 9%

Question ID : **716295277**

Status : **Answered**

Chosen Option : 3

Q.80 If the net benefit - cost ratio is 0.2, the net present value is ₹ 40,000, what is the present value of the cash inflows associated with the project?

Ans  1. ₹ 3,00,000

Question ID : **716295272**

Status : **Not Answered**

Chosen Option : --

2. ₹ 1,50,000  
 3. ₹ 2,70,000  
 4. ₹ 2,40,000

Section : Reasoning

Q.1 In a row, N is sitting to the left of P but to the right of M. I is to the right of G but is to the left of K. E is between K and M. Who is in the middle?

- Ans  1. E  
 2. M  
 3. K  
 4. I

Question ID : 716295293

Status : Answered

Chosen Option : 1

Q.2 एक व्यक्ति ने एक महिला की ओर संकेत करते हुए कहा, "इसकी बहन का पिता मेरी दादी की इकलौती संतान है।" वह व्यक्ति उस महिला से किस प्रकार सम्बंधित है?

- Ans  1. पति  
 2. निर्धारित नहीं किया जा सकता है।  
 3. भाइ  
 4. बेटा

Question ID : 716295290

Status : Answered

Chosen Option : 4

Q.3 Complete the analogy.

Exercise : Workout :: Excerpt : ?

- Ans  1. Expect  
 2. Accept  
 3. Extract  
 4. Exclude

Question ID : 716295292

Status : Answered

Chosen Option : 1

Q.4 In a group of 100 people, 20 can speak both English and Hindi, 42 can speak English. There are people who can speak either English or Hindi only.

Find the number of people who speak Hindi and the number of people who speak only Hindi respectively.

- Ans  1. 56, 76  
 2. 60, 40  
 3. 76, 56  
 4. 78, 58

Question ID : 716295298

Status : Not Answered

Chosen Option : --

Q.5 A statement followed by some conclusions is given below.

Statement: As people grow wealthier they must think of giving back to the society.

Conclusions:

- I. It is because the society has enriched them.  
II. Wealthy people always think of becoming richer and richer only.

Which of the given conclusions logically follow(s) from the given statement?

- Ans  1. Only conclusion II follows.  
 2. Both I and II follow.  
 3. Only conclusion I follows.  
 4. Neither I nor II follows.

Question ID : 716295299

Status : Answered

Chosen Option : 3

Q.6 A man facing West turned  $110^\circ$  in the clockwise direction and then  $155^\circ$  in the anti-clockwise direction. Then he turned  $45^\circ$  in the clockwise direction. Which direction is he facing now?

- Ans  1. South  
 2. West

Question ID : 716295296

Status : Not Answered

Chosen Option : --

3. East  
 4. North

Q.7 In a certain language head is called foot, finger is called thumb, thumb is called nose, nose is called ankle and ankle is called toe. According to this language, what will an illiterate man use to mark his signature?

- Ans  1. Nose  
 2. Finger  
 3. Toe  
 4. Thumb

Question ID : 716295295

Status : Answered

Chosen Option : 1

Q.8 Complete the analogy.

88 : 80 :: 104 : ?

- Ans  1. 94  
 2. 98  
 3. 100  
 4. 96

Question ID : 716295291

Status : Answered

Chosen Option : 3

Q.9 Father's age at the time of son's birth was 4 times the present age of son. After 7 years from now, father's age will be 3 times the son's age. Find the present ages of father and son respectively.

- Ans  1. 35 years, 7 years  
 2. 36 years, 8 years  
 3. 32 years, 6 years  
 4. 37 years, 9 years

Question ID : 716295294

Status : Answered

Chosen Option : 1

Q.10 Using the same logic used in Figure I, find the value of '?' in Figure II.

I	
9	6
5	7

II	
8	3
2	4

- Ans  1. 29  
 2. 30  
 3. 28  
 4. 31

Question ID : 716295297

Status : Not Answered

Chosen Option : --

#### Section : Quantitative Aptitude

Q.1 If the equations  $x^2 - mx + n = 0$  and  $x^2 - px + q = 0$  have one root in common and  $x^2 - px + q = 0$  has equal roots, then  $mp$  is equal to:

- Ans  1.  $n + q$   
 2.  $nq$   
 3.  $2(n + q)$   
 4.  $2(n - q)$

Question ID : 716295307

Status : Answered

Chosen Option : 1

Q.2 Six men and 4 women earn ₹ 14,400 in 8 days, whereas 4 men and 6 women earn ₹ 8,500 in 5 days. How much will 8 men and 7 women earn in 6 days?

- Ans  1. ₹ 15,900  
 2. ₹ 15,700  
 3. ₹ 15,750

Question ID : 716295304

Status : Not Answered

Chosen Option : --

4. ₹ 13,250

Q.3 If  $a, b, c$  and  $d$  are in geometric progression, then the expression  $(b - c)^2 + (c - a)^2 + (d - b)^2$  is equal to:

Ans  1.  $(a - d)^2$

2.  $(b - c)^2$

3.  $(a + d)^2$

4.  $(b + c)^2$

Question ID : 716295308

Status : Answered

Chosen Option : 2

Q.4 Two equal sums are lent out at 6% and 5% per annum simple interest respectively. The first sum is recovered 2 years earlier than the other and the amount received in each case is ₹ 11,200. Each sum lent out was:

Ans  1. ₹ 7,200

2. ₹ 7,000

3. ₹ 7,500

4. ₹ 8,000

Question ID : 716295303

Status : Answered

Chosen Option : 3

Q.5 The ratio of incomes of X, Y and Z in 2015 was 2:3:4. The ratios of their individual incomes in 2015 and 2014 were 3:2, 4:3 and 5:7 respectively. If the sum of their incomes in 2014 was ₹ 24,79,500, then in the year 2014 the income of Z exceeded the income of Y by:

Ans  1. ₹ 2,47,500

2. ₹ 9,04,500

3. ₹ 11,52,000

4. ₹ 6,57,000

Question ID : 716295301

Status : Not Answered

Chosen Option : --

Q.6 A vessel contains a mixture of liquid A and liquid B in the ratio 3 : 2. When 2 litres of the mixture is drawn out and replaced by the same quantity of B, the new ratio of A and B becomes 2 : 3. What was the quantity of B in the vessel initially?

Ans  1. 2.4 litres

2. 3 litres

3. 3.6 litres

4. 4 litres

Question ID : 716295305

Status : Answered

Chosen Option : 1

Q.7 A shopkeeper bought 749 pens. He sold 700 for the price he paid for 749 pens. He sold the rest at the same price per piece as the other 700. What is the percent gain in the entire transaction?

Ans  1.  $6\frac{1}{2}$

2. 7

3. 6

4.  $7\frac{1}{2}$

Question ID : 716295302

Status : Answered

Chosen Option : 4

Q.8 As observed from the top of a light house, 160 m high above the sea level, the angle of depression of a ship sailing directly towards it changes from  $30^\circ$  to  $45^\circ$ . What is the approximate distance travelled by the ship during the period of observation?

Ans  1. 89 m

2. 117 m

3. 59 m

4. 66 m

Question ID : 716295309

Status : Not Answered

Chosen Option : --

Q.9 The HCF of two numbers is 13 and their LCM is 5681. How many such pairs of numbers are possible?

Ans  1. 1

2. 3

Question ID : 716295300

Status : Answered

Chosen Option : 2

3. 4

4. 2

**Q.10** One-third of a journey was covered at the speed of 20 km/hour, one-fourth at 30 km/hour and rest at  $x$  km/hour. If the average speed for the whole journey was 30 km/hour, what is the value of  $x$ ?

Ans  1. 50

2. 48

3. 45

4. 40

Question ID : 716295306

Status : Not Answered

Chosen Option : --

Section : General Awareness

**Q.1** Raja Jai Singh and Shivaji signed which one of the following treaties?

Ans  1. The Treaty of Alinagar

2. The Treaty of Purandhar

3. The Treaty of Salbai

4. The Treaty of Allahabad

Question ID : 716295313

Status : Answered

Chosen Option : 1

**Q.2** Who is the Chairperson of the Rajya Sabha?

Ans  1. The Prime Minister

2. The Chief Justice of Supreme Court

3. The President

4. The Vice-President

Question ID : 716295316

Status : Answered

Chosen Option : 4

**Q.3** Where were the Summer Olympics of 2016 held?

Ans  1. Sydney

2. Athens

3. Beijing

4. Rio de Janeiro

Question ID : 716295315

Status : Answered

Chosen Option : 4

**Q.4** Which additive used in breads was recently banned for being carcinogenic?

Ans  1. Sodium bisulphite

2. Ascorbic acid

3. Potassium bromate

4. Stevia

Question ID : 716295310

Status : Answered

Chosen Option : 3

**Q.5** What is a positively charged subatomic particle of an atom called?

Ans  1. Protons

2. Nucleus

3. Photon

4. Neutrons

Question ID : 716295318

Status : Answered

Chosen Option : 1

**Q.6** Which Indian city was adjudged best city based on quality of living, according to Mercer quality of living survey?

Ans  1. Mysore

2. Hyderabad

3. Mumbai

4. Chandigarh

Question ID : 716295311

Status : Answered

Chosen Option : 4

Q.7 Which of the following is found in grapes?

- Ans  1. Nitric acid  
 2. Lactic acid  
 3. Tartaric acid  
 4. Acetic acid

Question ID : 716295319

Status : Answered

Chosen Option : 1

Q.8 Maulana Abul Kalam Azad founded which of these newspapers?

- Ans  1. Inquilab  
 2. Siasat  
 3. Al Hilal  
 4. Nayi Duniya

Question ID : 716295314

Status : Not Answered

Chosen Option : --

Q.9 The Nokrek Biosphere Reserve is located in which of the following places?

- Ans  1. Uttarakhand  
 2. Assam  
 3. Meghalaya  
 4. Odisha

Question ID : 716295312

Status : Not Answered

Chosen Option : --

Q.10 Infrasonic sound generated by earthquakes are:

- Ans  1. Above 20000 Hz  
 2. Below 20 Hz  
 3. Between 1000 Hz and 3500 Hz  
 4. Between 10000 Hz and 20000 Hz

Question ID : 716295317

Status : Not Answered

Chosen Option : --

Section : English Language

Q.1 Arrange the following phrases in sequence to form a meaningful sentence.

R : such a dilemma is that  
T : to step in to resolve  
K : the reason why  
J : we expect somebody  
P : we are in

- Ans  1. JKTPR  
 2. RPJTK  
 3. KPRJT  
 4. TKPRJ

Question ID : 716295323

Status : Answered

Chosen Option : 3

Q.2 The minister cautioned \_\_\_\_\_ expecting too much from the government.

- Ans  1. before  
 2. against  
 3. for  
 4. that

Question ID : 716295321

Status : Answered

Chosen Option : 3

Q.3 Rearrange the given sentences in the most appropriate sequence to form a meaningful paragraph:

K: Besides Rome, Paris, Los Angeles and Budapest are aspirants for hosting the game.  
L: However, new Olympic rules allow the host city to introduce five new sports of its choice.  
M: Presently, cricket is not part of Olympic games.  
N: Hence, there is a proposal to include cricket in 2024 Olympics if Rome becomes the host city.  
O: Ultimately, there is scope for inclusion and one can hope for it.

- Ans  1. LKONM

Question ID : 716295329

Status : Answered

Chosen Option : 3

- 2. OKMNL
- 3. MLNKO
- 4. NMKLO

Q.4 From the given pair of words, find the one that does NOT have similar meaning.

- Ans  1. Frugality, Thrift  
 2. Contradict, Corroborate  
 3. Despondent, Forlorn  
 4. Cooperate, Collaborate

Question ID : 716295325

Status : Not Answered

Chosen Option : --

Q.5 Change the below sentence into passive voice.

I shall have finished the work.

- Ans  1. The work will have been finished by me.  
 2. The work shall be finished by me.  
 3. The work will have to be finished by me.  
 4. The work will be finished by me.

Question ID : 716295328

Status : Answered

Chosen Option : 1

Q.6 Fill in the blank with the correct option.

A misogynist hates \_\_\_\_\_.

- Ans  1. children  
 2. society  
 3. women  
 4. men

Question ID : 716295320

Status : Not Answered

Chosen Option : --

Q.7 From the given pair of words, find the one which has similar meaning.

- Ans  1. Impervious, Impermeable  
 2. Scarred, Undaunted  
 3. Usurp, Forego  
 4. Treason, Allegiance

Question ID : 716295324

Status : Answered

Chosen Option : 1

Q.8 The following sentence has been divided into four parts. One of the parts has an error. Select the part with the error.  
There appear (W) / to be no sanctity (F) / to either offer letter (P) / or the acceptance (Q).

- Ans  1. F  
 2. W  
 3. Q  
 4. P

Question ID : 716295322

Status : Answered

Chosen Option : 2

Q.9 Find the mis-spelt word.

- Ans  1. Effervescence  
 2. Miscellaneous  
 3. Loathsome  
 4. Ventursome

Question ID : 716295326

Status : Answered

Chosen Option : 4

Q.10

Question ID : 716295327

From the given options, select the one that can replace the below phrase/idiom.

'To hem in'

- Ans  1. Hit  
 2. Kill  
 3. Restrict  
 4. Hold out

Status : **Answered**

Chosen Option : 3

