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Previous Year Paper
(Commerce & Mng.) 28
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Question Paper Version Code

2024



QUESTION BOOKLET
COMMERCE & MANAGEMENT (PAPER—II)

SUBJECT CODE : 575

Time Allowed : 2 Hours

Maximum Marks : 300

9706004

INSTRUCTIONS

1. Immediately after the commencement of the Examination, you should check that the Question Booklet does NOT have any unprinted or torn or missing pages or questions etc. If so, get it replaced by a complete 'Question Booklet' of the same Question Paper Version Code as printed in your OMR Answer Sheet. If candidate uses faulty question paper without checking all the pages of the question paper, then the candidate himself shall be held responsible.
2. Read the instructions on the OMR Answer Sheet and Admission Ticket carefully. Violation of any of the instructions may lead to disciplinary action taken by the Commission.
3. The candidate shall ensure that the Question Paper Version Code printed on the OMR Answer Sheet is same as that of the question paper supplied to them. In case of any discrepancy, the candidates are required to get the same Version Code Question Paper as mentioned in the OMR Answer Sheet from the invigilator.
4. All questions carry equal marks.
5. You have to enter your Register Number in the Question Booklet in the box provided alongside. DO NOT write anything else on the Question Booklet.
6. This Question Booklet contains 100 questions. Each question comprises four responses (answers). You will select the response which you want to mark on the OMR Answer Sheet. In case you feel that there is more than one correct response, mark the response which you consider as the most appropriate. In any case, choose 'ONLY ONE RESPONSE' for each question. If the candidate encodes more than one answer, then that answer shall be considered as **invalid**.
7. Questions are printed both in Kannada and English. If there is any confusion in the translation of Kannada questions, candidate shall refer the questions in English and understand the questions.
8. All the responses should be marked **ONLY** on the separate OMR Answer Sheet provided and **ONLY in Black Ball Point Pen**.
9. The candidate shall ensure that the Question Paper Version Code printed in the personalized OMR Answer Sheet matches with the Question Paper Version Code printed on the nominal roll. In case of any discrepancy, the candidate shall give declaration regarding the actual Question Paper Version Code used by the candidate. If the candidate fails to give such declaration, then the version code printed on the OMR Answer Sheet shall be considered for evaluation.
10. In case if candidate uses the personalized OMR Answer Sheet belonging to another candidate, then the **OMR Answer Sheet shall be considered as invalid**.
11. The candidate shall affix his/her Signature in the OMR Answer Sheet in the space provided without fail. If the candidate fails to do so, then such OMR Answer Sheet shall be considered as **invalid**.
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13. The candidate shall sign in the Nominal Roll (**Attendance Sheet**) without fail.
14. If the candidate violates any of the above instructions, then the **OMR Answer Sheet shall be considered as invalid**.
15. Immediately after the final bell indicating the conclusion of the examination, stop any further markings in the OMR Answer Sheet. The candidates shall not leave the examination hall till the OMR Answer Sheets are collected and accounted for by the Invigilator.
16. The candidates shall retain Carbonless copy of the OMR Answer Sheet (candidate copy) till the announcement of final list and in case if the Commission directs the candidate to produce the candidate copy, then the candidate shall produce the same without fail.
17. Sheets for rough work are appended at the end of the Question Booklet. You should not make any marking on any other part of the Question Booklet.

Possession of Mobile Phones, Smart watches, Calculators and other Electronic/Communication gadgets of any kind are strictly prohibited inside the Examination Venue.

ಗಮನಿಸಿ : ಸೂಚನೆಗಳ ಕನ್ನಡ ಆವೃತ್ತಿಯು ಈ ಪ್ರಶ್ನೆಪುಸ್ತಕೀಯ ಮುಂಭಾಗದಲ್ಲಿ ಮುದ್ರಿಸಲ್ಪಟ್ಟಿದೆ.

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(56)

UU24/5(138)—516×4



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1. Removal or discarding the asset used in business is treated as

- (1) renewal
- (2) repair
- (3) replacement..
- (4) renovation

2. Consider the following :

Assertion (A) : It is the duty of the auditor to see that costing records as required under the Companies Act, 2013, have been maintained by certain class of companies.

Reason (R) : Mere maintenance of cost records does not make manufacturing companies cost-effective.

Choose the **correct** answer from the options given below :

- (1) Both **Assertion** and **Reason** are **true** and **Reason** is the **correct** explanation of the **Assertion**
- (2) Both **Assertion** and **Reason** are **true** but **Reason** is **not** the **correct** explanation of the **Assertion**
- (3) **Assertion** is **true** but **Reason** is **false**
- (4) Both **Assertion** and **Reason** are **false**

3. The process where a third party persuades the disputants to come to an equitable adjustment of claims is called

- (1) arbitration
- (2) conciliation
- (3) adjudication
- (4) moderation

4. When shares are forfeited, Capital Account are debited by

- (1) nominal value of shares
- (2) called-up amount of shares
- (3) paid-up amount of shares
- (4) forfeited amount of shares

5. Match the Accounting Standard in **List—I** with the nature of Accounting Standard in the **List—II** as follow :

List—I

List—II

- | | |
|-----------|---|
| (m) AS 12 | (i) Accounting for consolidated financial statement |
| (n) AS 38 | (ii) Accounting for fixed assets |
| (o) AS 10 | (iii) Income tax |
| (p) AS 21 | (iv) Intangible Assets |

Codes :

- | | | | | |
|-----|-------|-------|-------|------|
| | (m) | (n) | (o) | (p) |
| (1) | (ii) | (iv) | (iii) | (i) |
| (2) | (iii) | (iv) | (ii) | (i) |
| (3) | (iv) | (iii) | (i) | (ii) |
| (4) | (i) | (iii) | (ii) | (iv) |

6. If the house property remains vacant for the whole year, then the annual value will be

- (1) equal to municipal value
- (2) nil
- (3) equal to fair value
- (4) equal to market value

7. Installment system is governed by

- (1) Installment Act
- (2) Properties Registration Act
- (3) Sale of Goods Act
- (4) Hire Purchase Act

8. Average stock level can be calculated as

- (1) minimum stock level + $\frac{1}{2}$ of re-order level
- (2) maximum stock level + $\frac{1}{3}$ of re-order level
- (3) minimum stock level + $\frac{1}{3}$ of re-order level
- (4) maximum stock level + $\frac{1}{2}$ of re-order level

9. Activity based costing system uses which of the following procedures?



- (1) Overhead costs are traced to department then costs are traced to products.
- (2) Overhead costs are directly traced to products
- (3) Overhead costs are traced to activities, then costs are traced to products
- (4) All overhead costs are expensed as incurred

10. Which one refers to cash inflow under payback period method?

- (1) Cash flow before depreciation and before taxes
- (2) Cash flow after depreciation and after taxes
- (3) Cash flow after depreciation and before taxes
- (4) Cash flow before depreciation and after taxes

11. Read the following statements :

- (m) "The rate of return on investment increases with the shortage of working capital."
- (n) "Net working capital is the excess of current assets over current liabilities."
- (o) "Working capital is also known as circulating capital."
- (p) "Greater the size of the business unit, larger will be the requirement of working capital."

Which of the above given statement(s) is/are **correct**?

- (1) (m), (n), (o) and (p)
- (2) (m), (n) and (p)
- (3) (m), (o) and (p)
- (4) (m), (n) and (o) +

12. Consider the following :

Assertion (A) : Ratio analysis is an important tool of judging the financial soundness of the company. ✓

Reason (R) : Ratio analysis is the only guide to an investor for deciding about investing or not investing in a company.

Choose the **correct** answer from the options given below :



- (1) Both **Assertion** and **Reason** are **true** and **Reason** is the **correct** explanation of the **Assertion**
- (2) Both **Assertion** and **Reason** are **true** but **Reason** is **not** the **correct** explanation of the **Assertion**
- (3) **Assertion** is **true** but **Reason** is **false**
- (4) Both **Assertion** and **Reason** are **false**

13. Which Section of the Companies Act, 2013, provides legal provision regarding 'Corporate Social Responsibility' (CSR)?

- (1) Section 15
- (2) Section 37
- (3) Section 135
- (4) Section 198

↓
Mandatory
2% on Net profit

14. Cost of Capital from all the resources of funds is called

- (1) composite cost
- (2) fixed cost
- (3) specific cost
- (4) implicit cost

15. Opening inventory is ₹ 4,500, closing inventory is ₹ 2,000, cost of goods sold is ₹ 24,000. What is the amount of purchase?

- (1) ₹ 26,000
- (2) ₹ 21,500.
- (3) ₹ 19,500
- (4) ₹ 30,500

16. Which pair(s) is/are matched **correctly**?

- (i) Process costing — Hotel industry ✓
- (ii) Service costing — Drugs industry
- (iii) Batch costing — Road construction ↗ ↘
- (iv) Contract costing — Paper industry

- (1) One pair
- (2) Two pairs
- (3) All pairs
- (4) No pair

17. Under inflationary conditions, which of the following methods will not show greatest value of cost of goods sold?

- (1) FIFO ✓
- (2) Weighted average
- (3) LIFO
- (4) Simple average

18. The term 'organisation' means

(a) a group of people who are united by a common purpose



(b) a structure of relationships between various positions in an enterprise

(c) a process by which employees, facilities and tasks are related to each other with a view to achieve specific goals

(d) an entity engaged in utilizing resources to create a result

- (1) Only (a) and (b)
- (2) Only (c) and (d)
- (3) (a), (b), (c) and (d).
- (4) None of the above

(9)

[P. T. O.]



19. The features of Horizontal Organisation includes

- (a) Increase in breadth of an organisation's structure
- (b) The number of levels of the organisational hierarchy are more
- (c) Span of management is very less
- (d) None of the above

- (1) Only (a)
- (2) Only (d)
- (3) Both (a) and (b)
- (4) (a), (b) and (c)

20. The relationship created due to giving and taking advice, guidance, counselling and assistance in the process of attaining organisational goals is

- (1) line relationship
- (2) staff relationship
- (3) line and staff relationship
- (4) None of the above

21. Which of the following is/are ethical political activity/ies in an organisation?

- (1) When the political activity benefits a larger number of people and harms a few
- (2) When the political activity provides the basic benefits like food, clothing and shelter for a less number of people even it harms a large number of people in lesser degree
- (3) Both (1) and (2)
- (4) Neither (1) nor (2)

22. The three concepts of Vroom's Expectancy Theory of Motivation are

- (1) Effort, Performance and Reward
- (2) Valence, Instrumentality and Expectancy
- (3) Reinforcement, Punishment and Extinction
- (4) Expectancy, Reward and Reinforcement

23. Which of the following theories of leadership take the position that there is no "one best way" to lead in all situations?

- (1) Traditional Theories
- (2) Behavioural Theories
- (3) Contingency Theories
- (4) Modern Theories

24. Which of the following is planned organisation change?

- (1) Changes in Governmental Regulations
- (2) Changes in the Economy
- (3) Loss of Critical Personnel
- (4) Digital Transformation

25. The Industrial Disputes Act, 1947, provides for which of the following system of adjudications?

- (1) Labour Courts
- (2) Industrial Tribunals
- (3) National Tribunals
- (4) All of the above

26. The term 'Retrenchment' excludes which of the following?

- (1) Voluntary retirement
- (2) Compulsory retirement
- (3) Termination of service on the grounds of continued ill health
- (4) All of the above

27. A temporary cessation of work by workers with a view to furthering or protecting their interest and rights, in general and securing a fulfillment of their specific demands in particular is called as



- (1) layoff ✗
- (2) strike
- (3) lockout
- (4) retrenchment ✗

28. Which of the following is **not** a major issue involved in the Industrial Relations? → Management

- (1) Job security
- (2) Health and safety of employees
- (3) Competition → common in everywhere
- (4) Trade union

29. Which of the following is a Statutory Scheme of Workers' participation in management?

- (1) Joint Management Council
- (2) Making workers shareholders
- (3) Works Committee
- (4) Representative workers on Board of Directors...



30. Article 43A of Constitution (42nd Amendment) Act, 1976, provides that the State shall take steps by suitable legislation or in any other way to secure

- Policy → DRSP
Part → A
(7C-52)
- (1) the collective bargaining
 - (2) the trade unionism
 - (3) the enforcement of standing orders
 - (4) the participation of workers in management....

31. Which organizational theory emphasizes the importance of hierarchical structure?

- (1) Contingency Theory
- (2) Systems Theory
- (3) Classical Theory
- (4) Human Relations Theory

32. The Hawthorne studies conducted at the Western Electric Hawthorne works led to which significant realization?

- (1) The importance of bureaucratic structure
- (2) The impact of human and social factors on productivity
- (3) The need of scientific management principles
- (4) The significance of division of labour

33. Who introduced the concept of learning organization, emphasizing the importance of adaptation and continuous learning?

- (1) Peter Senge
- (2) Henri Fayol
- (3) Peter Drucker
- (4) Douglas McGregor

34. Which of the following best describes a characteristic of centralized power structure within an organization?

- (1) Decision making authority is dispersed among various levels of the organization → ~~decentralized~~



- (2) Power and control are = concentrated at the top levels of the organization

- (3) Employees have equal say in all organizational matters → ~~decentralized~~

- (4) Authority is delegated to individual departments without oversight

35. According to Simon-March approach, decision makers in organization

- (1) always make optimal choices based on perfect information
- (2) are limited by cognitive constraints and incomplete information
- (3) rely solely on intuition and gut feelings
- (4) are unaffected by external factors

36. According to Porter-Lawler's theory, which of the following factors affects an individual's satisfaction with their rewards?

- (1) The absolute amount of rewards received
- (2) The comparison of the rewards to the inputs and effort extended
- (3) The individual's position in the organizational hierarchy
- (4) The length of time spent in the organization

37. Transactional Analysis (TA) is a psychological theory that focuses on

- (1) analyzing financial transactions within an organization
- (2) assessing market transactions between consumers and organizations
- (3) studying transaction costs in economic theory
- (4) understanding interpersonal interactions and communication patterns

38. What is the primary function of Industrial Relations in organizations?

- (1) Facilitating technological innovation
- (2) Safeguarding intellectual property rights
- (3) Managing conflicts and grievances between management and employees
- (4) Implementing marketing strategies and campaigns



39. According to the pluralist theory of unionism, trade unions play a role as

- (1) arbiters of societal harmony and cohesion
- (2) vanguard organizations for revolutionary change
- (3) instruments of proletarian dictatorship
- (4) advocates for the resolution of structural inequalities

40. Collective bargaining involves negotiations between which parties to establish terms and conditions of employment?

- (1) Labour unions and Government agencies
- (2) Employees and Human Resource Departments
- (3) Employers and industry regulators
- (4) Employers and employees or their representative

41. The purpose of joint consultation in worker participation is to

- (1) give employees complete control over management decision
- (2) improve communication and problem solving between employees and employers
- (3) eliminate the need for collective bargaining
- (4) decrease employee involvement in decision making

42. How is labour turnover typically calculated?

- (1) Number of employees hired divided by total workforce
- (2) Number of employees who leave divided by total workforce
- (3) Number of employees promoted divided by total workforce
- (4) Number of employees on leave divided by total workforce

43. Wage differentials can have Which of the following impacts on the broader socio-economic landscape?

- (1) Fostering social cohesion
- (2) Bolstering economic mobility
- (3) Exacerbating income inequality
- (4) Enhancing labour market efficiency

44. The International Labour Organization primarily establishes International Labour Standards through

- (1) codified labour laws
- (2) multilateral agreements
- (3) regional accords
- (4) normative instruments such as conventions and recommendations

45. In a Monopoly Market,

- (1) AR and MR curves are equal
- (2) MR curve lies below AR curve
- (3) AR curve lies below MR curve
- (4) AR and MR curves intersect each other

46. Which one of the following statements describes selective distortion of information most closely?

(1) Here marketers intentionally distort their messages in order to confuse the consumers.



(2) It is a planned dissemination of information through market communication in order to counter a wrong message being spread in the market.

(3) Here the consumers show the tendency of interpreting the messages from the marketer in a way that fits their perception.

(4) It is a distortion of the intended messages communicated by the marketers due to noise in the communication system.



47. Which of the following statements explains the meaning of **brand equity** the most?

- (1) Brand equity is a measure of the brand's ability to capture consumer preference and loyalty.
- (2) It refers to the brand that are listed in recognised stock exchanges.
- (3) Brand equity is the market value of the company owning the brand.
- (4) Brand equity is basically the value of the shares held by the customers of the brand.

48. Fit a straight line trend to the following data :

Year	Profit in Lakhs(₹)
2017	60
2018	72
2019	75
2020	65
2021	80
2022	85
2023	95

- (1) $Y = 76 + 4.86X$
- (2) $Y = 72 - 6.47X$
- (3) $Y = 76 + 8.46X$
- (4) $Y = 42 + 4.86X$

49. Which of the following statements is **true** for Type-II error?

- (1) Accepting H_0 when it is false
- (2) Rejecting H_0 when it is true
- (3) Accepting H_0 when it is true
- (4) Rejecting H_0 when it is false

50. According to McClelland's Needs theory, which of the following is **not** a motivating need?

- (1) Need for Achievement
- (2) Need for Power
- (3) Need for Security
- (4) Need for Affiliation

51. Which of the following is the **correct** depiction of optimization strategy?

- (1) Orange Hat Techniques
- (2) Grey Hat Techniques
- (3) Shady Hat Techniques
- (4) Blue Hat Techniques

52. Match the following :

- (a) Special Purpose Vehicle (SPV) (i) A process to elicit demand for securities and assess price for them
- (b) Pass Through Certificate (PTC) (ii) The entity which would typically buy the assets to be securitized from the originator
- (c) Secured Premium Notes (SPNs) (iii) a conduit for sale of ownership in receivables (mortgages)
- (d) Book building (iv) A secured debenture redeemable at a premium over the face/purchase price

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|------|-------|-------|------|
| (1) | (i) | (iii) | (iv) | (ii) |
| (2) | (ii) | (iii) | (iv) | (i) |
| (3) | (i) | (ii) | (iii) | (iv) |
| (4) | (iv) | (iii) | (ii) | (i) |

53. A company uses equity, preference and debt in the following proportions : 50, 10 and 40. If the component of costs of equity, preference and debt are 16 percent, 12 percent and 5 percent respectively, then the Weighted Average Cost of Capital (WACC) will be

- (1) 12.4 percent
- (2) 12.8 percent
- (3) 12.9 percent
- (4) 13.0 percent

54. Distribution Channel Management overcomes the major time, place and _____ gaps between the producers of goods and services and those who would use them.

- (1) possession
- (2) profit
- (3) image
- (4) psychological

55. In motor-car production, the type of layout preferred is

- (1) product layout
- (2) process layout
- (3) fixed position layout
- (4) combination layout

[P. T. O.]

56. Lintner's survey of corporate dividend represents the following facts :

(a) Firms set long-run payout ratio

(b) Dividends tend to follow earnings but dividends follow a smoother path than earnings

(c) Managers are reluctant to effect dividend changes that may have to be reversed

(d) Managers are more concerned about the changes in the dividend than the absolute level of dividend

(1) Only (a) and (b) are correct

(2) Only (c) and (d) are correct

(3) (a), (b), (c) and (d) are correct

(4) None of the above statements are correct

57. Who invented reverse mentoring strategy?

(1) Jack Welch

(2) Ashok Alexander

(3) Sudha Murthy

(4) Robert C Camp

58. The Wheel of Retailing theory was developed by

(1) Don Peppers

(2) Martha Rogers

(3) Malcolm P McNair

(4) William Ouchi

59. **Statement-I** : Most Favored Nation Rule (MFN) prohibits countries from discriminating among goods originating in different countries.



Statement-II : National Treatment Principle (NTP) prohibits countries from discriminating between imported products and equivalent domestically produced products.

(1) **Statement-I** is true
Statement-II is false

(2) **Statement-I** is false
Statement-II is true

(3) Both **Statements** are true

(4) Both **Statements** are false

[P. T. O.]

60. The pull factors which have made rural markets attractive are

- (a) ✓ rising affordability
- (b) ✓ growing acceptance
- (c) / intense competition
- (d) ✓ increasing accessibility

(1) (a), (b) and (d)

(2) (b), (c) and (d)

(3) (a) and (d)

(4) (a), (b), (c) and (d)

61. The strategy to simultaneously introduce the newly developed products in all global markets refers to which model of International Product Life Cycle?

(1) Waterfall Model

(2) Trickle-Down Model

(3) Trickle Shower Model

(4) Shower Model

62. The primary significant focus of the customer service and relationship marketing of the business firm in marketing is

(a) conducting marketing analysis

(b) understanding marketing intermediaries

(c) acquiring right customers through market segmentation



(d) studying the competition and suppliers

(1) (a) and (d) are acceptable

(2) (b) and (d) are acceptable

(3) (c) is acceptable

(4) (d) is acceptable

63. Razor and Bait pricing in marketing is

(a) Low price for the basic product high price for the spares

(b) Pricing high for the new product and reducing it later

(c) Different prices are charged for the same product in different markets

(d) Premium pricing and discount pricing for the product above the competitors pricing

(1) Only (a) is correct

(2) Only (b) is correct

(3) Both (a) and (b) are correct

(4) Both (c) and (d) are correct

64. Customer Value Proposition in Marketing is

(a) Customer may seek different benefits from the product.



(b) How the organisation differentiates itself from the competitors to attract and retain the relationship with target customers.

(c) Creating brand that will position itself to benefit or combinations of benefits.

(d) Company may not always follow a sequence in segmenting its market.

(1) Both (a) and (c) are correct ✓

(2) Only (b) is correct

(3) Both (c) and (d) are correct

(4) Only (d) is correct

[P. T. O.]

65. Spiral development process that recognises the value of returning to an earlier stage to make improvements before moving forward, is related to

(a) new product development process that includes open innovation.

(b) idea generation which is necessary for making any kind of improvement

(c) market segmentation for dividing the prospective customer into groups

(d) product diversification to increase the profit and achieve higher sales volume

(1) Both (a) and (b)

(2) Both (a) and (c)

(3) Both (a) and (d)

(4) Both (c) and (d)

66. Creation and management of data mining and warehousing in marketing is concerned with



(a) customer relationship management process

(b) brand creation and management

(c) new product development process

(d) interaction with customers and potential customers

(1) Only (a)

(2) Only (b)

(3) Only (a) and (d)

(4) Only (b) and (c)

67. Many marketing research companies are into conducting marketing research to develop databases of rural consumers. There are two kinds of research conducted in rural areas namely

(a) Opportunity research

(b) Effort research

(c) Competitor research

(d) Branding research

(1) Only (a) and (b)

(2) Only (a) and (c)

(3) Only (a) and (d)

(4) Only (c) and (d)

68. Which of the following statements is the most **correct** statement?

- (1) Marketing is the last step in the chain of commerce where a buyer exchanges cash for a seller's goods or service or the activity of trying to bring this about.
- (2) The delivery of goods and services from producers to their ultimate consumers or users includes many different activities. These different activities are known as marketing.
- (3) Marketing is to ensure that the product is easily and effectively moved from the point of production to the target market and ensures that the product can be easily accessed by customers.
- (4) Marketing is the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society.

69. As the mother of the bridegroom, Radha was willing to wear the light-coloured, tailored suit that the bride had selected for the wedding until the sales representative showed Radha a green off-the-shoulder cocktail dress. Because the sales representative kept telling Radha how great the dress looked and because the price of the dress was substantially lower than the suit. Radha bought the dress to wear to the wedding. Assuming Radha really likes her son's fiancée and does not want to do anything to damage her relationship with him or his bride, Radha's decision to buy the green dress as a result of _____ influences.

- (1) cultural
- (2) marketing
- (3) reference group
- (4) demographic

[P. T. O.]

70. _____ is a strategy of entering into an unreceptive or blocked country and practices marketing by using economic, psychological, political and public relation skills etc. in that country.

- (1) Meta Marketing
- (2) Mass Marketing
- (3) De-marketing
- (4) Mega Marketing

71. Which of the following statements enumerates the distinctive features of Marketing Management Audit?

Statements :

- (a) It is an appraisal of both policies and actions. ✓
- (b) It is preventive as well as creative check of cost accounting data.
- (c) It is organization oriented.
- (d) It is dynamic and result oriented rather than simply procedure bound.

(e) It ensures the sound and healthy growth of business organization. ✓



Choose the **correct** answer from the options given below :

- (1) (a), (b) and (d) Only
- (2) (a), (c) and (e) Only
- (3) (b), (d) and (e) Only
- (4) (a), (d) and (e) Only

72. It is a fact that there are 24 million left-handed people in the United States, however, most marketers do not attempt to appeal to or design products for this group because there is little in the way of Census data about this group. Therefore, this group fails in one of the requirements for effective segmentation. Which of the following is most likely to apply in this case?

- (1) Actionable
- (2) Measurable
- (3) Substantial
- (4) Differentiable

[P. T. O.]

73. The following statements are related to the role of marketing in economic development. Find out the one which you think is **not true**.

- (1) Marketing contributes directly to the growth of demand in an economy.
- (2) In consumer centric economy, marketing is directly responsible for creating values for the customers.
- (3) Aggressive marketing for consumer goods may pressurise the central bank to ease out the rate of interest. ✗
- (4) Marketing helps in enlarging the size of the market, thereby contributing to the growth of overall economy.

74. Match the following pairs and choose the **correct** option from the choices given below based on the best description of projected loyalty vis-à-vis potential future profitability of the customer :

Projected Loyalty	Future Profitability
----------------------	-------------------------

- | | |
|-----------------|--|
| (a) True fiends | (i) Profitable but not loyal |
| (b) Butterflies | (ii) Less profitable and not potentially loyal |
| (c) Strangers | (iii) Profitable and loyal |
| (d) Barnacles | (iv) Loyal but not profitable |

(1) Pair (a) & (i)



(2) Pairs (b) & (ii) and (d) & (iv)

(3) Pairs (d) & (iv) and (b) & (i)

(4) Pairs (d) & (ii), (b) & (i); and (c) & (iii)

[P. T. O.]

75. With reference to inflation accounting, consider the following statements :

- (a) The term price level accounting and inflation accounting are synonymous.
- (b) CPP method mixes holding and operating gains.
- (c) Conversion factor in CCP method is used for restatement of historical figures in terms of current price.

- (1) (a), (b) and (c) are true
- (2) (a), (b) and (c) are false
- (3) Both (a) and (b) are true
- (4) Only (c) is true

76. When the fixed assets are revalued every year, there will be shortfall of depreciation representing the effect of price rise during the year on the accumulated depreciation till date. This shortfall is called

- (1) shortfall depreciation
- (2) backlog depreciation
- (3) current cost depreciation
- (4) account reserve depreciation

77. Find out the economic order quantity for annual usage of 6000 units, if cost of placing order is ₹ 60, material cost p.u. is ₹ 20 and annual carrying cost of one unit – 10% of inventory value.

- (1) 600 units
- (2) 60 units
- (3) 6000 units
- (4) 6 units

78. Fixed cost of a firm is ₹ 12,00,000, selling price per unit is ₹ 20 and variable cost per unit is ₹ 14. Calculate breakeven point.

- (1) 60000 units
- (2) 20000 units
- (3) 200000 units
- (4) 100000 units

79. Which methods may be employed for segregation of semi variable overhead costs into fixed and variable overhead costs?



(a) Graphical presentation method

(b) Method of least squares

(c) Method of averages

(1) (a), (b) and (c)

(2) Only (a)

(3) Both (a) and (b)

(4) Only (c)

80. Consider the following statements :

Assertion (A) : There is no need of reconciling cost and financial accounts under integrated accounts.

Reason (R) : Under Integral Accounting System, cost and financial accounts are merged in one ledger.

Choose the **correct** answer from the options given below :

- (1) Both **Assertion** and **Reason** are **true** and **Reason** is the **correct** explanation of the **Assertion**
- (2) Both **Assertion** and **Reason** are **true** but **Reason** is **not** the **correct** explanation of the **Assertion**
- (3) **Assertion** is **true** but **Reason** is **false**
- (4) But **Assertion** and **Reason** are **false**

81. Foreign income earned by Seema is taxable if she is a

- (1) non-resident
- (2) resident and ordinary resident
- (3) not ordinary resident
- (4) All of the above

82. Mr. A aged 61 years earned dividend ₹ 12,00,000 from XYZ company in F.Y 2023-24. Interest on loan taken for the purpose of investment is ₹ 3,00,000. Income included in the hands of Mr. A for F.Y 2023-24 is

(1) ₹ 12,00,000

(2) ₹ 9,60,000

(3) ₹ 9,00,000

(4) ₹ 15,00,000



83. When the auditor, after conclusion of an audit exercise is of the opinion that there are material misstatement in financial statements, but they are not pervasive, then what should he do?

- (1) Issue unqualified report
- (2) Issue qualified report
- (3) Issue disclaimer of opinion ✓
- (4) Mention it in emphasis of matter paragraph



84. Which of the following is/are Discounted Cash Flow (DCF) criteria for appraising the worth of an investment project?

- (a) Net Present Value
- (b) Internal rate of return
- (c) Profitability Index
- (d) Payback period

- (1) Only (a)
- (2) Only (b)
- (3) Both (a) and (b)
- (4) (a), (b) and (c)

85. A company issues ₹ 10,00,000, 10% redeemable debentures at a discount of 5%, cost of floatation amount to be ₹ 30,000. The debentures are redeemable after 5 years. Calculate before tax cost of debt.

- (1) 15%
- (2) 12.08%
- (3) 12%
- (4) 13%

86. From the following particulars, calculate operating leverage :

Sales – 20000 units @ ₹ 8 p.u.

Variable cost – ₹ 2 p. u.

Fixed cost – ₹ 40,000

- (1) 1.5 times
- (2) 1.33 times
- (3) 1.24 times
- (4) 1.47 times



$$\begin{array}{r} \text{₹ 1600} \\ \hline 28000 \\ \hline 40000 \\ \hline 68000 \\ \hline \text{₹ 1600} \end{array}$$

87. A project costs ₹ 50,000 and it yields annual profit of ₹ 80,000 after depreciation @ 12% p.a. but before tax at 50%. Calculate payback period.

- (1) 5 years
- (2) 4 years
- (3) 3 years
- (4) 2 years

$$\text{₹ 30,000}$$

[P. T. O.]



88. From the following information, estimate the amount of working capital by operating cycle method, taking 360 days in a year.

Sales 10000 units @ ₹ 200 each

Material cost ₹ 100 p.u.

Labour cost ₹ 50 p.u.

Overhead ₹ 30 p.u.

Customers are given 55 days credit, suppliers give 50 days credit, raw material for 20 days and finished goods for 15 days are kept in stocks. Production cycle period is 20 days.

(1) ₹ 18,00,000

(2) ₹ 30,00,000

(3) ₹ 3,00,000

(4) ₹ 36,00,000

89. With reference to supervisory framework, consider the following pairs :

Department of Banking Supervision 1993

Board of Financial supervision 1994

Offsite monitoring system for surveillance 1996

On-site inspection new approach 1997

How many pairs given above are **correctly** matched?

(1) Only three pairs

(2) All the four pairs

(3) Only one pair

(4) Only two pairs

90. With reference to Negotiable Instrument Act, consider the following statements :

(a) Cheque is a Bill of Exchange

(b) A cheque not dated at all is also valid

(c) Bill of Exchange can be crossed

(d) Days of grace are allowed in case of time bills and cheques

Which of the above statements are **correct**?

(1) (a) and (d) only

(2) (b) and (c) only

(3) (a) and (b) only

(4) (a), (b), (c) and (d)

91. Which of the following institutions serves for both investment and risk contract?

(a) Merchant Bank

(b) Life Insurance Corporation ✓

(c) Unit trust of India ✓

(d) Investment Bank

(1) Only (a)

(2) Only (b)

(3) Both (a) and (b)

(4) Both (c) and (d)

[P. T. O.]

(47)

92. Consider the following pairs :

	Types of Endorsement	Features
A	Endorsement in blank	General Endorsement
B	Full Endorsement	Special Endorsement
C	Restrictive Endorsement	Prohibits further negotiation
D	Conditional Endorsement	Increases liability of Endorser

How many pair(s) given above is/are **correctly** matched?

- (1) Only one pair
- (2) Only two pairs
- (3) Only three pairs
- (4) All four pairs

93. Distribution of assets by company at the time of liquidation shall be regarded as a transfer and subject to a capital gain in the hands of

- (1) company
- (2) shareholders
- (3) Both company as well as shareholders
- (4) Neither of the two

94. Unabsorbed depreciation brought forward from an earlier year of a particular business can be set off from

- (1) the same business
- (2) any head of income
- (3) any business income
- (4) any head of income except salary

95. Which of the following are **long** term financial decision?

- (a) Investment decision
- (b) Financial decision
- (c) Dividend decision
- (d) Liquidity decision
- (1) (a), (b), (c) and (d)
- (2) All three except (d)
- (3) (a) and (b) only
- (4) (c) and (d) only



96. Balaram incurred short term capital loss of ₹ 10,000 on sale of shares through National Stock Exchange. Such loss can be set-off

- (1) only against short-term capital gains
- (2) against both short-term capital gain and long-term capital gain
- (3) against any head of income
- (4) Cannot be set off

[P. T. O.]

97. Consider the following :

Assertion (A) : The powers of Board of Directors that are to be exercised by Board only at its meeting cannot go beyond those prescribed under the Companies Act, 2013.

Reason (R) : The members in general meeting cannot impose restriction on the exercise of powers by the Board of Directors.

Choose the **correct** answer from the options given below :

- (1) Both **Assertion** and **Reason** are **true** and **Reason** is the **correct** explanation of the **Assertion**
- (2) Both **Assertion** and **Reason** are **true** but **Reason** is **not** the **correct** explanation of the **Assertion**
- (3) **Assertion** is **true** but **Reason** is **false**
- (4) Both **Assertion** and **Reason** are **false**

98. Goods worth of ₹ 435 sold to Prameela. This transaction is **not** at all recorded. It is called

- (1) error of commission
- (2) error of duplication
- (3) error of omission
- (4) None of the above

99. Unabsorbed depreciation can be carried forward for set off for a period of

- (1) 2 years
- (2) 4 years
- (3) 8 years
- (4) unlimited years

100. Consider the following :



Assertion (A) : An auditor of a company gives a critical review of account. ✓

Reason (R) : (S)he gives collaborative evidence that accounts are properly drawn up.

Choose the **correct** answer from the options given below :

- (1) Both **Assertion** and **Reason** are **true** and **Reason** is the **correct** explanation of the **Assertion**
- (2) Both **Assertion** and **Reason** are **true** but **Reason** is **not** the **correct** explanation of the **Assertion**
- (3) **Assertion** is **true** but **Reason** is **false**
- (4) Both **Assertion** and **Reason** are **false**

**ASSISTANT CONTROLLER (GROUP-A) (HK)
IN THE DEPT. OF KARNATAKA STATE AUDIT AND ACCOUNTS**

Examination held on 28-07-2024 (AN)

Paper-II (Commerce & Management) (Subject Code: 575)

KEY CHART

Question Booklet Series - 'P'

Total Marks : 300

3 Marks for each question

Question Number	Key Answer	Question Number	Key Answer	Question Number	Key Answer	Question Number	Key Answer
1	4	26	3	51	4	76	3
2	2	27	3	52	4	77	2
3	1	28	3	53	2	78	2
4	3	29	2	54	3	79	1
5	1	30	2	55	3	80	1
6	1	31	2	56	4	81	1
7	2	32	1	57	3	82	3
8	2	33	3	58	2	83	1
9	2	34	1	59	1	84	3
10	4	35	3	60	2	85	3
11	2	36	4	61	2	86	1
12	1	37	2	62	2	87	4
13	1	38	1	63	4	88	3
14	3	39	3	64	3	89	1
15	2	40	3	65	1	90	2
16	3	41	2	66	4	91	1
17	2	42	4	67	2	92	3
18	3	43	4	68	2	93	1
19	2	44	3	69	3	94	4
20	1	45	1	70	4	95	2
21	2	46	2	71	2	96	1
22	2	47	3	72	3	97	4
23	3	48	2	73	1	98	2
24	3	49	3	74	1	99	3
25	4	50	4	75	1	100	3

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Paper-II (Commerce & Management) (Subject Code: 575)

KEY CHART

Question Booklet Series - 'Q'

Total Marks : 300

3 Marks for each question

Question Number	Key Answer	Question Number	Key Answer	Question Number	Key Answer	Question Number	Key Answer
1	1	26	2	51	4	76	2
2	4	27	1	52	2	77	2
3	3	28	1	53	1	78	4
4	1	29	3	54	3	79	3
5	2	30	2	55	3	80	1
6	1	31	3	56	2	81	4
7	3	32	2	57	4	82	2
8	1	33	3	58	4	83	2
9	4	34	2	59	3	84	3
10	2	35	1	60	1	85	4
11	1	36	2	61	2	86	2
12	4	37	2	62	3	87	3
13	2	38	3	63	2	88	1
14	3	39	3	64	3	89	1
15	3	40	4	65	4	90	1
16	4	41	3	66	4	91	3
17	2	42	3	67	4	92	2
18	1	43	3	68	2	93	2
19	3	44	2	69	3	94	1
20	1	45	2	70	3	95	1
21	1	46	2	71	4	96	1
22	2	47	1	72	3	97	3
23	2	48	3	73	2	98	1
24	2	49	1	74	1	99	3
25	4	50	3	75	2	100	3

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KEY CHART

Question Booklet Series - 'R'

Total Marks : 300

3 Marks for each question

Question Number	Key Answer	Question Number	Key Answer	Question Number	Key Answer	Question Number	Key Answer
1	2	26	1	51	2	76	4
2	2	27	4	52	1	77	2
3	4	28	3	53	1	78	1
4	3	29	1	54	3	79	3
5	1	30	2	55	2	80	3
6	4	31	1	56	3	81	2
7	2	32	3	57	2	82	4
8	2	33	1	58	3	83	4
9	3	34	4	59	2	84	3
10	4	35	2	60	1	85	1
11	2	36	1	61	2	86	2
12	3	37	4	62	2	87	3
13	1	38	2	63	3	88	2
14	1	39	3	64	3	89	3
15	1	40	3	65	4	90	4
16	3	41	4	66	3	91	4
17	2	42	2	67	3	92	4
18	2	43	1	68	3	93	2
19	1	44	3	69	2	94	3
20	1	45	1	70	2	95	3
21	1	46	1	71	2	96	4
22	3	47	2	72	1	97	3
23	1	48	2	73	3	98	2
24	3	49	2	74	1	99	1
25	3	50	4	75	3	100	2

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KEY CHART

Question Booklet Series - 'S'

Total Marks : 300

3 Marks for each question

Question Number	Key Answer	Question Number	Key Answer	Question Number	Key Answer	Question Number	Key Answer
1	3	26	4	51	2	76	2
2	3	27	2	52	2	77	1
3	2	28	3	53	1	78	3
4	2	29	3	54	1	79	1
5	2	30	4	55	1	80	1
6	1	31	3	56	3	81	2
7	3	32	2	57	1	82	2
8	1	33	1	58	3	83	2
9	3	34	2	59	3	84	4
10	4	35	2	60	1	85	2
11	2	36	2	61	4	86	1
12	1	37	4	62	3	87	1
13	3	38	3	63	1	88	3
14	3	39	1	64	2	89	2
15	2	40	4	65	1	90	3
16	4	41	2	66	3	91	2
17	4	42	2	67	1	92	3
18	3	43	3	68	4	93	2
19	1	44	4	69	2	94	1
20	2	45	2	70	1	95	2
21	3	46	3	71	4	96	2
22	2	47	1	72	2	97	3
23	3	48	1	73	3	98	3
24	4	49	1	74	3	99	4
25	4	50	3	75	4	100	3

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