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TNPSC Accounts Officer

**Previous Year Paper
(Cost Accountancy
(PG Degree Std))
8 May 2019**



Sl. No. :

AOCA/19

Register
Number

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2019
COST ACCOUNTANCY
(PG Degree Std.)

Time Allowed : 3 Hours]

[Maximum Marks : 300

Read the following instructions carefully before you begin to answer the questions.

IMPORTANT INSTRUCTIONS

1. The applicant will be supplied with Question Booklet 15 minutes before commencement of the examination.
2. This Question Booklet contains 200 questions. Prior to attempting to answer, the candidates are requested to check whether all the questions are there in series and ensure there are no blank pages in the question booklet. **In case any defect in the Question Paper is noticed, it shall be reported to the Invigilator within first 10 minutes and get it replaced with a complete Question Booklet. If any defect is noticed in the Question Booklet after the commencement of examination, it will not be replaced.**
3. Answer all questions. All questions carry equal marks.
4. You must write your Register Number in the space provided on the top right side of this page. Do not write anything else on the Question Booklet.
5. An answer sheet will be supplied to you, separately by the Room Invigilator to mark the answers.
6. You will also encode your Question Booklet Number with Blue or Black ink Ball point pen in the space provided on the side 2 of the Answer Sheet. If you do not encode properly or fail to encode the above information, action will be taken as per Commission's notification.
7. Each question comprises *four* responses (A), (B), (C) and (D). You are to select **ONLY ONE** correct response and mark in your Answer Sheet. In case you feel that there are more than one correct response, mark the response which you consider the best. In any case, choose **ONLY ONE** response for each question. Your total marks will depend on the number of correct responses marked by you in the Answer Sheet.
8. In the Answer Sheet there are **four** circles (A), (B), (C) and (D) against each question. To answer the questions you are to mark with Blue or Black ink Ball point pen **ONLY ONE** circle of your choice for each question. Select one response for each question in the Question Booklet and mark in the Answer Sheet. If you mark more than one answer for one question, the answer will be treated as wrong. e.g. If for any item, (B) is the correct answer, you have to mark as follows :

(A) ● (C) (D)
9. You should not remove or tear off any sheet from this Question Booklet. You are not allowed to take this Question Booklet and the Answer Sheet out of the Examination Hall during the time of examination. After the examination is concluded, you must hand over your Answer Sheet to the Invigilator. You are allowed to take the Question Booklet with you only after the Examination is over.
10. **Do not make any marking in the question booklet except in the sheet before the last page of the question booklet, which can be used for rough work. This should be strictly adhered.**
11. Applicants have to write and shade the total number of answer fields left blank on the boxes provided at side 2 of OMR Answer Sheet. An extra time of 5 minutes will be given to specify the number of answer fields left blank.
12. Failure to comply with any of the above instructions will render you liable to such action or penalty as the Commission may decide at their discretion.

SPACE FOR ROUGH WORK



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1. The maximum amount of deduction allowed U/S 80 C is
 (A) Rs. 1,50,000 (B) Rs. 1,00,000
 (C) Rs. 2,00,000 (D) Rs. 2,50,000
2. Identify the transactions which shall be treated neither as a supply of goods nor as a supply of services.
 (A) Transfer of title to goods
 (B) Permitting the use of Intellectual property
 (C) Renting of immovable right property
 (D) Sale of land
3. Choose the appropriate time of supply in case of change in rates of tax, where the goods are supplied before change the invoice issued and payment received after change in rate of tax.
 (A) Date of Receipt of payment or date of invoice whichever is later
 (B) Date of Receipt of payment or date of invoice whichever is earlier
 (C) Date of original supply
 (D) Date of Invoice
4. Choose the appropriate response which denotes a feature of indirect tax.
 (A) Impact and incidence of tax lies with the same person
 (B) Impact and incidence of tax lies with different person
 (C) Tax on Income
 (D) No shifting of tax burden
5. _____ are goods which are chargeable to duty and on which duty has not been paid.
 (A) Dutiable goods (B) Customs goods
 (C) Export goods (D) Import goods
6. _____ person is not liable for registration under CGST Act 2017.
 (A) Supplier
 (B) Non-resident taxable person making taxable supply
 (C) Supplier on behalf of another person
 (D) An agriculturist

7. Which is the major reason for opting Harmonised system Nomenclature under GST Act?
- (A) To facilitate Intra state transfer
 - (B) To facilitate Inter state transfer
 - (C) To classify goods
 - (D) To classify services
8. Point out the correct statement from the following.
- (A) Income from sale of household furniture is taxable capital gain
 - (B) Income from sale of household furniture is not treated as capital gain
 - (C) Income from sale of household furniture is exempted capital gain
 - (D) Income from sale of household furniture is taxable @ 30%
9. Point out the correct provision from the following with regard to income from House property.
- (A) Standard deduction U/S 24 is $\frac{1}{4}$ of Net Annual Value
 - (B) Pre construction interest is deductible in 6 instalments
 - (C) Municipal taxes are deductible on payment basis
 - (D) Municipal taxes are deductible on due basis
10. Assertion (A) : Incidence of tax depends on the residential status of the assessee
Reason (R) : Non-Resident pays tax in India for Income earned abroad.
- (A) Both (A) and (R) are true, and (R) is the reason for (A)
 - (B) Both (A) and (R) are true, but (R) is not the reason for (A)
 - (C) (A) is true but (R) is false
 - (D) Both (A) and (R) are false
11. Which one of the following statement is not correct?
- (A) Protective duties are levied to protect Indian Industries
 - (B) Countervailing duty levied on subsidized goods
 - (C) Basic customs duty is not levied on as a percentage of value of goods
 - (D) Anti dumping duty is levied to protect Indian domestic market

12. The case of Cox Vs Hickman (1860) 8 H.L.C, 268 deal with
 (A) Test of Partnership (B) Registration of a firm
(C) Implied authority of a partner (D) Dissolution of a firm
13. A Hire-purchase agreement is a
(A) Contract of sale (B) Bailment plus an agreement to sell
(C) Bailment (D) Agreement to sell
14. If a price is not fixed by the parties in a contract of sale, the buyer is bound to pay
(A) the price demanded by the seller
 (B) a reasonable price
(C) the price which the buyer thinks is reasonable
(D) the price to be determined by a third independent person
15. The instruments which is not entitled to 'days of grace' is
(A) A bill payable on a specified day
 (B) A cheque
(C) A note payable 'after sight'
(D) A note payable at a certain period after date
16. A makes an offer to B on 10th by a letter which reaches B on 12th. B posts letter of acceptance on 14th which reaches A on 16th. The communication of acceptance is complete as against A on
 (A) 16th (B) 14th
(C) 10th (D) 12th
17. A agrees to paint a picture for B for Rs. 1,000. When A paints the picture and B pays the price. This contract is said to be
(A) Express contract (B) Implied contract
(C) Quasi contract (D) Executed contract
18. The contracting parties agreeing towards the subject matter of the contract at the same time and in the same sense is referred to as _____
(A) Corporeal chattels (B) Consensus ad idem
(C) Stare decisis (D) Status Quo

19. Choose the most appropriate option in case of a contract which is understamped?
- (A) Valid contract
 - (B) Invalid contract
 - (C) Voidable contract
 - (D) Unenforceable contract
20. X promises to obtain Y a job in a public enterprise. Y promises to pay Rs. 10,000 in return. Choose the appropriate category of the case.
- (A) Void agreement
 - (B) Void Contract
 - (C) Valid Agreement
 - (D) Valid Contract
21. Assertion (A) : The law of contract is not the whole law of agreements.
Reason (R) : The law of contract is the law of agreements which create obligations.
- (A) (A) is true but (R) is false
 - (B) Both (A) and (R) are false
 - (C) Both (A) and (R) are true but (R) is not the reason for (A)
 - (D) Both (A) and (R) are true and (R) is the reason for (A)
22. If an act requires legal authority and is done with such authority it refers to
- (A) Intra vires
 - (B) Ultra vires
 - (C) Obiter dicta
 - (D) Ratio decidendi
23. An agreement to sell specific goods becomes void if _____.
- (A) Goods damaged after the transfer of property to buyer
 - (B) Goods damaged by fault on the part of the seller
 - (C) Goods damaged before transfer of property to buyer
 - (D) Goods damaged by fault on the part of the buyer

24. Choose the option which represents the shareholders funds
- (A) Equity share capital, forfeited shares, dividend equalization reserve, P & L a/c.
 - (B) Preference share capital, equity share capital, debentures, reserves
 - (C) Equity share capital, debentures, reserves, preliminary expenses
 - (D) Equity share capital, reserves and surplus, preliminary expenses
25. Du Pont control chart depicts
- (A) Factors affecting overall financial position
 - (B) Factors affecting overall profitability
 - (C) Factors affecting overall solvency position
 - (D) Factors affecting overall flow of funds
26. Select the odd one from the list where the application of learning curve has not been extended.
- (A) Commercial Activities
 - (B) Agricultural Activities
 - (C) Industrial Activities
 - (D) Defence Production
27. Retained earnings statement depicts
- (A) Appropriation of profits
 - (B) Estimated profits
 - (C) Estimated costs
 - (D) Estimated sales
28. _____ is concerned with presentation of accounting information in the most useful way for the management.
- (A) Cost Accounting
 - (B) Financial Accounting
 - (C) Management Accounting
 - (D) Human Resource Accounting
29. Marginal costing is also known as
- (A) Fixed costing
 - (B) Variable costing
 - (C) Incremental costing
 - (D) Traditional costing

35. In which document auditors writes down a variety of his observation about the audit?
- (A) Audit Memorandum (B) Audit Notebook
(C) Working Papers (D) Audit Manual
36. Under which of the following methods the auditor evaluates control by observation and writes down?
- (A) Oral approach (B) Narrative approach
(C) Flow chart (D) Questionnaire method
37. Transposition of figure is an error of
- (A) principle (B) omission
 (C) commission (D) compensation
38. Under Sec 227(2) energy auditor is required to make report to the shareholders of the company at the
- (A) Board Meeting (B) Directors Meeting
 (C) Annual General Meeting (D) Shareholders Meeting
39. In case of audit of Hospitals, the auditor shall examine
- (A) The aids and grants from outside India only
(B) The aids and grants received from Government only
(C) Sale of old machines and rents from shops
 (D) The aids, grants, legacies and donations, sale of old machines, rents from shops
40. Which accounting standard lays down standards on terms of engagement?
- (A) AAS 25 (B) AAS 26
(C) AAS 24 (D) AAS 27

41. The bigger benefits are preferable to smaller ones is not the guiding principle of
- (A) Net Present Value Method
 - (B) Excess Present Value Index Method
 - (C) Accounting rate of return of original investment
 - (D) Payback period method
42. The system which gives a continuous information regarding quantum and value of inventory is
- (A) continuous stock taking
 - (C) perpetual inventory
 - (B) periodic inventory
 - (D) specific identification
43. Profitability index may be
- (A) gross profitability index
 - (B) net profitability index
 - (C) present value of cash inflows
 - (D) either gross profitability index or net profitability index
44. Net present value is a popular method, which follows _____.
- (A) Non-discounted cash flow methods
 - (B) Discounted cash flow methods
 - (C) Accounting rate of return methods
 - (D) Internal rate of return methods
45. Who is the first Indian to suggest a model for valuation of Human resources of an organisation?
- (A) Prof. K.M. Rangarajan
 - (B) Prof. S.K. Chakraborty
 - (C) Prof. Chore
 - (D) Prof. Tandon
46. The estimated cash flows are reduced to a conservative level by applying a correction factor termed as
- (A) coefficient of variation
 - (B) certainty equivalent coefficient
 - (C) standard deviation
 - (D) risk adjusted discount rate

47. According to _____ model of human resource valuation, the value of human resources is the function of the average salary of the employees and their average employment tenure in the organisation.
- (A) Aggregate Payment (B) Fire-Dimensional
 (C) Human Asset Multiplier (D) Causal, Intervening and End-result
48. The minimum stock level is calculated as
- (A) Reorder level – (Normal consumption × Normal delivery time)
 (B) Reorder level + (Normal consumption × Normal delivery time)
 (C) (Reorder level + Normal consumption) × Normal delivery time
 (D) Reorder level + Normal consumption / Normal delivery time
49. According to IAS 2, the inventories should be valued at
- (A) Historical cost
 (B) Market price
 (C) Net realisable value
 (D) Historical cost or net realisable value which ever is less
50. When the earnings of the firm are stable, the value of an equity share can be determined by
- (A) Single period valuation model (B) Multi period valuation model
 (C) Capitalization of earnings approach (D) Dividend valuation model
51. Irredeemable preferences share value is determined
- (A) Which is equivalent to the present value of annual dividend
 (B) Found out by dividing the annual dividend with the current yield
 (C) Which is equivalent to the present value of the amount payable on maturity
 (D) By taking the discounted value of infinite streams
52. The following types of costs are usually involved in inventory decision except
- (A) cost of ordering (B) carrying cost
 (C) cost of shortages (D) machining cost
53. Compute the Gross Profit for the following based on first in, first out method.
 Purchase of goods in two lots
 800 units @ Rs. 2.50 per unit
 500 units @ Rs. 4 per unit
 During the year, the company sold 800 units at Rs. 6 per unit.
- (A) 400 (B) 450
 (C) 500 (D) 550

54. Each Ratio indicates a symptom. Match it
- | | |
|-------------------------------------|---|
| (a) Turn over Ratio | 1. Ratio of net profit before interest and tax to sales |
| (b) Working capital turn over ratio | 2. Long term solvancy |
| (c) Operating profit ratio | 3. Evaluating performance |
| (d) Debt-equity ratio | 4. Net sales |

- | | | | |
|---|-----|-----|-----|
| (a) | (b) | (c) | (d) |
| <input checked="" type="checkbox"/> (A) 3 | 4 | 1 | 2 |
| (B) 2 | 3 | 4 | 1 |
| (C) 1 | 2 | 3 | 4 |
| (D) 4 | 3 | 2 | 1 |

55. An increase in the share premium account is shown in
- | | |
|--|--|
| <input checked="" type="checkbox"/> (A) sources of funds | (B) application of funds |
| (C) adjusted profit and loss account | (D) schedule of changes in working capital |

56. Stock at the end results in
- | | |
|--------------------------|---|
| (A) Application of funds | <input checked="" type="checkbox"/> (B) Source of funds |
| (C) No flow of funds | (D) Change in current assets |

57. $\frac{\text{Fixed Interest bearing securities}}{\text{Owners Equity}}$ is the ratio for
- | | |
|-----------------------------|---|
| (A) Capital equity ratio | (B) Proprietary ratio |
| (C) Interest coverage ratio | <input checked="" type="checkbox"/> (D) Capital gearing ratio |

58. The rate of return at which total present value of future cash inflows is equal to initial investment refers to
- | | |
|----------------------------|---|
| (A) Return on investment | <input checked="" type="checkbox"/> (B) Internal rate of return |
| (C) Average rate of return | (D) Accounting rate of return |

59. Optimum or ideal capital structure refers to
- | |
|---|
| (A) increase the cost of capital and value of the firm |
| (B) reduce the cost of capital and not necessary to reduce the value of the firm |
| (C) not necessary to reduce or increase the cost of capital and value of firm |
| <input checked="" type="checkbox"/> (D) reduce the overall cost of capital and maximize the value of the firm |

60. Raising more capital than actual requirement denotes situation of
 (A) over capitalisation (B) under capitalisation
(C) capital appreciation (D) normal capital
61. Assertion (A) : Increase in outstanding expenses decrease the working capital.
Reason (R) : Decrease in a current liability results in increase in working capital
 (A) Both (A) and (R) are correct
(B) Both (A) and (R) are wrong
(C) (A) is correct but (R) is wrong
(D) (A) is wrong but (R) is correct
62. An attempt to maintain or expand scale of operations of the business with insufficient cash resources is described as
 (A) over blowing the balloon
(B) under blowing the balloon
(C) blowing the balloon
(D) bursting the balloon
63. Mind tree has following earning during the year 2018
Profit before tax : Rs.25,00,000
Tax at : 50%
Proposed dividend : 20%
9% Preference shares : Rs.10,00,000
Equity shares (30000 shares of Rs.100 each) Rs.30,00,000
Current market price of equity shares Rs.200
Find out the Price / Earning ratio
 (A) 5.17 (B) 6.42
(C) 4.91 (D) 6.36
64. DFHI means
(A) Discount Facility of Housing Interest
 (B) Discount and Finance House of India
(C) Discount and Finance Holding Institution
(D) Degree of Financial Housing Interest

65. A system of determination of that level of activity where total sales are equal to total costs is referred to
- (A) Break even Analysis (B) Margin of safety Analysis
 (C) Contribution Analysis (D) Profit volume Analysis
66. A company has fixed expenses of Rs.1,80,000 with sales of Rs.5,00,000 and a profit of Rs.70,000. What will be its profit / volume ratio?
- (A) 40% (B) 50%
 (C) 60% (D) 70%
67. Calculate fixed cost from the following :
- | | |
|---------------|-------------|
| Sales | Rs.3,00,000 |
| Variable cost | Rs.1,80,000 |
| Profit | Rs.50,000 |
- (A) Rs.70,000 (B) Rs.1,30,000
 (C) Rs.1,20,000 (D) Rs.80,000
68. When the margin of safety is 20% and P/V ratio is 60%, the profit will be
- (A) 30% (B) $33\frac{1}{3}\%$
 (C) 12% (D) 15%
69. Which one of the following is the non-cost factor to be considered in the make or buy decisions?
- (A) Plant capacity
 (B) Special machinery required
 (C) Secrecy of company production
 (D) Tax considerations
70. In lodging houses, costs are expressed in terms of
- (A) Room day (B) Customer day
 (C) Customer hour (D) Room hour

71. Margin of safety is the difference between _____.
- (A) Actual sales and standard sales
 (B) Actual sales and Break-even sales
 (C) Standard sales and Break-even sales
 (D) Sales and revenue
72. From the following which one is the formula for calculating P/V ratio
- (A) $\frac{\text{Gross Profit}}{\text{Sales}} \times 100$ (B) $\frac{\text{Net Profit}}{\text{Sales}} \times 100$
 (C) $\frac{\text{Credit sales}}{\text{Debtors}}$ (D) $\frac{\text{Contribution}}{\text{Sales}} \times 100$
73. Which one of the following formula is used for calculating material cost variance
- (A) $SQ \times SP - AQ \times AP$ (B) $SP - AP \times AQ$
 (C) $SQ - AQ \times SP$ (D) $RSQ - AQ \times SP$
74. Operating cost is more useful in _____
- (A) manufacturing industries (B) trading organisations
 (C) service industries (D) sugar industries
75. Find out marginal cost from the following details :
- Direct materials Rs. 80,000, Direct wages Rs. 32,000, Direct expenses Rs. 11,000, Variable overheads Rs. 5,600.
- (A) 112000 (B) 117600
 (C) 85600 (D) 128600
76. Composite unit is a distinctive features of
- (A) single costing (B) operating costing
 (C) process costing (D) job costing

77. Gang composition variance is a sub-variance of
 (A) labour efficiency variance (B) capacity variance
(C) volume variance (D) material efficiency variance
78. Profit/Profit-volume ratio is need to find out
(A) Contribution (B) Break-even point sales
 (C) Margin of safety (D) Fixed cost
79. Consider the following and choose the variable cost from the responses :
(i) Sales : Rs. 2 lakhs
(ii) Profit : 30% of sales
(iii) Fixed cost : Rs. 50,000
(A) Rs. 60,000 (B) Rs. 90,000
(C) Rs. 1,10,000 (D) Rs. 1,40,000
80. In which methods sales variances are calculated?
(A) With reference to turnover
(B) With reference to profits
 (C) With reference to turnover and profits
(D) With reference to price
81. In standard costing uncontrollable variances arises due to
 (A) Increase in prices of materials
(B) Increase in wages of labour
(C) Increase in wages indirect labour
(D) Increase in indirect expenses
82. State the valid reason for overhead variance
(A) advance payment of expenses
(B) outstanding expenses
(C) on account of certain abnormal expenses incurred
 (D) either (A) or (B) or (C)

83. As per AS-14 – the pooling of interest method is specially applied for
- (A) Reconstruction
 - (B) Amalgamation in the nature of merger
 - (C) Amalgamation in the nature of purchase of business
 - (D) Amalgamation in the nature of both merger and purchase of business
84. In case of departmental accounts, the reserve/profit included in the opening stock must be credited to the general P and L account as _____.
- (A) Net profit
 - (C) Opening stock reserve
 - (B) Net profit before income tax
 - (D) Closing stock reserve
85. A non-trading organisation prepares _____ to show the cash transactions.
- (A) Balance Sheet
 - (B) Receipts and Payments account
 - (C) Income and Expenditure account
 - (D) Profit and Loss account
86. Branch a/c Dr xxx
- | | | |
|----|------------------|-----|
| To | Stock a/c | xxx |
| To | Petty cash a/c | xxx |
| To | Debtors a/c | xxx |
| To | Fixed assets a/c | xxx |
- The above entry is passed in the books of H.O.
- (A) To send the assets to branch
 - (B) To depreciate the assets by branch
 - (C) To record the value of assets at the branch on beginning of the year
 - (D) To record the value of assets at the branch on closing of the year
87. While preparing departmental accounts, expenses which do not have any connection with the department must be shown in the _____ of the _____.
- (A) Debit, General Profit and Loss account
 - (B) Credit, General Profit and Loss account
 - (C) Debit, Profit and Loss account
 - (D) Credit, Profit and Loss account

88. _____ are incurred in the normal function maintaining a non-trading organisation.
- (A) Revenue expenditures (B) Capital expenditures
(C) Revenue receipts (D) Capital receipts
89. U/S 64 V(i) of the IRDA Act, the Reserve for unexpired Risk for Marine Cargo business should be
- (A) 40% (B) 45%
 (C) 50% (D) 100%
90. In Life Insurance revenue account, schedule 4 is named as
- (A) Premiums earned (B) Commission expenses
(C) Various operating expenses (D) Benefits paid
91. _____ percentage of profit to be transferred to statutory reserve by the banking company incorporated in India, before any dividend is declared.
- (A) 15 (B) 20
 (C) 25 (D) 50
92. From the following statements, relating to insurance business findout a wrong statement
- (A) The commission received from the reinsurer is called commission on reinsurnace accepted
(B) The term surrender value is exclusively applicable for life insurance
(C) Profit on life business is found out by preparing valuation balance sheet
(D) Bonus payable on maturity of a policy is known as reversionary any bonus
93. _____ is a real account prepared at the end of a year showing a summary of cash for a particular period of a non-trading concern.
- (A) Profit and Loss appropriation account
 (B) Receipts and Payments account
(C) Income and Expenditure account
(D) Balance Sheet

94. The another version of 'PDCA' cycle in OPDCA, the added 'O' stands for
- (A) Observe the current condition
 - (B) Observe the current situation
 - (C) Observe the current strength
 - (D) Observe the current weakness
95. Under PDCA-Plan, Do, Check and Act refers to?
- Data relates to
- (A) Plan-Establish objectives, Do-allows the plan, check-results gathered from the 'do' are evaluated, and Act-process is improved
 - (B) P-establish objectives, D-allows replan, C-results gathered from the do are evaluated and A never change anything
 - (C) P-think, D-execute, C-varify and A-final alternative
 - (D) P-Establish the improval process, D-detailed plan, C-Check irrelavent things and A-Action to coordinate all the things
96. What is the nature of relationship of Plan, Do, Check and Act under PDCA?
- (A) all are interdependent
 - (B) all are dependent
 - (C) first two are dependent and remaining are independent
 - (D) all are independent
97. Which one is also known as "Building people before building car"?
- (A) TPM (Total Productive Mgt)
 - (B) TQM (Total Quality Mgt.)
 - (C) PDCA-Plan-Do-Check-Act
 - (D) BSC-Balanced Score Card
98. What is mean by developing critical thinking and scientific problem solving?
- (A) analyse in multiple dimensions and solution should be cause and effected relations
 - (B) analyse in single way and solution should be specific purpose
 - (C) analyse in alternative way and solution should be temporarily solve the problem
 - (D) analyse in couble way and identify any one of the way should solve the problem

99. Death cum Retirement Gratuity received by a Government employee is
- (A) Fully taxable
 - (B) Partially taxable
 - (C) Fully exempted
 - (D) Govt. pays the tax on behalf of employee
100. The rate of income tax on income of partnership firm assessed as firm is
- (A) 10%
 - (C) 30%
 - (B) 20%
 - (D) 40%
101. Choose the appropriate section which provides for exemption from capital gains
- (A) U/s 16
 - (C) U/s 35
 - (B) U/s 24
 - (D) U/s 54
102. Adam Smith has propounded _____ canons of Taxation as general principles of Taxation.
- (A) Four
 - (B) Five
 - (C) Six
 - (D) Seven
103. Input tax credit set off for CGST will be taken for taxes allowed against
- (A) State only
 - (C) Both State and Centre
 - (B) Centre only
 - (D) Union Territory
104. In computing income from profession, gifts received from clients/patients are
- (A) taxable professional income
 - (B) non-taxable income
 - (C) taxable above Rs. 5,000
 - (D) taxable under the head income from other sources
105. Contribution made to an approved scientific research association is eligible for a weighted deduction which is equal to _____ per cent of any sum paid.
- (A) 110
 - (C) 150
 - (B) 120
 - (D) 175

106. Choose the appropriate tax rates of GST under the GST Act 2017.
- (A) 5%, 12%, 18%, 28% (B) 0%, 5%, 18%, 28%
- (C) 0%, 3%, 5%, 12%, 18%, 28% (D) 0%, 3%, 5%, 10%, 18%, 28%
107. At what percentage the standard deduction for income from house property is allowed?
- (A) 30% of NAV (B) 20% of NAV
- (C) 15% of NAV (D) 10% of NAV
108. Which of the following is considered as disallowed expenses?
- (A) Interest on capital (B) Donations
- (C) Drawings (D) All the above three i.e (A), (B) and (C)
109. How many conditions must be satisfied by an individual to become a Resident of India?
- (A) One of the two basic conditions
- (B) Both the basic conditions
- (C) Both the additional conditions
- (D) Debtor
110. By what name an Indian company's residential status is called?
- (A) Resident (B) Non-Resident
- (C) Ordinarily resident (D) Occasional person
111. Refreshment provided by an employer to all employees during office hours is a
- (A) Perquisite – not taxable
- (B) Perquisite – taxable
- (C) Perquisite – Govt. control
- (D) Not a perquisite

112. When a party to an agreement makes a false representation of fact deliberately is called
- (A) Mistake (B) Fraud
 (C) Misrepresentation (D) Crime
113. No adult worker shall be required or allowed to work in a factory for more than 9 hours in any day. However this can be extended in order to facilitate change of shift with the previous approval of
- (A) Chief Inspector of labour (B) Deputy Inspector of factories
 (C) Deputy Inspector of labour (D) Chief Inspector of Factories
114. Match the following
- | | | |
|-----------------------|----|----------------------|
| (a) Consensus ad idem | 1. | A nude contract |
| (b) Nudum factum | 2. | Something in return |
| (c) Quid pro quo | 3. | Meeting of minds |
| (d) Void at initio | 4. | Un lawful agreements |
- | | | | |
|---------------------------------------|-----|-----|-----|
| (a) | (b) | (c) | (d) |
| <input checked="" type="checkbox"/> 3 | 1 | 2 | 4 |
| (B) 1 | 2 | 3 | 4 |
| (C) 2 | 3 | 4 | 1 |
| (D) 4 | 2 | 1 | 3 |
115. Limited liability Partnership Act was passed solely or primarily.
- (A) To remove the benefits of Garner Vs Murray at the time of dissolution of the firm
 (B) To cancel the right of lieu on the surplus assets
 (C) To relook the Rights and Liabilities of partners on Dissolution
 (D) To make small and medium entrepreneurs specially professionals globally compative
116. Permissible limits of exposure of chemical and toxic substances is dealt by
- (A) Sec 41 – E of the Factories Act (B) Sec 41 – F of the Factories Act
 (C) Sec 41 – G of the Factories Act (D) Sec 41 – H of the factories Act
117. Sections 58 and 59 of the Indian Partnership Act deals
- (A) Time of registration (B) Effects of non-registration
 (C) Procedure for registration (D) Duration of the Partnership

118. Sale made on a counter of a shop is _____.
- (A) Absolute sale (B) Conditional sale
(C) Agreement to sell (D) Bailment
119. Choose the appropriate year for the sale of Goods Act.
- (A) 1872 (B) 1927
 (C) 1930 (D) 1932
120. Choose the case in which an agreement does not become a contract.
- (A) Consensus ad item
 (B) No legal relationship
(C) Lawful consideration
(D) Free consent
121. Assertion (A) : Every void contract may not be illegal.
Reason (R) : Void contract is legal if its consideration is opposed to public policy.
- (A) is true and (R) is false
(B) (A) is false and (R) is true
(C) Both (A) and (R) are true
(D) Both (A) and (R) are false
122. When law imposes a contract and if neither of the parties had the intention to make a contract it is a case of
- (A) Express contract
(B) Implied contract
 (C) Quasi contract
(D) Voidable contract

123. The term goods under the sale of Goods Act does not include
- (A) Contingent goods (B) Unascertained goods
 (C) Future goods (D) Auctionable claims
124. X sold a car to Y. The title to the car was not yet transferred but Y has taken possession of the car. In Y's premises the car was damaged in a cyclone. Who is to bear the risk of loss?
- (A) X (B) Y
 (C) Both X and Y (D) Neither X nor Y
125. How many benefits are available under E.S.I. Act?
- (A) Four (B) Five
 (C) Six (D) Seven
126. Which of the following helps the investor to decide whether to buy the share or forego purchase?
- (A) Earning per share (B) Dividend yield ratio
 (C) Price earning ratio (D) Return on shareholders funds
127. Cost accounting deals primarily with
- (A) Ascertainment of revenue (B) Ascertainment of profit
 (C) Ascertainment of cost (D) Ascertainment of inventory
128. The term financial analysis includes
- (A) Analysis only
 (B) Interpretation only
 (C) Both analysis and interpretation
 (D) Recording, transaction analysis and interpretation
129. Consider the following information and choose which company is more profitable.
- | Company | P | Q | R | S |
|------------------|---------|---------|---------|---------|
| Net profit ratio | 5% | 3% | 8% | 6% |
| Turnover ratio | 6 times | 5 times | 3 times | 4 times |
- (A) Company P (B) Company Q
 (C) Company R (D) Company S

130. Choose the standard fixed charges cover of interest for an industrial company.
- (A) 3 – 4 times (B) 4 – 5 times
(C) 5 – 6 times (D) 6 – 7 times
131. From the given information choose the period within which the total cash inflows from the project equals the cost of investment.
- I. Initial investment – Rs. 5 lakhs
II. Yield profit Rs. 1,00,000 after writing off depreciation of Rs. 25,000.
- (A) 5 years (B) 4 years
(C) 6.6 years (D) 4.75 years
132. The theory of learning curve was first introduced by
- (A) F.W. Taylor (B) Henry Fayol
(C) Adam Smith (D) T.P. Wright
133. The three most useful financial statements for management are
- (A) Income statement, statement of retained earnings and balance sheet
 (B) Income statement, balance sheet and statement of changes in financial position
(C) Income statement, statement of retained earnings and fund flow statement
(D) Statement of retained earnings, balance sheet and fund flow statement
134. The cost auditor reports to the
- (A) State Govt.
(B) Board of Directors
 (C) Central Government
(D) Both for State Govt. and Central Govt.

135. _____ is the process of deciding in advance by the auditor
- (A) Audit system
 - (B) Audit planning
 - (C) Organization
 - (D) Audit programme
136. Concerned with ascertaining arithmetical accuracy of costing, posting and carry forward.
- (A) Routine checking
 - (B) Occasional testing
 - (C) Analysis
 - (D) Observation
137. _____ defined as an internal auditing document.
- (A) Audit paper
 - (B) Audit manual
 - (C) Receipts
 - (D) Bills
138. Process of examining the few representative transactions instead of all transactions
- (A) Test checking
 - (B) Audit planning
 - (C) Audit programme
 - (D) Audit file
139. _____ maintain different audit document.
- (A) Audit file
 - (B) Verification
 - (C) Audit fee
 - (D) System

147. Variability of cash flow and the resultant risk associated with the project is the fundamental of _____ approach to risk analysis in capital budgeting.
- (A) Sensitivity Analysis (B) Probability Assignment
 (C) Standard deviation (D) Coefficient of variation
148. In _____ method, stock value is nearer to current market prices.
- (A) First in, First out method (B) Last in, First out method
(C) Weighted average price method (D) Highest in, first out method
149. Which of the following methods is more suitable when a firm has two or more projects competing for the same funds and the question of ranking arises
- (A) Pay-back period method (B) Net present value method
(C) Internal rate of return method (D) Profitability index method
150. Standard Cost Method of Human Resource Valuation was developed by
- (A) Hekimian (B) Eric G. Clamholtz
 (C) David Watson (D) William C. Pyle and R.G. Barry
151. Risk associated with Debt-Equity mix is an example of
- (A) Business risk (B) Financial risk
(C) Default risk (D) Purchasing power risk
152. According to _____ approach, the cost incurred for recruiting, training and developing the employees should be capitalised and the same should then be amortized over the estimated useful life of the human resources.
- (A) Historical cost (B) Replacement cost
(C) Opportunity cost (D) Standard cost

153. Company A is expected to pay a dividend of Rs. 16 per equity share. The dividends are expected to grow perpetually at a growth rate of 10%. What is the share price today, if the market capitalises dividend at 15%
- (A) Rs. 200 (B) Rs. 260
 (C) Rs. 320 (D) Rs. 350
154. The total value of plant at the beginning - Rs. 1,04,000 during the year, a piece of plant costing Rs. 4,000 (Depreciation Rs. 2,000) was sold for Rs. 800. What will be the closing value of plant in the balance sheet?
- (A) 96,000 (B) 1,00,000
 (C) 1,02,000 (D) 1,03,200
155. The term current assets does not include
- (A) Payment in advance (B) Bills receivable
 (C) Long-term deferred charges (D) Inventory
156. The formula for Earning Per Share (EPS) is
- (A) $EPS = \frac{\text{Net profit available to equity shareholders}}{\text{Number of ordinary shares outstanding}}$
 (B) $EPS = \frac{\text{Net profit for debtors}}{\text{Number of ordinary shares outstanding}}$
 (C) $EPS = \frac{\text{Net profit for creditors}}{\text{Number of preference shares}}$
 (D) $EPS = \frac{\text{Gross profit available to preference shareholders}}{\text{No of preference shares}}$
157. The traditional approach is a mid-way approach between
- (A) NI and NOI approach (B) NI and traditional approach
 (C) NOI and MM-approach (D) NOI and traditional approach

164. A company issues 9% 8000 Preference shares of Rs.100 each at par. It incurs the following expenses in connection with the issue of preference shares :
- Underwriting commission – 2%;
 Printing and other expenses – Rs.12,000
 Brokerage – 1%
- Calculate the net proceeds per preference share.
- (A) Rs.98.5 (B) Rs.96.5
 (C) Rs.97 (D) Rs.95.5
165. Calculate the combined leverage from the following data :
- Sales – 2,00,000 units at Rs.2 per unit
 Variable cost – Rs.0.70 per unit
 Fixed cost – Rs.2,00,000
 Interest – Rs.20,000
- (A) 5 (B) 5.5
 (C) 6 (D) 6.5
166. The financial leverage employed by a company is intended to earn more on the _____ funds from their costs.
- (A) Fixed charges (B) Variable charges
 (C) Capital charges (D) Short-term charges
167. In Kaizen costing, for evaluating the quality improvement a system called ASTEM is followed. ASTEM stands for
- (A) Action, System, Training, Employees, Management
 (B) Acceptance, Safety, Terms, Execution, Monitoring
 (C) Action, Strategy, Tracking, Extraordinary, Manufacturing
 (D) Attitude, Safety, Productivity, Energy Saving, Money Saving
168. Target costing deals with three aspects. One is odd out from the following. Find out :
- (A) Target innovation (B) Target price
 (C) Target profit (D) Target cost
169. Activity based costing was introduced in the year
- (A) 1968 (B) 1988
 (C) 1987 (D) 1996

170. The system of costing which treats variable costs as product cost and fixed cost as period cost is
- (A) direct costing (B) differential costing
 (C) marginal costing (D) absorption costing
171. Difference in costs between alternatives is termed as
- (A) relevant cost (B) differential cost
(C) future cost (D) alternative cost
172. CVP analysis is the most significant for determination of
- (A) relationship between revenues and costs at various levels of operations
(B) sales revenue is necessary to equal fixed cost
(C) volume of operations necessary to break even
(D) variable revenues necessary to equal fixed cost
173. The firms produced homogeneous product in the market, that market is called as
- (A) perfect competition
(B) imperfect competition
(C) oligopoly
(D) monoposony
174. A market structure where there is only one firm in the industry is called
- (A) Oligopoly
(B) Duopoly
 (C) Monopoly
(D) Monopolistic competition

175. The physical distance covered by a vehicles is measured in terms of
- (A) Ton kilometers (B) Vehile days
(C) Passander kilometers (D) Running kilometers or miles
176. From the following find out which one is the wrong statement?
- (A) Marginal costing is a technique for managerial decision making
 (B) Marginal costing is a method of cost ascertainment
(C) Marginal costing is helpful in determining the profitability
(D) Marginal costing interprets the cost on the basis of nature of cost
177. From the given statements find out the wrong statement?
- (A) operating cost statement is prepared to calculate the cost in the case of service costing
(B) service costing is applied in canteens
(C) in hospitals, the cost unit is bed-day
 (D) the cost unit in a electricity generating concerns is per unit
178. _____ shows the profit/loss at different levels of output in marginal costing.
- (A) Cash break even chart
(B) Profit chart for product wise analysis
 (C) Profit-volume graph
(D) Control break even chart
179. Consider the following statement.
- I. Marginal cost is a variable cost.
II. Marginal cost is also known as absorption cost.
- Which of the above statement is/are correct?
- (A) I only (B) II only
(C) I and II are correct (D) Neither I nor II

185. When shareholders holding not less than 90% of the face value of the equity shares of the transferor company become equity shareholders of transferee company by virtue of the amalgamation, is called
- (A) Amalgamation in the nature of merger
 - (B) Amalgamation in the nature of purchase
 - (C) Amalgamation in the nature of sale
 - (D) Amalgamation in the nature of holding
186. Under Double account system, when an asset is replaced, any amount realised on sale of old materials will be credited to
- (A) Net revenue a/c
 - (B) Revenue a/c
 - (C) Asset a/c
 - (D) Replacement a/c
187. In case of Electricity companies, the contribution to general reserve should be made until it reaches _____ of the original cost of the assets.
- (A) 5%
 - (B) 8%
 - (C) 10%
 - (D) 12%
188. Accounting standard AS – 5 should not be applied by an enterprise in presenting Profit or Loss from
- (A) ordinary activities
 - (B) extra-ordinary activities
 - (C) prior period items
 - (D) contingency items
189. Consider the following and choose the amount to be charged Income and Expenditure account for the year ending 31st December 2018.
- (i) Stock of stationery on 1.1.18 – Rs. 3,000
 - (ii) Creditors for outstanding stationery on 1.1.18 – Rs. 2,000
 - (iii) Amount paid for stationery during the year – Rs. 10,800
 - (iv) Stock of stationery on 31.12.18 – Rs. 500
- (A) Rs. 6,300
 - (B) Rs. 15,300
 - (C) Rs. 11,300
 - (D) Rs. 9,800
190. In case of departmental accounts, the expenses like carriage inwards, freight are apportioned on the basis of
- (A) Sales value of each department
 - (B) Purchase value of each department
 - (C) No. of staff in each department
 - (D) Value of asset possessed by each department

191. Decision support system refers to
- (A) the process of decision-making
 - (B) the process of problem analysis
 - (C) the process of budget making
 - (D) the process of controlling system
192. What is Enterprise Resource Planning (ERP)?
- (A) integrate various functions of business
 - (B) integrate various operating which are support to administration
 - (C) integrate various functions of managers
 - (D) integrate various operations of organisms
193. Which one of the following is related to total productive maintenance?
- (A) machine, equipment, processes and employee
 - (B) marketing, customers and employee
 - (C) insurance, banking and production
 - (D) raw materials, consumers and market
194. SWOT analysis is under taken to know
- (A) the growth in sales
 - (B) the improvement in profit margin
 - (C) the strength, weakness, opportunities and threats
 - (D) the performance of share prices of the firm
195. Global corporate citizenship and _____ forms yet another important business environmental factor.
- (A) social responsibility
 - (B) moral responsibility
 - (C) individual responsibility
 - (D) government responsibility

196. A cash flow statements reveals
- (A) Net cash flow during a period
 - (B) Cash Profit
 - (C) Cash receipt alone
 - (D) Cash payments alone
197. Admission Fee Income should be
- (A) Capitalised
 - (B) Treated as a revenue
 - (C) Treated as a liability
 - (D) Treated as revenue unless the amount is pretty large
198. The International Organisation for Standardization (ISO) has published the first standard _____ defining a six sigma process.
- (A) ISO 13053 : 2011
 - (B) ISO 13053 : 2013
 - (C) ISO 13053 : 2009
 - (D) ISO 13053 : 2010
199. Regression analysis is a set of statistical processes for estimating the
- (A) differences among the variables
 - (B) relationships among variables
 - (C) dependence between two variables
 - (D) association between two variables
200. Cost benefit analysis estimating about
- (A) strength and weakness of main used
 - (B) strength and weakness of main and alternatives used
 - (C) strengths and weaknesses of alternatives used
 - (D) strengths and opportunities of alternatives used

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