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Kerala SET



1. Which one of the following is the exact sequence of strategic decision making framework?
 - A) Environment analysis—Management judgement—Strategic Choices—Functional and organisational policies—Strategy implementation
 - B) Environment analysis--Strategic Choices—Management judgement—Functional and organisational policies—Strategy implementation
 - C) Environment analysis—Management judgement—Functional and organisational policies —Strategic Choices—Strategy implementation
 - D) Environment analysis—Management judgement—Strategic Choices—Strategy implementation —Functional and organisational policies
2. An enduring statement of purpose that distinguishes one organisation from other similar organisations is known as:
 - A) Vision
 - B) Mission
 - C) Objectives
 - D) Strategy
3. Intensity of competition is determined by various potential entrants, suppliers, industry competitors, rivalry among existing firms, buyers and substitutes. The above view is expressed by:
 - A) Thompson
 - B) Michael Porter
 - C) Peter F. Drucker
 - D) C. K. Prahalad
4. ETOP stands for:
 - A) Enterprise Total Output Plan
 - B) Enterprise Threat and Opportunity Profile
 - C) Enterprise Threat and Opportunity Policy
 - D) Enterprise Team Outlook Planning
5. Partnerships in which two or more firms carry out a specific project in a selected area of business is known as:
 - A) Joint Ventures
 - B) Franchising
 - C) Licensing
 - D) Strategic Alliance
6. Business units with dim growth prospectus and trailing market position are categorised in the BCG matrix as:
 - A) Cash Cows
 - B) Stars
 - C) Dogs
 - D) Question Marks
7. Under which one of the following organisation structures, both functional and project managers exercise authority over organisational activities?
 - A) Functional
 - B) Product
 - C) Geographical
 - D) Matrix
8. Which one of the following is **not** a retrenchment strategy?
 - A) Turnaround strategy
 - B) Divestment strategy
 - C) Harvesting strategy
 - D) Liquidating strategy

9. ----- was instrumental in developing MBO.
- A) Henry Fayol B) Peter F. Drucker
C) Harold Koontz D) Abraham Maslow
10. Identify the one which is **not** an argument in support of the contention, 'management is a profession':
- A) A systematic body of knowledge
B) Need for learning and proper organisation
C) Dominance of profit motive over service motive
D) Entry restricted on the basis of examination or education
11. Match the following:
- | List I | List II |
|--|------------------------------|
| (i) Development of scientific management | a) L.M. Gilbreth |
| (ii) Time and Motion study | b) Henry Fayol |
| (iii) Concern for welfare of workers | c) F. W. Taylor |
| (iv) General Theory of Management | d) Robert Owen |
| A) i- c ; ii-b; iii-d ; iv-a | B) i- c ; ii-d; iii-a ; iv-b |
| C) i- c ; ii-b; iii-a ; iv-d | D) i- c ; ii-a; iii-d ; iv-b |
12. The propounder of ERG (Existence, Relatedness and Growth) theory of motivation:
- A) Alderfer B) Mc Clelland C) Maslow D) Elton Mayo
13. ----- is **not** regarded as a strong supporter of behavioural theory of management.
- A) Elton Mayo B) Douglas Mc Gregor
C) Henry Gantt D) Mary Parker Follet
14. Match the following:
- | List I | List II |
|---|------------------------------|
| (i) What organisation hope to achieve in specific measurable terms | a) Policy |
| (ii) Long term direction and scope of an organisation | b) Programme |
| (iii) Broad course of action governing employees at all levels | c) Strategy |
| (iv) A predetermined and established guidelines aimed towards attainment of accepted goals and objectives | d) Objectives |
| A) i- d ; ii-c; iii-b ; iv-a | B) i- c ; ii-d; iii-a ; iv-b |
| C) i- c ; ii-b; iii-a ; iv-d | D) i- c ; ii-a; iii-d ; iv-b |
15. Passive leadership style in which the leader assumes the role of just another member of the group:
- A) Paternalistic style B) Laissez faire style
C) Autocratic style D) Charismatic style

16. Pick the correct sequence that can be found in a sound control system:
- Establishment of standards—Measurement of performance—Comparison of actuals against standards—Correction of deviation
 - Establishment of standards—Comparison of actuals against standards -- Measurement of performance—Correction of deviation
 - Establishment of standards—Correction of deviation—Measurement of performance—Comparison of actuals against standards
 - Establishment of standards—Measurement of performance—Correction of deviation—Comparison of actuals against standards
17. Which one of the following is **not** a feature of contingency theory of organisation behaviour?
- Spells out the relationship of organisation to its environment clearly
 - Considers all organisation to be similar
 - Relates environment to specific organisation structure and design
 - Takes a specific view of how the organisation adjusts to its environment with structural adaptations
18. The personality dimension which explains the extent to which individuals are creative, curious and cultured:
- Conscientiousness
 - Extroversion
 - Emotional stability
 - Openness to experience
19. Which one of the following is **not** an informal group?
- Interest group
 - Command group
 - Friendship group
 - Reference group
20. Which one of the following is a feature of Group Cohesiveness?
- Group members have dissimilar interests and backgrounds
 - Members have low degree of status within the organisation
 - The leader of the group rewards co-operative behaviour
 - Have relatively larger number of members
21. ----- is **not** a component of economic environment.
- Inflation rate
 - Balance of payment
 - Constitution of Niti Aayog
 - Index of Industrial Production
22. The “heavy industry” strategy of the Mahalanobis model was initiated in:
- First plan
 - Second plan
 - Third plan
 - Fourth plan
23. The public sector undertaking in the news for disinvestment recently:
- HPCL
 - BPCL
 - IOC
 - ONGC
24. Portion of deposits which banks have to keep with the RBI as cash:
- SLR
 - SDR
 - CRR
 - OMO

25. Fiscal deficit stands for:
- Excess of Govt. expenditure over revenue receipts and grants
 - Excess of Govt. expenditure over revenue receipts
 - Excess of Government's revenue receipts over Government expenditure
 - Excess of Government expenditure over revenue receipts, grants and non-debt capital receipts
26. Match the following with reference to the concept of National Income:
- | List I | List II |
|--------------------------|--|
| (i) NNP | a) Market value of all final goods and services after providing for Depreciation |
| (ii) GNP | b) Total market value of all final goods and services produced in a year |
| (iii) NNP at Factor Cost | c) Sum of all incomes actually received by all individuals or households during a given year |
| (iv) Personal Income | d) Sum of all incomes earned by resource suppliers for their contribution to labour, capital and their entrepreneurial ability |
- A) i-a; ii-b; iii-d; iv-c B) i-c; ii-a; iii-d; iv-b
C) i-b; ii-d; iii-a; iv-c D) i-d; ii-a; iii-b; iv-c
27. ----- is **not** a poverty alleviation programme.
- Pradhan Manthri Gramodaya Yojana
 - National Social Assistance Programme
 - Rajiv Gandhi Garibi Hatavo Yojana
 - Jawahar Grama Samridhi Yojana
28. The project of Government of India, which dealt with training rural youth for taking up self-employment:
- A) TRYSEM B) SUME C) SHASU D) SUWE
29. Which one of the following cannot be seen as a measure to augment the globalisation process?
- Guaranteeing fiscal discipline
 - Protection of Intellectual Property Rights
 - Licensing by Government
 - Promotion of Foreign Direct Investment
30. Which one of the following is **not** an objective of SEZs?
- Promotion of exports of goods and services
 - Development of Infrastructure facilities
 - Elimination of import substitution
 - Promotion of investment from domestic and foreign sources
31. The EXIM policy, which removed physical controls on imports:
- A) EXIM Policy 1999-2000 B) EXIM Policy 2000-2001
C) EXIM Policy 2001-2002 D) EXIM Policy 2002-2007

32. With regard to international trade, DTA stands for:
 A) Direct Tax Avoidance B) Domestic Tax Area
 C) Domestic Tariff Area D) Direct Taxing Agency
33. An investment in equity of Indian companies through Stock Exchanges in India is known by the name:
 A) GDR B) ADR C) FDI D) FII
34. World Bank was established in the year:
 A) 1945 B) 1946 C) 1948 D) 1949
35. WTO was created as an embodiment of:
 A) Marrakara Rounds B) Uruguay Rounds
 C) Quoto Rounds D) Doha Rounds
36. Match the following:
- | List I | List II |
|--|----------------|
| (i) Factors which affect the import and export mechanisms of a country | a) SDR |
| (ii) Quota assigned to IMF for supplementing their resources | b) BoT |
| (iii) Percentage of deposit a bank is required to maintain in the form of cash, gold or Govt. security | c) NTB |
| (iv) Balance between imports and exports of the country | d) SLR |
- A) i-c; ii-d; iii-a; iv-b B) i-b; ii-a; iii-d; iv-c
 C) i-c; ii-a; iii-d; iv-b D) i-c; ii-d; iii-b; iv-a
37. The data base which contains geographical database, clip designing database, medical and satellite image database:
 A) Spatial database B) Object Oriented database
 C) Multimedia database D) Temporal database
38. Match the following:
- | List I | List II |
|---------------|---|
| (i) Byte | a) A collection of information that is organised so that it can easily be accessed, managed and updated |
| (ii) Record | b) A related collection of records |
| (iii) File | c) A unit of data such as a record, message header or computer instruction with fixed size |
| (iv) Database | d) A group of fields within a table that are relevant to specific entry |
- A) i-d; ii-c; iii-b; iv-a B) i-c; ii-d; iii-b; iv-a
 C) i-b; ii-d; iii-a; iv-c D) i-d; ii-a; iii-b; iv-c
39. Identify the one which is **not** an element of data warehousing:
 A) Subject orientation B) Time variant
 C) Volatility D) Integration

40. Pick the correct sequence of decision making process from the following:
 A) Choice—Intelligence—Design—Implementation
 B) Intelligence—Choice—Design—Implementation
 C) Choice—Intelligence—Implementation—Design
 D) Intelligence—Design—Choice—Implementation
41. Given, opening debtors as Rs. 35,000; closing debtors Rs. 42,000; bad debts Rs. 6,000, Collection from debts Rs. 5,10,000 and bills receivable obtained from debtors Rs. 28,000. Then, what will be the credit sales for the period?
 A) Rs. 5,51,000 B) Rs. 5,21,000 C) Rs. 5,00,000 D) Rs. 4,95,000
42. Identify the one, which is shown in the debit side of a cash book:
 A) Trade discount allowed B) Cash discount allowed
 C) Trade discount received D) Cash discount received
43. For the following states of assertion and reasoning, indicate the most appropriate answer:
 Assertion: Compensatory errors are generally not revealed by a Trial Balance.
 Reasoning: Such errors affect only the assets and the liabilities and not expenses and incomes.
 A) I is true and II is false B) I is false and II is true
 C) Both are true D) Both are false
44. The fundamental accounting concept behind the treatment of depreciation in the books of accounts:
 A) Business entity B) Going concern
 C) Materiality D) Accrual
45. Date of capitalisation of an asset is effective from the day:
 A) Asset is available for use B) Asset is received from the supplier
 C) Supply order is placed D) Asset is put to actual use
46. Match the following:
- | List I | List II |
|-----------------|----------------------------------|
| (i) Ind AS 2 | a) Property, Plant and Equipment |
| (ii) Ind AS 7 | b) Construction Contracts |
| (iii) Ind AS 11 | c) Valuation of Inventory |
| (iv) Ind AS 16 | d) Statement of Cash Flows |
- A) i-d; ii-c; iii-b; iv-a B) i-b; ii-d; iii-a; iv-c
 C) i-c; ii-d; iii-b; iv-a D) i-b; ii-c; iii-d; iv-a
47. State whether the below mentioned statements are true or false:
 Statement I: According to Ind AS 18, revenue on account of tuition fee is recognised on straight line basis.
 Statement II: Income of an advertisement company is recognised, when the related advertisement appears before the public
 A) I is true and II is false B) I is false and II is true
 C) Both are true D) Both are false

48. When preference shares are redeemed out of profits, which one of the following amount is transferred to capital redemption reserve account?
- A) Paid up capital B) Redemption value
C) Nominal value D) Subscribed capital
49. Intrinsic value method of valuing of shares is also known as:
- A) Fair value method B) Net present value method
C) Book value method D) Net asset value per share method
50. Inventory is valued at cost or fair value whichever is less. Which one of the following accounting convention/concept is behind this assumption?
- A) Matching B) Conservatism
C) Dual aspect D) Accounting period
51. The expansion of IFRS:
- A) Indian Financial Reconstruction System
B) International Financial Review of Standards
C) International Financial Reporting Standards
D) International Frauds Reporting System
52. Match the following:
- | List I | List II |
|---|----------------------------|
| (i) One company is wound up to form a new company | a) Amalgamation |
| (ii) Two or more companies wound upto form a new company | b) Absorption |
| (iii) One of more existing companies taken over by another existing company | c) Internal Reconstruction |
| (iv) An existing company's capital is reduced | d) External Reconstruction |
- A) i-c; ii-d; iii-b; iv-a B) i-d; ii-b; iii-a; iv-c
C) i-d; ii-c; iii-b; iv-a D) i-d; ii-a; iii-b; iv-c
53. Which one of the following is not an entry appearing in the profit and loss appropriation account?
- A) Dividend to equity shareholders
B) Dividend to preference shareholders
C) Interest on debentures payable
D) Corporate Dividend Tax
54. If gross profit amounted to Rs. 45,000 and gross profit ratio is 20 %, what will be the cost of goods sold?
- A) Rs. 90,000 B) Rs. 1, 35,000 C) Rs. 1, 50,000 D) Rs. 1, 80,000
55. Formation expense of a company is otherwise known as:
- A) Deferred revenue expenses B) Legal Charges
C) Preliminary expenses D) Miscellaneous expenses
56. In the case of reconstruction of a company, balance in realisation account is transferred to:
- A) Equity share capital a/c B) Profit and Loss a/c
C) General Reserve a/c D) Equity Shareholders' a/c

57. Naked debentures are otherwise known as:
 A) Convertible debentures B) Unsecured debentures
 C) Fully secured debentures D) Redeemable debentures
58. The total of balance sheet will be unaffected under which one of the following circumstances?
 A) Issue of bonus shares B) Issue of right shares
 C) Buyback of shares D) Issue of shares at a discount
59. Total capital account of a company stood at Rs. 10,00,000, its average return on capital 15 % against a corresponding industry index of 10 %. What will be the value of goodwill based on 5 years' purchase of super profits?
 A) Rs. 2,00,000 B) Rs. 2,50,000 C) Rs. 5,00,000 D) Rs. 6,00,000
60. Which one of the following is **not** an advantage while complying with Accounting Standards?
 A) Uniformity B) Inter-firm comparison
 C) Subjectivity D) Fairness
61. Match the following with regard to classification and types of research:

List I	List II
(i) Preliminary study of an unfamiliar problem	a) Applied Research
(ii) Seeking a solution to a real life problem	b) Descriptive Research
(iii) Answering questions what is happening and why it is happening	c) Explorative Research
(iv) Finding facts to explain empirical events and entities	d) Diagnostic Research

 A) i-c; ii-d; iii-a; iv-b B) i-c; ii-a; iii-d; iv-b
 C) i-b; ii-a; iii-d; iv-c D) i-d; ii-c; iii-a; iv-b
62. ----- is **not** a criteria while editing primary data.
 A) Completeness B) Complexity
 C) Consistency D) Homogeneity
63. Three fair coins are tossed simultaneously, what is the probability that at least one head is obtained?
 A) $\frac{1}{4}$ B) $\frac{2}{4}$ C) $\frac{7}{8}$ D) $\frac{1}{8}$
64. Among the following statements, which one is correct?
 A) Mean, median and mode of a binomial distribution are equal
 B) Mean and variance of a Poisson distribution are equal
 C) Mean is larger than median of a Normal distribution
 D) Both Binomial and Poisson distributions are continuous probability distribution
65. Sampling technique which specify that the sample should contain representation in the same proportion as in population:
 A) Judgement sampling B) Snowball sampling
 C) Quota sampling D) Cluster sampling

66. State whether the following statements are true or false:
 Statement I: Rejecting a null hypothesis when it is true is known as Type II error.
 Statement II: Accepting a null hypothesis which is false is known as Type I error.
- A) I is true and II is false B) I is false and II is true
 C) Both are true D) Both are false
67. The significance level is the probability based on the assumption that:
 A) H_0 is true B) H_0 is false
 C) Population mean is known D) Population variance is known
68. In carrying out a chi-square test of independence of categorised data, one can use all, except one of the following:
 A) Observed frequencies
 B) Expected frequencies
 C) Total number of rows and columns
 D) An estimate of population variance
69. A value obtained from data for a certain parameter of the assumed model or a forecast value obtained from the model is known as:
 A) Dependent variable B) Estimate
 C) Independent variable D) Response variable
70. Likert Scale is an example of:
 A) Summative model B) Multi-Dimensional scaling
 C) Interval scaling D) Semantic Differential scaling
71. Tests of hypotheses which deal with population parameters are called:
 A) Randomness tests B) Non-randomness tests
 C) Parametric tests D) Non-parametric tests
72. Which one of the following is **not** a valid assumption for regression analysis?
 A) Relation between the variable is linear
 B) The dependent variable is a non-random variable
 C) The dependent variable follows a normal distribution
 D) The independent variable is fixed and is non-random
73. The mean and standard deviation of a data set are 12 and 3 respectively. If every observation in the data set is decreased by 2 then the coefficient of variation of the resulting data set will be:
 A) 25% B) 30% C) 50% D) 10%
74. A box contain 2 white, 3 blue and 5 green balls. Three balls are drawn in succession with replacement. The probability that all the time the ball so drawn is a green one is:
 A) $\frac{1}{2}$ B) $\frac{1}{8}$ C) $\frac{1}{5}$ D) $\frac{5}{125}$

75. For a one tailed test of hypothesis with a level of confidence of 95 %, the acceptance region shall fall:
- To the left of the positive critical value
 - To the right of the negative critical value
 - A or B above
 - Between A and B above
76. Which one of the following is **not** a property of an experiment as used in probability theory?
- There are two or more outcomes of each experiment
 - The probability of all possible outcome shall be the same
 - It is possible to specify the outcomes in advance
 - There is uncertainty about the outcomes
77. A dummy activity is introduced in a PERT network:
- When two or more activities share the same ending node
 - When two or more activities share the starting node
 - When A and B occurs simultaneously
 - None of these
78. In order to constitute a basic feasible solution in a transportation problem, the minimum number of allocations in a matrix have 'm' rows and 'n' columns is:
- $m + n$
 - $m + n + 1$
 - $m + n - 1$
 - $m \times n$
79. In a linear programming problem all the corner points formed by the points of intersection of lines representing the constraints:
- Satisfy the optimal criteria
 - Satisfy the basic criteria
 - Correspond to unbounded solution
 - Show that there is degeneracy problem
80. Match the following:
- | List I | List II |
|------------------------|--|
| (i) Cycling | a) Circle formed in a network diagram |
| (ii) Dangling | b) Situation where demand is greater than availability |
| (iii) Degeneracy | c) Re-entering of a variable which is already replaced |
| (iv) Unbounded problem | d) Not satisfying basic feasibility criteria |
- i-c; ii-a; iii-d; iv-b
 - i-d; ii-a; iii-c; iv-b
 - i-d; ii-a; iii-b; iv-c
 - i-b; ii-a; iii-d; iv-c
81. Who among the following is **not** a part of marketing mix?
- Retailers
 - Customers
 - Wholesalers
 - None of these
82. The phase in the product life cycle which normally lasts longer, when compared to other phases is-----.
- Introduction
 - Growth
 - Maturity
 - Decline
83. Low initial price fixed for making an entry into the market is known as:
- Skimming price
 - Cost plus pricing
 - Break even pricing
 - Penetration pricing

84. ----- is **not** part of an enterprise's micro environment.
 A) Suppliers B) Competitors
 C) Govt. Regulators D) Customers
85. Indicate whether the following statements are true or false:
 Statement I: Time value of money signifies that the value of a unit of money remains unchanged during different time periods.
 Statement II: Either compounding or discounting techniques can be used to make heterogeneous cash flows comparable.
 A) I is true and II is false B) I is false and II is true
 C) Both are true D) Both are false
86. Which one of the following explains the scope of financial management well?
 A) Procurement and effective utilisation of funds
 B) Procurement of finance only
 C) Expenditure of funds only
 D) Safe custody of funds only
87. The basic objective of financial management is:
 A) Maximise shareholders' wealth
 B) Maximise profit of the enterprise
 C) Comply with financial propriety
 D) Eliminate frauds and embezzlement
88. If 'r' is the rate at which money value depreciates the discount factor of an asset for 'n' years can be obtained by:
 A) $1/(1+r)$ B) $1/(1+r)^n$ C) $1/r$ D) $1/r^n$
89. If the required rate of return of investors is 14 %, the expected dividend for next year Rs. 2.50 and the investors expect the earnings/dividends to grow at 12 %, what will be the price of the shares as on today?
 A) Rs. 100 B) Rs. 120 C) Rs. 125 D) Rs. 150
90. Which one of the following will not result in an increase in IRR (keeping all other variables constant)?
 A) Increase in cash outflow B) Decrease in cash inflow
 C) Increase in cash inflow D) Decrease in salvage value of the asset

Answer questions 91 to 94 using the following facts:

Initial cash outflow of the project Rs. 8,00,000; conventional cash inflows per annum for five years Rs.3,00,000; cost of capital 12 % p.a; present value of an annuity @ 12% for 5 years comes to 6.353.

91. What will be the project's NPV?
 A) Rs. 9,05,900 B) Rs. 9,10,200 C) Rs. 9,16,500 D) Rs. 9,20,800
92. What will be the profitability index of the project?
 A) 2.62 B) 6.5 C) 19.06 D) 22.86

93. What will be the discounted post pay back return?
 A) Rs. 8,95,900 B) Rs. 9,10,200 C) Rs. 9,16,500 D) Rs. 9,05,900
94. The project's IRR will be:
 A) equal to 12 % B) greater than 12%
 C) less than 12% D) cannot say with the given information
95. If a company has issued 11 % perpetual debt at a premium of 10, when the corporate tax rate applicable to it is 25 %, what will be its after tax cost of debt?
 A) 7.50 % B) 8.25 % C) 10 % D) 11 %
96. Which one of the following is deducted from operating cycle to determine cash cycle of a manufacturing enterprise?
 A) Raw material holding period
 B) Finished goods holding period
 C) Receivable conversion period
 D) Creditors payable period
97. With reference to Net Operating Income approach, an increase in debt-equity ratio will result into:
 A) Decrease in financial risk of equity shareholders
 B) Increase in financial risk of equity shareholders
 C) Either an increase or decrease in financial risk equity shareholders
 D) Neither an increase nor a decrease in financial risk equity shareholders
98. "Market value of a share is equal to the present value of future streams of dividends". Who among the following is associated with this theory of dividend?
 A) Modigliani B) Miller C) Gordon D) Walter
99. Match the following with reference to leverage effect on an enterprise:
- | List I | List II |
|--------------------------|---|
| (i) Financial BEP | a) Not being able to cover fixed financial costs by a firm |
| (ii) Financial risk | b) EBIT level beyond which benefits of financial leverage accrues with respect to EPS |
| (iii) Operating leverage | c) Level of EBIT which is equal to firm's fixed financial costs |
| (iv) Indifference point | d) Causes due to fixed operating expenses in a firm |
- A) i-d; ii-c; iii-a; iv-b B) i-c; ii-a; iii-d; iv-b
 C) i-b; ii-a; iii-d; iv-c D) i-c; ii-d; iii-a; iv-b
100. Which one of the following arguments does not support the concept of 'optimum capital structure'?
- A) At this level WACC is maximum
 B) At this level value of the firm is maximum
 C) The value of the firm is determined by investment decisions alone
 D) Combination of debt and equity results in maximum value of the firm
101. If sales are Rs. 4,00,000; fixed costs Rs. 1,20,000 and PV ratio 40%; amount of profit will be:
 A) Rs. 20,000 B) Rs. 30,000 C) Rs. 40,000 D) Rs. 60,000

102. Given profit as Rs. 60,000 and PV ratio as 20 %, then what will be the margin of safety?
 A) Rs. 2,00,000 B) Rs. 3,00,000
 C) Rs. 4,00,000 D) Cannot be found as data is insufficient
103. Change in profit / change in sales gives:
 A) PV ratio B) Breakeven ratio
 C) Margin of safety ratio D) Profit ratio
104. Pick the one which is an imputed cost from the following:
 A) salary to staff B) salary to proprietor
 C) rent payable D) depreciation
105. The distinction between joint products and by products is largely dependent upon:
 A) Discretion of management
 B) The cost incurred upto point of split off
 C) The cost incurred for further processing
 D) Market value of the products

Read the following for answering questions 106 to 108.

Given that units introduced in a particular process is 1000 kg. Total cost of the process including raw material amounted to Rs. 12,200. Normal loss expected is 10 % and scrap value obtained will fetch a value @ Rs.2 per kg. Actual output obtained in the process is 920 units.

106. What will be the abnormal gain units in the process?
 A) 100 units B) 80 units C) 50 units D) 20 units
107. What is the value of abnormal gain to be debited in process accounts?
 A) Rs. 1,333 B) Rs. 2,667 C) Rs. 3,937 D) Rs. 5,267
108. What is the amount to be transferred to costing profit and loss account on account of abnormal gain?
 A) Rs. 2,667 B) Rs. 2,717 C) Rs. 2,627 D) Rs. 2,757
109. Match the following regarding apportionment of overheads:
- | List I | List II |
|---------------------------|-----------------------------------|
| (i) Supervision charges | a) Floor area occupied |
| (ii) Rent of building | b) Light points |
| (iii) Stores overhead | c) Number of workers |
| (iv) Electricity charges | d) Number of requisitions handled |
| A) i-c; ii-a; iii-d; iv-b | B) i-d; ii-a; iii-b; iv-c |
| C) i-b; ii-a; iii-d; iv-c | D) i-c; ii-d; iii-a; iv-b |
110. What will be the total wages under Rowan plan, if time allowed is 40 hours; time taken is 30 hours and wage rate is Rs. 10 per hour?
 A) Rs. 450 B) Rs. 400 C) Rs. 375 D) Rs. 350
111. Which one of the following is **not** a reason for abnormal idle time?
 A) Strike B) Power failure
 C) Machine setting up time D) Breakdown of machinery

112. If annual demand is equal to 500 units, cost of placing one order is Rs. 40 and unit carrying cost p.a Rs. 4, what will the EOQ?
 A) 150 units B) 125 units C) 110 units D) 100 units
113. State whether the following statements are true or false:
 Statement I: Bin card shows the money value of materials received, issued and balance at any point of time.
 Statement II: Under ABC analysis of material control, category 'A' stands for the highest number of items.
 A) I is true and II is false B) I is false and II is true
 C) Both are true D) Both are false
114. Conversion cost is the sum of:
 A) Direct material, direct wages and direct expenses
 B) Indirect material, indirect wages and indirect expenses
 C) Direct wages, direct expenses and factor overhead
 D) Prime cost and factory overhead
115. Three times stock turnover ratio implies an inventory holding period of:
 A) 36 months B) 24 months C) 6 months D) 4 months
116. At present the current assets and current liabilities of a company are Rs. 20 lakhs and Rs. 4 lakhs respectively. If the company intends to buy a plant for Rs. 4 lakhs upon cash payment, its new current ratio will be:
 A) 4:1 B) 3:1 C) 2:1 D) 1:1
117. The most rigorous test for ascertaining the solvency position of a business enterprise is:
 A) Debt-equity ratio B) Propriety ratio
 C) Debt service coverage ratio D) Fixed asset to long term liability ratio
118. Which one of the following is added with net profit after taxes but before appropriations to arrive at funds from operations?
 A) Transfer to general reserve B) Provision no longer required written back
 C) Proposed dividend D) Depreciation
119. Dividend paid by an enterprise is shown under the head cash flows from:
 A) Financing activity B) Investment activity
 C) Operating activity D) Cash from operations
120. Match the following:
- | List I | List II |
|------------------------|---------------------------|
| (i) Cost pools | a) Cost reduction |
| (ii) Target costing | b) Product redesigning |
| (iii) Unit costing | c) Activity Based Costing |
| (iv) Value Engineering | d) Homogeneous output |
- A) i-b; ii-a; iii-d; iv-c B) i-c; ii-a; iii-d; iv-b
 C) i-d; ii-a; iii-c; iv-b D) i-c; ii-b; iii-d; iv-a