- Question No. 1

Which of the following is nonverbal communication?

Options :

1. Phonetics
2. Syntax
3. Haptics
4. Semantics
5. None of the above

Answer : Haptics

- Question No. 2

If Selling Price is 9 per unit, variable cost is 5 per unit and fixed cost is 100000, calculate PV ratio?

Options :

1. 50%
2. 40%
3. 44.44%
4. 55.55%
5. 60%

Answer : 44.44%

- Question No. 3

Find the current ratio of B limited data is as follows:

Land & Building: 15,00,000

Preliminary Expenses: 1,50,000

Cash: Rs.100,000

Accounts Receivables: Rs.900,000

Inventory: Rs.10,00,000

Bank Overdraft: Rs. 900,000

Trade Creditors: 180,000

Debentures: 12,00,000

Options :

1. 2
2. 1.85
3. 2.8
4. 1.9
5. None of the above

Answer : 1.85

- Question No. 4

What does the term "Vasudeva Kutumbakam" mean?

Options :

1. Unity in Diversity
2. World is One Family
3. Harmony in Nature
4. Peaceful Coexistence
5. Global Brotherhood

Answer : World is One Family

- Question No. 5

Net Sales = 40,00,000 (20 % GP Element) out of which 40% is on credit. Opening Receivables & closing receivables are 120,000 & 3,40,000 respectively. Calculate the receivables turnover ratio of the company.

Options :

1. 6.96 times
2. 10.43 times
3. 17.39 times
4. 4.71 times
5. 8.62 times

Answer : 6.96 times

- Question No. 6

Which of the following is considered an intangible asset?

Options :

1. Land
2. Buildings
3. Capital WIP
4. Goodwill
5. Loose tools

Answer : Goodwill

- Question No. 7

In which of the following cases should an investor buy a bond?

Options :

1. Intrinsic Value < Market Value
2. Intrinsic Value > Market Value
3. Intrinsic value < redemption value
4. Market Value< Redemption Value

5. Market Value > Redemption Value

Answer : Intrinsic Value > Market Value

- Question No. 8

What would be the break even units if the Fixed Cost is Rs.1,00,000 and PV ratio is 25%. The company sells its product at Rs.60 per unit.

Options :

1. 2222 Units
2. 8889 Units
3. 3500 Units
4. 6667 Units
5. 7000 Units

Answer : 6667 Units

- Question No. 9

Accounts relating to income, revenue, gain expenses, and losses are termed as:

Options :

1. Real Accounts
2. Personal Accounts
3. Nominal Accounts
4. Artificial Personal Accounts
5. None of above

Answer : Nominal Accounts

- Question No. 10

What duties are taxes on intra-State supplies?

Options :

1. CGST
2. SGST
3. CGST and SGST
4. IGST
5. CGST and IGST

Answer : CGST and SGST

Direction:
Refer to the following information to answer the next 4 questions (Q 11 to Q 14)

The Companies Act 2013 had introduced several new provisions which changed the face of Indian corporate business. One of such new provisions was the Corporate Social Responsibility (CSR). The concept of CSR rests on the ideology of give and take. Companies take resources in the form of raw materials, human resources etc. from the society. By performing the task of CSR activities, the companies are giving something back to the society.

CSR is the integration of socially beneficial programs and practices into a corporation's business model and culture. India is one of the first countries in the world to make CSR mandatory for companies following an amendment to the Companies Act, 2013 in 2014. Under the Companies Act, businesses can invest their profits in areas such as promoting rural development in terms of healthcare, sanitation, education including skill development, environmental sustainability, etc.

- Question No. 11

As per the provisions for CSR given under Companies Act 2013, how much has to be spent on CSR by eligible entities?

Options :

1. 1.5% of the average net profits of three immediately preceding years
2. 2.0% of the average net profits of three immediately preceding years
3. 1.5% of the average turnover of two immediately preceding years
4. 2.0% of the average administrative overheads of two immediately preceding years
5. 2.5% of the average turnover of two immediately preceding years

Answer : 2.0% of the average net profits of three immediately preceding years

Direction:
Refer to the following information to answer the next 4 questions (Q 11 to Q 14)

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- Question No. 12

The concept of Corporate Social Responsibility (CSR) is based on which of the following theory?

Options :

1. Conservative Theory
2. Stakeholder Theory
3. Triple Profit Theory
4. Human Rights Theory
5. Philanthropy Theory

Answer : Stakeholder Theory

Direction:
Refer to the following information to answer the next 4 questions (Q 11 to Q 14)

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- Question No. 13

Which section of the Companies Act 2013 deals with the provisions of Corporate Social Responsibility?

Options :

1. Section 135
2. Section 136
3. Section 137
4. Section 138
5. Section 139

Answer : Section 135

Direction:
Refer to the following information to answer the next 4 questions (Q 11 to Q 14)

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- Question No. 14

For up to how many years can the excess CSR spending be set off against the CSR expenditure of the succeeding financial years?

Options :

1. immediately succeeding one financial year
2. immediately succeeding two financial years
3. immediately succeeding three financial years
4. immediately succeeding four financial years
5. immediately succeeding five financial years

Answer : immediately succeeding three financial years

Direction:
Refer to the following information to answer the next 4 questions (Q15 to Q18)

Depreciation is an accounting method used to allocate the cost of a tangible asset over its useful life. Tangible assets, such as machinery, vehicles, buildings, and equipment, gradually lose their value over time due to factors such as wear and tear, obsolescence, or technological advancements. Depreciation reflects this decrease in value and helps businesses accurately represent the true cost of using an asset in their financial statements.

There are various methods of calculating depreciation, each method has its own set of rules and assumptions, and the choice of method often depends on factors such as the nature of the asset and its expected pattern of use.

Depreciation is a crucial concept in accounting that helps businesses accurately account for the wear and tear of tangible assets, ensuring that financial statements provide a more realistic picture of the costs associated with using these assets over their useful lives.

- Question No. 15

Depreciation remains constant according to which method?

Options :

1. Sum of years digit
2. Units of production
3. Declining Balance

4. Straight Line Method
5. None of the above

Answer : Straight Line Method

Direction:
Refer to the following information to answer the next 4 questions (Q15 to Q18)

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- Question No. 16

Under which method of Depreciation, the written down value of the asset is always more than zero:

Options :

1. SLM
2. WDV
3. Sum of years digit
4. Units of production
5. Any of the above

Answer : WDV

Direction:
Refer to the following information to answer the next 4 questions (Q15 to Q18)

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- Question No. 17

Which among the following method is also called as Original cost method, Fixed Installment method or Equal Installment method?

Options :

1. SLM
2. WDV
3. Sum of years digit
4. Units of production
5. Any of the above

Answer : SLM

Direction:
Refer to the following information to answer the next 4 questions (Q15 to Q18)

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- Question No. 18

Which method is a common accounting method of depreciation wherein an asset's value depreciates at twice the rate it would under straight-line depreciation?

Options :

1. Sum of years digit
2. Units of production
3. Declining Balance
4. Double Decline Balance
5. None of the above

Answer : Double Decline Balance

Direction:
Refer to the following information to answer the next 4 questions (Q 19 to Q 21)

A body constituted under the provisions of the Companies Act, 2013, established as an independent authority to regulate the auditing profession and the Indian Accounting Standards.

The body is responsible for making recommendations regarding accounting and auditing standards. It also oversees the Quality of Service provided by the accounting and audit professions.

It is expected that the body's functioning would result in improved domestic and foreign investments, improved economic growth, assistance in the development of the audit profession and supporting the globalization of business through compliance with international practices.

The aim of the Central Government in this regard appears to be:

• Setting up of a separate and independent regulatory body to assist in the framing and enforcement of legislation relating to accounting & auditing and

• Improving investor and public confidence in the financial reporting of an entity.

The need for this authority arose as a response to various corporate scams in recent times. The body has the responsibilities to make recommendations on the foundation and laying down of accounting and auditing policies and standards, Monitor and enforce the compliance of the accounting standards and auditing standards, to oversee the quality of service of the professionals (such as auditors) and suggest measures required for improvement in the quality of service.

- Question No. 19

Which body has these roles and responsibilities mentioned in the above para?

Options :

1. ICAI
2. NFRA
3. MCA
4. ICSI
5. IASB

Answer : NFRA

Direction:
Refer to the following information to answer the next 4 questions (Q 19 to Q 21)

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- Question No. 20

Under which section of the Companies Act 2013 NFRA is constituted?

Options :

1. Section 131
2. Section 135
3. Section 133
4. Section 132
5. Section 130

Answer : Section 132

Direction:
Refer to the following information to answer the next 4 questions (Q 19 to Q 21)

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- Question No. 21

In how many days do a statutory Auditor of a company needs to report fraud/suspected fraud?

Options :

1. One Day
2. Two Days
3. Sixty Days
4. One month
5. Two months

Answer : Two Days

- Question No. 22

According to the stipulations for reporting fraud, when is the Statutory Auditor required to forward a report to the Secretary, Ministry of Corporate Affairs, Government of India?

Options :

1. One lakh rupee or more
2. Ten lakhs rupee or more
3. Fifty lakhs rupee or more
4. One crore rupee or more
5. Five crores rupee or more

Answer : One crore rupee or more

Direction:

Refer to the following information to answer the next 4 questions (Q 23 to Q 26)

A budget is a financial blueprint that plays a fundamental role in the strategic management of finances for individuals, businesses, and governments. It serves as a comprehensive plan, projecting anticipated income and allocating funds to various expenses over a specific period, typically a fiscal year. The primary objectives of a budget are multi-faceted. It serves as a planning tool, enabling the establishment of financial goals and the systematic allocation of resources to meet these objectives. Moreover, budgets provide a framework for financial control by allowing individuals and organizations to compare actual financial performance against the budgeted figures, facilitating adjustments and corrective measures as needed.

Beyond control and planning, budgets foster financial accountability and transparency. They create a structured approach to financial decision-making, aligning expenditures with priorities and strategic objectives. A well-constructed budget encourages financial discipline by setting clear expectations and promoting responsible resource management. It also serves as a communication tool, ensuring that stakeholders within an organization are on the same page regarding financial expectations and constraints.

Furthermore, budgets contribute to emergency preparedness by allocating funds for unforeseen circumstances, thereby enhancing financial resilience. They facilitate goal alignment, directing financial resources toward achieving specific targets, whether it be saving for a major purchase, reducing debt, or investing in growth opportunities. In addition, budgets support effective debt management by incorporating debt repayment into the financial plan. They also play a crucial role in performance evaluation, allowing for regular assessments of financial results and the adjustment of strategies and goals accordingly.

- Question No. 23

There can be a variety of budget. Name the budget which relates to a particular function of the business.

Options :

1. Flexible Budget
2. Fixed Budget
3. Functional Budget
4. Budget Centre
5. None of the above

Answer : Functional Budget

Direction:
Refer to the following information to answer the next 4 questions (Q 23 to Q 26)

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- Question No. 24

There is one budget which is prepared as a consolidated summary of all the functional budgets. Identify it among the following:

Options :

1. Flexible Budget
2. Fixed Budget
3. Functional Budget
4. Budget Centre

5. Master Budget

Answer : Master Budget

Direction:
Refer to the following information to answer the next 4 questions (Q 23 to Q 26)

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- Question No. 25

Based on level of activity or capacity utilization, there is a type of budget which is prepared keeping in mind one level of output. It is a budget which is designed to remain unchanged irrespective of the level of activity attained. Identify it among the following:

Options :

1. Flexible Budget
2. Fixed Budget
3. Functional Budget
4. Budget Centre
5. Master Budget

Answer : Fixed Budget

Direction:
Refer to the following information to answer the next 4 questions (Q 23 to Q 26)

A budget is a financial blueprint that plays a fundamental role in the strategic management of finances for individuals, businesses, and governments. It serves as a comprehensive plan, projecting anticipated income and allocating funds to various expenses over a specific period, typically a fiscal year. The primary objectives of a budget are multi-faceted. It serves as a planning tool, enabling the establishment of financial goals and the systematic allocation of resources to meet these objectives. Moreover, budgets provide a framework for financial control by allowing individuals and organizations to compare actual financial performance against the budgeted figures, facilitating adjustments and corrective measures as needed.

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- Question No. 26

Which among the following is a type of budgeting technique where the previous year's figures are not used as a base for preparing next year's budgets.

Options :

1. Zero Based Budgeting
2. Performance Budgeting
3. Activity Based Budgeting
4. Incremental Budgeting
5. None among the above

Answer : Zero Based Budgeting

Direction:
Read the following passage and answer the next 4 question (Q27-Q30)

Corporate restructuring is an action taken by the corporate entity to modify its capital structure or its operations significantly. Generally, corporate restructuring happens when a corporate entity is experiencing significant problems and is in financial jeopardy. The process of corporate restructuring is considered very important to eliminate all the financial crisis and enhance the company's performance. The management of the concerned corporate entity facing the financial crunches hires a financial and legal expert for advisory and assistance in the negotiation and the transaction deals.

Usually, the concerned entity may look at debt financing, operations reduction, any portion of the company to interested investors. In addition to this, the need for corporate restructuring arises due to the change in the ownership structure of a company. Such change in the ownership structure of the company might be due to the takeover, merger, adverse economic conditions, adverse changes in business such as buyouts, bankruptcy, lack of integration between the divisions, over-employed personnel, etc.

- Question No. 27

When two companies decide to combine their operations to achieve synergies and enhance overall efficiency, which corporate restructuring strategy are they likely implementing?

Options :

1. Partnership

2. Merger
3. Demerger
4. Divestiture
5. Acquisition

Answer : Merger

Direction:
Read the following passage and answer the next 4 question (Q27-Q30)

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- Question No. 28

Which corporate restructuring strategy refers to the separation of a business unit or division from its parent company, creating an independent entity with its own ownership and management?

Options :

1. Merger
2. Divestiture
3. Demerger
4. Consolidation
5. All of the above

Answer : Demerger

Direction:
Read the following passage and answer the next 4 question (Q27-Q30)

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- Question No. 29

__________ is partial or complete disposal by sale, swap, close or bankruptcy of a business entity.

Options :

1. Merger
2. Spin-off
3. Demerger
4. Divestiture
5. None of the above

Answer : Divestiture

Direction:
Read the following passage and answer the next 4 question (Q27-Q30)

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- Question No. 30

Shares of Vinay Ltd. And Sagar Ltd. are currently traded at Rs.100 and Rs. 20 respectively. Vinay Ltd is acquiring Sagar Ltd and the market price of both the companies is Rs.100 and Rs.20 respectively. What will be the share swap ratio based on market price?

Options :

1. 1 share for every 5 share
2. 5 shares for every 1 share
3. 1 share for every 10 share
4. 10 shares for every 1 share
5. None of the above

Answer : 1 share for every 5 share