

**SAMPLE MULTIPLE CHOICE QUESTIONS**

**CLASS: TYBAF - SEMESTER: VI**

**SUBJECT: FINANCIAL ACCOUNTING – VII**

- Q.1. For Capital expenditure purposes investment component has \_\_\_\_\_.
- Grant Component
  - Grant & Loans Component
  - Loan Component
  - Asset Component
- Q.2. \_\_\_\_\_A/c shows the sources from which fixed capital is raised.
- Original cost
  - Replacement price
  - Capital
  - Asset
- Q.3. At present, Electricity Companies are governed by
- Electricity Act, 1910
  - Electricity (Supply) Act, 1948
  - Electricity Regulatory Commission Act, 1998
  - Electricity Act, 2013
- Q.4. Security Deposit from electricity consumers
- May be collected under section 43 of the Electricity Act, 2003
  - May be collected under section 47 of the Electricity Act, 2003
  - Is the same everywhere in India
  - Cannot be collected
- Q.4. Select appropriate Journal Entries in the books of Electricity Company:
- Security Deposit Received
- Bank A/c                      Dr.  
      To Security Deposit A/c
  - Securities Deposit A/c      Dr.  
      To Bank A/c
  - Bank A/c                      Dr.  
      To Reserves and Surplus A/c
  - Bank A/c                      Dr.  
      To Interest A/c

- Q.5. Tools and Equipment's are shown in the balance sheet of co-operative society \_\_\_\_\_
- Under Fixed Assets
  - Under Current Assets
  - Separately
  - Miscellaneous Expenditure
- Q.6 In Co-operative society accounts, Prepaid Insurance charges is deducted from insurance charges under Income & Expenditure account, second effect in Balance sheet is shown under \_\_\_\_\_
- Current liabilities and provisions
  - Current assets
  - Loans and Advances
  - Other items
- Q.7 A Co-operative Hsg. Society paid Property Taxes paid (for 15 months) Rs. 3,37,500  
The amount of Prepaid Property Taxes shall be \_\_\_\_\_
- Rs. 3,37,500
  - Rs. 67,500
  - Rs. 45,000
  - Rs. 2,70,000
- Q. 8 A Co-operative housing Society Ltd provides you the following information  
Statutory Reserve Fund (Opening Balance) Rs. 1,45,000  
Entrance Fees – Rs. 2350  
Transfer Fees – Rs, 5,00  
Premium on Transfers – Rs.50,000  
Interest on Fixed Deposits ear-marked to Statutory Reserve Fund – Rs. 5,000
- The final amount that will be appearing in Balance Sheet for Statutory Reserve fund after above adjustments shall be \_\_\_\_\_
- Rs. 2,02,850
  - Rs. 1,45,000
  - Rs. 1,52,350
  - Rs. 2,02,350
- Q. 9 A cooperative form of Organisation is based on the principle of \_\_\_\_\_.
- Autocracy
  - Democracy
  - Unity
  - Team spirit

- Q.10. If there is 'other than temporary' decline in the value of a long-term investment then
- Carrying amount is increased to recognize the decline
  - The reduction in carrying amount is charged to profit and loss account
  - Carrying cost is charged to Revenue A/c
  - Carrying cost is transferred to CRR A/c
- Q.11. Interest on securities is paid
- To the holder of the security on the due date, in respect of his actual period of holding
  - To the holders of the security on the due date, irrespective of his actual period of holding
  - To the original purchaser of the security
  - To the seller of the security
- Q.12. Any reduction to market value of current investment from cost, on valuation date is debited to
- Revaluation reserve
  - Profit and loss account
  - Capital reserve
  - General reserve
- Q.13. If market value of investment held as long-term asset is less than cost
- Difference is credited to profit & loss a/c
  - Difference is debited to profit & loss a/c
  - Difference is ignored
  - Difference is debited to capital reserve a/c
- Q.14. On 1st April 2019; Mr. Laxman purchased 2,000 12% Debentures of Rs.100 each @ Rs.98 cum interest. Interest is payable half yearly on 30th June and 31st December, Accounts are closed on 31st December every year. What is the purchased cost?
- Rs.1,96,000
  - Rs.1,90,000
  - Rs.2,00,000
  - Rs. 2,40,000
- Q.15. Issuing and redeeming units of a mutual fund is the role of \_\_\_\_\_
- Custodian
  - Banker
  - Transfer agent
  - Trustees

- Q.16. The entity that SEBI does not regulate is \_\_\_\_\_.
- Non-banking finance companies
  - Mutual funds
  - Stock exchanges
  - Share registrars
- Q.17. Shares of a closed end fund are trading at a 4% premium over NAV. If NAV of Rs. 10 per share, what is the current market price of the fund's shares?
- Rs. 14
  - Rs. 9.96
  - Rs. 10.40
  - Rs. 9.60
- Q.18. A Mutual fund has current NAV of Rs. 27 and sales or entry or Front-end load is 1.80% whereas Exit load or back-end load is 1.50%. Find Redemption price.
- Rs. 20.785
  - Rs. 24.068
  - Rs. 26.595
  - Rs. 28.201
- Q.19. For a Close-ended fund, the repurchase price should not be lower than \_\_\_\_\_.
- 97% of NAV
  - 93% of NAV
  - 95% of NAV
  - 90% of NAV
- Q.20. Companies having net worth in excess of \_\_\_\_\_ crore are covered at the first phase.
- 1,000 crores
  - 2,000 crores
  - 500 crores
  - 3,000 crores
- Q.21. In General term, convergence means \_\_\_\_\_
- Achievement of compliance with IFRS
  - Achievement of harmony in relation to IFRS
  - Achievement of identity with IFRS
  - Naming local accounting standards as IFRS

- Q. 22 In India, IFRS Compliant Accounting Standards are called as \_\_\_\_\_.
- a. Indian IFRS
  - b. Indian Accounting Standards
  - c. Ind AS
  - d. Accounting Standards
- Q. 23 \_\_\_\_\_ Accounting Standards converged with IFRS have been notified by the Ministry of Corporate Affairs as on 16th February, 2015.
- a. 35
  - b. 21
  - c. 42
  - d. 15
- Q.24. Companies having a net worth of Rs. 250 crore and who are in process of listing their debt securities on any stock exchange outside India must implement Ind AS for accounting period beginning on or after\_\_\_\_\_.
- a. 1st April 2018
  - b. 1st April 2017
  - c. 1st April 2015
  - d. 1st April 2014
- Q.25. IFRS will facilitate\_\_\_\_\_.
- a. Better access and reduction in cost of capital raised from global market
  - b. Easy borrowing from Indian Capital market
  - c. Improvement in comparability of financial information
  - d. Both a and b

**SAMPLE MULTIPLE CHOICE QUESTIONS**  
**TYBAF – SEMESTER VI**  
**FINANCIAL MANAGEMENT - III**

1. Valuation of shares or enterprise become essential under the following circumstances \_\_\_\_\_
  - a. When issuing shares to public
  - b. While accepting new projects
  - c. While declaring bonus
  - d. While issuing debentures
  
2. A valuation that assists in an examination conducted towards rendering an estimate or opinion as to the fair market value of a business interest at a given point in time is termed as
  - a. Business value
  - b. Market value
  - c. Book value
  - d. Fair value
  
3. Under net asset value method value of shares are depends on \_\_\_\_\_
  - a. Net assets available to equity shareholder
  - b. Net assets available to debenture holder
  - c. Net assets available to preference shareholders
  - d. Amount due to employees
  
4. Red ltd. has EAT of ₹ 6,00,000 and has total long-term funds amounting to ₹ 40,00,000 and the weighted average cost of capital is 20%. What will be the EVA?
  - a. 34,00,000
  - b. 2,00,000
  - c. -2,00,000
  - d. 8,00,000
  
5. Capital Employed at the beginning of the year is ₹ 6,00,000 and profit earned during the year is ₹ 1,00,000. Average Capital Employed will be
  - a. 5,00,000
  - b. 5,50,000
  - c. 6,00,000
  - d. 6,50,000
  
6. The capital structure of Giridhar Ltd. is 10% Debentures of ₹ 10,00,000; 12% Preference Shares of ₹ 15,00,000 and Equity capital of ₹ 25,00,000. The cost of equity is considered to be 15% and the corporate tax rate is 20%. The weighted average cost of capital will be
  - a. 12%
  - b. 12.70%
  - c. 13.10%
  - d. 14.50%
  
7. A merger in which one company takes over the company supplying raw material

is a \_\_\_\_\_

- a. Backward expansion
- b. Forward expansion
- c. Conglomerate
- d. Hostile takeover

8. The main objective of a \_\_\_\_\_ merger is to achieve a big size
- a. Horizontal
  - b. Vertical
  - c. Conglomerate
  - d. Concentric

**From the below information, answer question No. 9 & 10:**

**Pandu Ltd. Is considering to takeover Bindu Ltd. The particulars of two companies are given below:**

Particulars	Pandu Ltd.	Bindu Ltd.
EAT (₹)	20,00,000	10,00,000
Equity Share Outstanding	10,00,000	10,00,000
EPS (₹)	4	2
P/E ratio (Times)	20	10

9. MPS of Pandu Ltd. and Bindu Ltd. are \_\_\_\_\_
- a. ₹40 and ₹40
  - b. ₹80 and ₹20
  - c. ₹2 and ₹1
  - d. None of the above
10. EPS after merger based on EPS = \_\_\_\_\_
- a. ₹50
  - b. ₹2.8
  - c. ₹2.4
  - d. ₹4
11. If EAT of B Ltd. is ₹18 lakhs and presently, they are having an Equity Share Capital of ₹180 Lakhs (₹10 each) and P/E ratio of 37 times, then the Market Price will be \_\_\_\_\_
- a. ₹35
  - b. ₹37
  - c. ₹54
  - d. ₹25

**From the below information, answer question No. 12 & 13:**

XYZ is considering merger with ABC Ltd., XYZ Ltd.'s shares are currently traded at ₹25. It has 2,00,000 shares outstanding and its Earnings After Tax (EAT) amounts to ₹4,00,000. ABC Ltd. has 1,00,000 shares outstanding; it's current market price is ₹12.50 and it's EAT is ₹1,00,000. The merger will be affected by means of Stock Swap.

12. The pre-merger EPS of both the companies (XYZ Ltd. and ABC Ltd.) is \_\_\_\_\_
- a. ₹2 and ₹2
  - b. ₹2 and ₹1

- c. ₹3 and ₹4
  - d. ₹1 and ₹2
13. If ABC Ltd.'s P/E ratio is 8, then it's current market price of the share =
- 
- a. ₹16
  - b. ₹24
  - c. ₹8
  - d. ₹32
14. Following statement are True
- a) Corporate restructuring decreases profit of the organisation
  - b) Corporate restructuring decreases return on investment
  - c) Corporate restructuring decreases risk of the organisation
  - d) Corporate restructuring does not include restructuring polices
15. \_\_\_\_\_ a process of measuring the performance of a company's products, services, or processes against those of another business considered to be the best in the industry, aka "best in class."
- a) Benchmarking
  - b) Downsizing
  - c) Flattening of layer
  - d) Core competency
16. Reduction of shares capital of a company means reduction in
- a) Only called up share capital
  - b) Subscribed and/or paid-up share capital
  - c) Only authorized capital
  - d) Reduction in unpaid value of share
17. Any surplus in the capital reduction account after writing off lost capital is transferred to \_\_\_\_\_
- a) General reserve
  - b) Capital reserve
  - c) Profit and Loss
  - d) Security premium
18. Shares of ₹ 100 each paid-up value are reduced to shares of nominal value of ₹ 10 each in a scheme of reconstruction
- a) There is a credit of ₹10 per shares to Capital Reduction A/c
  - b) There is a credit of ₹ 90 per shares to Capital Reduction A/c
  - c) There will be no credit to Capital Reduction
  - d) There is a credit of ₹ 80 per shares to Capital Reduction A/c
19. A scheme of Reconstruction approved by the court where a creditor of ₹ 8,00,000 are settled as: 20% immediate payment in cash.,40% amount is cancelled., 40% paid by issue of 6% debentures Due to this
- a) There is a Credit of ₹ 80,000 to Cash and Bank A/c
  - b) There is a Debit of ₹ 80,000 to Cash and Bank A/c
  - c) There is a Credit of ₹1,60,000 to Cash and Bank A/c
  - d) There is a Debit of ₹1,60,000 to Capital Reduction A/c



20. Balance sheet of M/s. Shiva limited shows: Fixed Assets ₹ 21,00,000, Stock ₹20,00,000 and Debtors Worth ₹ 15,00,000  
A scheme of Reconstruction approved by the court and Write off Fixed Assets by 20%, Sundry Debtors by 15% and reduces the value of stock to 55% of its book-value. Due to this
- There is a Credit of ₹15,45,000 to Capital Reduction A/c
  - There is a Debit of ₹15,45,000 to Capital Reduction A/c
  - There is a Credit of ₹17,45,000 to Capital Reduction A/c
  - There is a Debit of ₹ 17,45,000 to Capital Reduction A/c
21. A company is considering to buy a machine costing Rs. 210000. It has decided to acquire the assets by lease option by paying a lease rental of Rs. 21500 p.a. for 10 years. Tax rate is 30% and cost of capital is 14%. Calculate the total cash outflow for going by lease financing.
- 76000
  - 78000
  - 78500
  - 80000
22. Operating lease is also called as \_\_\_\_\_.
- Non-risky lease
  - Full-payout lease
  - Service lease
  - Working lease
23. In lease system, interest is calculated on \_\_\_\_\_.
- Cash down payment
  - Cash price outstanding
  - Hire purchase price
  - Price of the asset – depreciation
24. A machine can be purchased at Rs. 20,00,000. It is expected to have a useful life of 5 years. The purchase can be financed by 20% loan repayable in 5 equal annual instalments (inclusive of interest) due at the end of each year. Depreciation is charged by written down value method at 20%. The depreciation in the 3<sup>rd</sup> year would be-
- ₹2,56,000
  - ₹4,00,000
  - ₹3,20,000
  - ₹3,60,000
25. \_\_\_\_\_ refers to the credit extended by the supplier of good and services in the normal course of business.
- Bank Credit
  - Trade Credit
  - Short Term Loan
  - Bills Receivable

## SAMPLE MULTIPLE CHOICE QUESTIONS

### TYBAF SEM VI

#### SECURITIES ANALYSIS AND PORTFOLIO MANAGEMENT

1. \_\_\_\_\_ is the first phase of portfolio management.
  - a. Portfolio Evaluation
  - b. Portfolio Revision
  - c. Determination of Investment Objectives
  - d. Asset Allocation
  
2. \_\_\_\_\_ Risk is the risk of loss when investing in foreign countries.
  - a. Interest Rate Risk
  - b. Political Risk
  - c. Purchasing Power Risk
  - d. Foreign Exchange Risk
  
3. Sakhi Ltd., paid Rs. 2.50 as dividend per share on its equity shares for the year ended 31<sup>st</sup> March, 2017. Dividends are expected to grow at 10% p.a. The market price of the share is Rs. 20.  
Calculate expected return.
  - a. 13.00%
  - b. 13.25%
  - c. 13.50%
  - d. 13.75%
  
4. In \_\_\_\_\_ measure the surplus between the two returns is called Alpha, which measures the performance of a fund compared with the actual return over the period.
  - a. Treynor's
  - b. Sharpe's
  - c. Jensen's
  - d. Markowitz Model
  
5. The sale and purchase of assets in an existing portfolio over a certain period of time to maximize returns and minimize risk is called as portfolio \_\_\_\_\_.
  - a. Decomposition
  - b. Analysis
  - c. Revision
  - d. Evaluation
  
6. The greater the beta, the \_\_\_\_\_ of the security involved:
  - a. Greater the unavoidable risk
  - b. Greater the avoidable risk
  - c. Less the unavoidable risk
  - d. Less the avoidable risk

7. The one who has less \_\_\_\_\_ can prefer risky investment.
- Income
  - Investment
  - Finance
  - Financial responsibility

8. This type of risk is avoidable through proper diversification
- Interest rate risk
  - systematic risk
  - unsystematic risk
  - Foreign exchange risk

9.

Scenario	Probability	Return on X %	Return on Y %
Boom	0.25	40	20
Normal	0.50	30	30
Recession	0.25	20	20

Calculate the standard deviation for the security X in above question.

- 7
  - 8
  - 6
  - 9
10. \_\_\_\_\_ Investors don't prefer the risky investment opportunities.
- Risk Takers
  - Moderate Risk Takers
  - Risk Averse
  - Irrational Investors
11. Higher the \_\_\_\_\_ higher is the return.
- Income
  - Risk
  - Profit
  - Tax
12. \_\_\_\_\_ means transferability of an investment.
- Safety
  - Risk
  - Savings
  - Liquidity
13. Accounting Ratios are important tools used by
- Managers,
  - Researchers
  - Investors
  - Creditors
14. ABC Ltd. has a Current Ratio of 1.5: 1 and Working capital of

- ₹ 5,00,000. What are the Current Assets?
- ₹ 5,00,000
  - ₹ 10,00,000
  - ₹. 15,00,000
  - ₹ 25,00,000
15. The shareholders' funds consist of...
- Preference shares + Equity shares + Debenture
  - Preference shares + Equity shares + Creditors
  - Preference shares + Equity shares + Reserves and surplus
  - Preference shares + Equity shares + Reserves and surplus – Fictitious Assets
16. In the Balance sheet of a firm, the debt equity ratio is 2:1. The amount of long term Loan is ₹.12 lac. What is the amount of tangible Net worth of the firm?
- ₹12 lac.
  - ₹ 6 lac
  - ₹ 4 lac.
  - ₹.2 lac.
17. Calculate Creditors
- Creditors Velocity: 4 months, Purchase is ₹ 12,00,000
- ₹ 3,00,000
  - ₹ 4,00,000
  - ₹ 6,00,000
  - ₹ 12,00,000
18. Calculate Price earnings ratio from the following details  
IF market price per share is ₹ 280 and Profit after tax is ₹ 7,00,000 and, Equity share of ₹ 100 each = ₹ 50,00,000
- ₹40
  - ₹30
  - ₹80
  - ₹ 20
19. Return on capital employed is \_\_\_\_\_ ratio
- Unlevered
  - Levered
  - Solvency
  - Liquidity
20. If the fixed cost of production is zero, which one of the following is correct?
- OL is zero
  - FL is zero,
  - CL is zero,
  - OL,FL and CL having certain values
21. A decline in both the industrial and transportation average

suggests a \_\_\_\_\_ market.

- a. bearish
  - b. bullish
  - c. stagnant
  - d. No impact
22. Which of the following is not a pattern?
- a. Pennants
  - b. Flag
  - c. Triangle
  - d. Square
23. The phase where the trend moves in the same direction of the original trend is known as
- a. Continuation
  - b. Reversal
  - c. Sideways
  - d. Random
24. If the market return is 7% and the beta is 2 and the return on government securities is 3%, the cost of equity as per CAPM model will be:
- a. 11%
  - b. 12%
  - c. 13%
  - d. 14%
25. Dow Jones theory was proposed by \_\_\_\_\_
- a. Charles Dow
  - b. William Dow
  - c. Sharpe Dow
  - d. Treynor Dow

## SAMPLE MULTIPLE CHOICE QUESTIONS

### TYBAF – SEM VI

#### INDIRECT TAX

1. \_\_\_\_\_ means the supply of goods or services or both including digital products over digital or electronic network.
  - a. Electronic dealer
  - b. Electronic commerce
  - c. Digital commerce
  - d. Digital dealer
  
2. The input tax credit as per the returns filed by registered person shall be credited to \_\_\_\_\_.
  - a. Electronic liability register
  - b. Electronic credit ledger
  - c. Electronic account ledger
  - d. Electronic cash ledger
  
3. What does 'I' stands for in IGST?
  - a. International
  - b. Internal
  - c. Integrated
  - d. Intra
  
4. Interest at \_\_\_\_\_ is payable in case of excess claim of credit/excess reduction of output tax liability.
  - a. 18%
  - b. 15%
  - c. 28%
  - d. 24%
  
5. Over the Counter Payment can be made in branches of Banks Authorized for deposits up to Rs. \_\_\_\_\_per challan per taxperiod?
  - a. Rs. 5,000
  - b. Rs. 10,000
  - c. Rs. 20,000
  - d. Rs. 40,000
  
6. Suppose Mr. Z has a credit of Rs. 15 lakhs in his ITC ledger and at the same time, he has interest arrears dues of Rs. 16 Lakhs and penalty dues of Rs 12 lakhs. If so, how much Mr. Z has to deposit to settle the above interest and penalty dues?
  - a. Rs. 16Lakhs
  - b. Rs. 28Lakhs
  - c. Rs. 12Lakhs
  - d. Rs. 15Lakhs
  
7. Mr. Satish, is registered in state of Maharashtra, provides the following details

- Sold goods of Rs. 14,00,000 at 28% GST to Ram in Pune and
  - Sold goods of Rs. 16,00,000 at 5% GST to Asha in Nagpur.
- The tax liability for him for above transactions will be \_\_\_\_\_.
- a. IGST = Rs. 4,72,000
  - b. SGST = Rs 2,36,000; CGST = Rs. 2,36,000
  - c. IGST = Rs. 80,000; SGST = Rs. 1,96,000; CGST = Rs. 1,96,000
  - d. SGST = Rs 4,72,000; CGST = Rs. 4,72,000
8. Mr. John, is registered in state of Maharashtra, provides the following details
- Inward supplies of Rs. 15,70,000 at 12% GST from Akola
  - Inward supplies of Rs. 19,40,000 at 18% GST from Bangalore
- The input tax credit available for him for above transactions will be \_\_\_\_\_.
- a. IGST = Rs. 5,37,600
  - b. SGST = Rs. 94,200 ; CGST = Rs. 94,200
  - c. IGST = Rs. 3,49,200 ; SGST = Rs. 94,200 ; CGST = Rs. 94,200
  - d. SGST = Rs 2,69,200 ; CGST = Rs. 2,69,200
9. A taxable person can apply for \_\_\_\_\_ if he is unable to determine the value of goods or services or both or the applicable rate of tax.
- a. audit
  - b. Provisional Assessment
  - c. Special audit
  - d. self-assessment
10. Provisional Assessment Order is to be issued within \_\_\_\_\_ from the receipt of request for such assessment.
- a. 50 days
  - b. 20 days
  - c. 90 days
  - d. 10 days
11. In case of regular vehicle or transportation modes, for every 100 Kms or part of its movement, \_\_\_\_\_ day/days validity of E-way bill is provided.
- a. 2 days
  - b. 3 days
  - c. 5 days
  - d. 1 day
12. Form no. \_\_\_\_\_ has details of outward supplies of taxable goods and/or services effected.
- a. GSTR – 1
  - b. GSTR – 4
  - c. GSTR – 5
  - d. GSTR – 6
13. The due date for GSTR 4 (quarterly return for compounding taxable persons) is \_\_\_\_\_.
- a. 10<sup>th</sup> of the month succeeding the quarter
  - b. 15<sup>th</sup> of the month succeeding the quarter
  - c. 18<sup>th</sup> of the month succeeding the quarter
  - d. 20<sup>th</sup> of the month succeeding the quarter

14. Indian exclusive Economic Zone means an area up to----- nautical miles into sea from base line of India
- 12
  - 24
  - 200
  - 100
15. Bill of entry for \_\_\_\_\_ is filed by importer for making imported goods part of mass of India.
- Warehousing
  - Home consumption
  - Clearance
  - Indian consumption
16. ----- Can be levied for 5 years, extent ended further up to 5 years
- Protective duty
  - Safeguard duty
  - CVD on subsidies articles
  - Anti dumping duty
17. Imported goods shall not be unloaded from, and export goods shall not be loaded on, any conveyance except under the supervision of
- The proper officer
  - Importer himself
  - Any authorized person
  - Exporter himself
18. An importer imported some goods @ 4,10,000 on CIF. Following Euro rates on the date of presentation of BOE (Bill of Entry) is given. What is the exchange rate for customs valuation?
- Inter Bank closing Rate `63.50 per Euro
  - RBI rate 1 Euro = ` 63.75
  - Exchange rate notified by CBEC - 1 Euro = `64.05
  - Rate at which bank has ready payment from importer 1 Euro = ` 64.20
19. If FOB = \$ 20,000, cost of transport = \$ 1,000; cost of insurance is not ascertainable then what will be CIF value in \$?
- \$ 20,000
  - \$21,000
  - \$ 21,250
  - \$ 21,225
20. If FOB = \$ 1,50,000; insurance = \$300. Transport cost is not ascertainable then CIF = \_\_\_\_\_.
- \$1,53,000
  - \$1,83,000
  - \$ 1,50,000
  - \$ 1,80,000



21. Mr. X arrived at Mumbai Airport after stay abroad for more than 1 year. He carried as baggage 17 gms of jewellery of the value of Rs. 52,000. How much is the total duty payable?
- Rs. 770
  - Rs. 750
  - Rs. 700
  - Rs. 720
22. \_\_\_\_\_ are the goods that have same physical characteristics, quality and regulation; except for minor difference in appearance which does not affect price of goods being valued.
- Identical goods
  - Same goods
  - Twin goods
  - Exceptional goods
23. Under customs, Rule \_\_\_\_\_ deals with compute value
- 4
  - 5
  - 7
  - 8
24. Baggage limit (duty free allowance) for tourist of foreign origin arriving from countries other than Nepal, Bhutan or Myanmar for articles other than mentioned in Annexure -1 is \_\_\_\_\_.
- Rs. 15,000
  - Rs. 50,000
  - Nil
  - Rs. 70,000
25. All India Rate is capped at \_\_\_\_\_ of market value of goods in India market.
- $\frac{1}{4}^{\text{th}}$
  - $\frac{2}{3}^{\text{rd}}$
  - $\frac{1}{3}^{\text{rd}}$
  - $\frac{1}{5}^{\text{th}}$

## SAMPLE MULTIPLE CHOICE QUESTIONS

### TYBAF – SEM VI

#### COST ACCOUNTING – III

- 1 A static budget is useful in controlling costs when cost behavior is \_\_\_\_\_
  - a. Mixed
  - b. Fixed
  - c. Variable
  - d. Linear
- 2 \_\_\_\_\_ Budget serves as the basis for preparation of the Budgeted financial statements.
  - a. Functional
  - b. Cash
  - c. Master
  - d. Sales
- 3 Implementing a budgetary control system is a costly affair for \_\_\_\_\_ organization.
  - a. Large
  - b. Small
  - c. Medium
  - d. Giant
- 4 Distribution expenses Rs..60,000 (20% are fixed ) at level of activity 100% what will be Distribution expenses at 60% capacity
  - a. 60000
  - b. 36000
  - c. 40800
  - d. 50400
- 5 For Cash budget for finding out closing balance formula will be
  - a. Op balance+ Receipts +Payment
  - b. Op balance+ Receipts –Payment
  - c. Op balance- Receipts –Payment
  - d. Op balance- Receipts +Payment
- 6 A Decrease in sales price
  - a. Does not affect the break even point
  - b. lower the net profit
  - c. increase the break even point
  - d. lower the breakeven point
- 7 IF sale price are Rs. 16 per unit ,Variable cost Rs. 12 per unit and Fixed cost are Rs. 60000 ,the Breakeven point will be
  - a. 15000 unites
  - b. 10000 unites
  - c. 20000 unites
  - d. 40000 unites
- 8 Marginal of safety refers to as
  - a. Sales- Contribution
  - b. Actual sales- Break even sales
  - c. Actual sales- Fixed cost

- d. Fixed cost + Variable cost
- 9 IF a company sale are Rs. 100000 , Fixed cost are Rs. 30000 ,the Profit Rs. 14000 , The variable cost will be
- Rs.50,000
  - Rs.70,000
  - Rs.56,000
  - Rs.65,000
- 10 Profit is Rs. 30,000, marginal cost is Rs.8 per unit ,Selling Price per units is Rs. 10 .The Margin of safety will be
- Rs. 1,40,000
  - Rs. 1,50,000
  - Rs. 1,25,000
  - Rs. 1,45,000
- 11 Shut down cost is:
- Avoidable fixed cost
  - Unavoidable fixed cost
  - Avoidable Variable cost
  - Unavoidable variable cost.
- 12 The third step in decision making process is\_\_\_\_\_
- Linear predictions
  - Dependent predictions
  - Making predictions
  - Independent predictions
- 13 The cost such as book value of old machines are Rs.50,000 can be classified as an example of \_\_\_\_\_
- Salvages
  - Relevant
  - Irrelevant
  - Depreciated Cost
- 14 Contribution of Product X and Product Y is Rs.20 per unit and Rs.40 per unit respectively. Fixed Overheads is Rs.75, 000. From the following information alternatives, which sales mixes will bring higher profits?
- 2500 units of Product X and 2500 units of Product Y
  - Nil units of Product X and 4000 units of Product Y
- Alternative A is recommended to earn the maximum profits
  - Alternative B is recommended to earn the maximum profits
  - Both Alternative A and B
  - None of the above
- 15 The second step in decision making process is \_\_\_\_\_
- Multi-co linearity information
  - Quantitative information
  - Qualitative information
  - Obtaining information
- 16 \_\_\_\_\_ cost is a pre-determined cost based on a technical estimate for materials, labour and overheads for a selected period of time and for a prescribed set of working conditions"
- Standard

- b. Marginal
  - c. Direct
  - d. Actual
- 17 The standard cost card contains quantities and cost for \_\_\_\_\_
- a. Direct materials only
  - b. Direct labour
  - c. Overheads only
  - d. Fixed cost
- 18 If for reconciliation of Material Cost Variance, (a) is Material Cost Variance ,(b)is Material Price Variance and ( c) is Material Usage Variance, which of the equation is correct
- a.  $(a) = (b) - (c)$
  - b.  $(c) = (b) + (a)$
  - c.  $(c) = (b) - (a)$
  - d.  $(a) = (b) + (c)$
- 19  $(\text{Revised Standard Quantity} - \text{Actual Quantity}) \times \text{Standard Price}$
- a. Material Mix Variance
  - b. Material Cost Variance
  - c. Material Cost Variance
  - d. Material Yield Variance
- 20 Standard Quantity of Materials is 1,000 kg, Actual Quantity is 900kg, Standard Price is Rs. 12 per kg, Actual Price is Rs.16 per kg; find material cost variance
- a. Rs.2,400(A)
  - b. Rs.3,600(A)
  - c. Rs. 1,200(F)
  - d. Rs.2,100(F)
- 21 A favorable labor variance combined with an adverse wage rate variance could be caused by?
- a. Higher unemployment in local economy
  - b. Introduction of performance related pay
  - c. Cheaper raw materials imported due to exchange rate depreciation

- d. Cost cutting exercises implement by management
- 22 Job ABC has standard hours worked 28, actual hours worked 26.5, standard wage rate is 5.60 Rs, actual wage rate 6.05 Rs, actual labor efficiency variance will be?
- a. 9.08 favorable
- b. 3.53 adverse
- c. 1.93 adverse
- d. 8.40 favorable
- 23 A Mobile manufacturing company finds that while it costs Rs.15 each to make component X, the same is available in the market at Rs.14 each, with an assurance of continued supply. The break-down of cost is:
- |                                   |              |
|-----------------------------------|--------------|
| Material                          | Rs.5.00 each |
| Labour                            | Rs.4.00each  |
| Other Variable Cost               | Rs.3.00 each |
| Depreciation and other fixed Cost | Rs.3.00 each |
- Find out the Total Variable Cost?
- a. Rs.12 each
- b. Rs.15 each
- c. Rs.3.00 each
- d. Rs.25 each
- 24 Sales For Year 2019 is Rs. = 4,00,000 and for year 2020 =Rs. 5,00,000 Whereas Total cost for Year 2019 =Rs.3,85,000 and For year 2020 =Rs.5,15,000 .and Fixed cost is Rs. 1,35,000 find the profit for the year 2021 if sales amounted to Rs. 7,50,000
- a. Rs. 85000
- b. Rs.90000
- c. Rs. 1,00,000
- d. Rs.95000
- 25 A budgeting process which demands each manager to justify his entire budget in detail from beginning is
- a. Functional budget
- b. Master budget
- c. Zero base budgeting
- d. Cash budget