425 QUESTION PAPER BOOKLET CODE : **A**

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Time allowed : 3 hours Maximum marks : 100

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PART—I

1. The Amount available for distribution to owners at the time of closure of business after payment of all liabilities.
   - (A) Capital
   - (B) Net worth
   - (C) Drawings
   - (D) Investments

2. A purchased goods for the list price of ₹ 60,000 with a trade discount @ 20% and cash discount @ 5%. A paid 40% on the date of purchase. The amount of cash discount will be :
   - (A) ₹ 12,000
   - (B) ₹ 3,000
   - (C) ₹ 2,400
   - (D) ₹ 960

3. Salary Payable A/c is an example of :
   - (A) Representative Personal Account
   - (B) Tangible Real Account
   - (C) Intangible Real Account
   - (D) Nominal Account

4. Purpose of Trial Balance is :
   - (A) To serve as evidence of the fact that the double entry has been completed in respect of every transaction
   - (B) The accounts containing debit balances are written on the debit column, and those with credit balances are written on the credit column
   - (C) To divide the work easily
   - (D) To fix the responsibilities

5. If the turnover of a company is Rs. Hundred crore or more then these companies can round off :
   - (A) To the nearest tens, hundreds, thousands, lakhs or millions, or decimals thereof
   - (B) To the nearest hundreds, thousands, lakhs or millions, or decimals thereof
   - (C) To the nearest lakhs, millions or crores, or decimals thereof
   - (D) To the nearest millions or crores, or decimals thereof

6. X Ltd. paid ₹ 20 Lakh as advance to the vendor to install a Hydro Power Plant. This amount is to be disclosed in the balance sheet as per Schedule III of the Companies Act, 2013 under :
   - (A) Long-term Loans and Advances
   - (B) Capital Work-in-Progress
   - (C) Current Assets
   - (D) Miscellaneous Expenses

7. This share capital in respect of dividend, in addition to the preferential right to the payment of dividends, has the right to participate, whether fully or to a limited extent, with capital not entitled to the preferential right of repayment of dividend and repayment. This share capital is :
   (A) Preference Share Capital
   (B) Deemed Preference Share Capital
   (C) Cumulative Preference Share Capital
   (D) Non-Convertible Preference Share Capital

8. A company has 10,00,000 equity shares of ₹ 100 each. The company wants to buyback 1,00,000 equity shares from the market. For this :
   (A) Special resolution is required to be passed in the general meeting as the buyback is only 10% of the outstanding share capital
   (B) Ordinary resolution is required to be passed in the board meeting as the buyback does not exceed 10% of the outstanding share capital
   (C) No need to pass any resolution as the buyback is less than or equal to 10% of the outstanding equity share capital
   (D) Ordinary resolution is required to be passed in the annual general meeting as the buyback is equal to 10% of the outstanding share capital

9. Employees Stock Option Scheme must be :
   (A) Sanctioned by Special Resolution & don't include Independent Director also
   (B) Sanctioned by Ordinary Resolution & don't include Independent Director also
   (C) Sanctioned by Special Resolution & include Independent Director also
   (D) Sanctioned by Ordinary Resolution & include Independent Director also

10. A Ltd. has 20,00,000 outstanding equity shares of ₹ 100 each. What is the provision for the issue of sweat equity shares and how many sweat equity shares can be issued by A Ltd. ?
   (A) A company can issue 15% of the outstanding equity shares capital in a year or ₹ 5 crore w.e.h., A Ltd. can issue ₹ 5 crore equity shares as sweat equity
   (B) A company can issue 15% of the outstanding equity shares capital in a year or ₹ 2 crore w.e.h., A Ltd. can issue ₹ 3 crore equity shares as sweat equity
   (C) A company can issue 10% of the outstanding equity shares in a year or ₹ 5 crore w.e.h., A Ltd. can issue ₹ 5 crore equity shares as sweat equity
   (D) A company can issue 10% of the outstanding equity shares capital in a year or ₹ 2 crore w.e.h., A Ltd. can issue ₹ 2 crore equity shares as sweat equity

11. In case of the issue of debentures as collateral securities the holder is entitled to :
    (A) Interest on loans as well as interest on debentures received as collateral securities
    (B) Interest on loans only, but not on debentures received as collateral securities
    (C) No interest on loans, but interest only on debentures received as collateral securities
    (D) Neither interest on loans nor interest on debentures received as collateral securities

12. As per SEBI (Issue and Listing of Debt Securities), Regulations 2008 for manufacturing companies, infrastructure companies, and privately placed debentures by listed companies or unlisted companies the adequacy of debenture redemption reserve will be :
    (A) 100% of the value of outstanding debentures
    (B) 75% of the value of outstanding debentures
    (C) 50% of the value of outstanding debentures
    (D) 25% of the value of outstanding debentures

13. Premium on redemption of debentures is :
    (A) Suspense A/c
    (B) Real A/c
    (C) Personal A/c
    (D) Nominal A/c

14. A Ltd. is a listed public company in which Mr. X is working as Managing Director, 120 Permanent Employees including 10 directors, 75 contractual employees, and 3 Independent directors. The company wants to issue debentures under the Employees Stock Option. To whom company can issue debenture under this scheme ?
    (A) To all the 200 employees i.e. Managing Director, Permanent Employees, Contractual Employees and Independent Directors
    (B) To the Managing Director, Permanent Employees and Contractual labours
    (C) To the Managing Director and to the Permanent Employees only
    (D) Debentures cannot be issued under the Employees Stock Option Scheme

15. Which of the following statements is true ?

(A) The company shall not convert its existing equity share capital with voting rights into equity share capital carrying differential voting rights and vice versa

(B) The total number of shares allotted with differential rights need not be disclosed in the Board's Report

(C) The holders of the equity shares with differential rights shall not enjoy all other rights such as bonus shares, rights shares etc.

(D) Since the details of all the shareholders are there in the register of members there is no need to contain the relevant particulars of the issue of shares with differential rights

16. A company issued a prospectus inviting applications for 2,00,000 equity shares of ₹ 100 each. The whole issue was fully underwritten by three underwriters : A – 1,00,00 shares. B – 70,000 shares and C – 30,000 shares. Applications were received for 1,60,000 shares, of which marked applications were A–76,000 shares, B–40,400 shares, C–33,600. The liability of the underwriters will be :

(A) A–24,000; B–29,600; C–(–3,600)

(B) A–16,000; B–24,000; C–Nil

(C) A–19,000; B–26,100; C–(–5,100)

(D) A–1,00,000; B–70,000; C–30,000

17. These reports complete the fundamental purpose of financial accounting by providing information that is helpful in the financial decision-making process.

(A) Trial Balance, Income Statement, Balance Sheet, Statement of Stockholders Equity

(B) Income Statement, Balance Sheet, Statement of Stockholders Equity, Statement of Fund Flow

(C) Income Statement, Balance Sheet, Statement of Stockholders Equity, Statement of Cash Flow

(D) Income Statement, Balance Sheet, Statement of Stockholders Equity, Statement of Receipt and Payment

18. Which of the following options are INCORRECT ? A Reserve :

(*i*) an appropriation on the profit

(*ii*) is created to cover a known liability or expected future loss

(*iii*) is a charge against the profit

(*iv*) is meant to strengthen the financial position of the company

(A) Both (*i*) and (*ii*)

(B) Both (*ii*) and (*iv*)

(C) Both (*iii*) and (*iv*)

(D) Both (*ii*) and (*iii*)

19. Every company shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director if :

(A) It has a net worth of ₹ 500 crore or more, and Turnover of ₹ 1,000 crore or more and a net profit of ₹ 5 crore or more during the immediately preceding financial year

(B) It has a net worth of ₹ 500 crore or more, or Turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during the immediately preceding financial year

(C) It has a net worth of ₹ 500 crore or more, or Turnover of ₹ 100 crore or more or a net profit of ₹ 5 crore or more during the immediately preceding financial year

(D) It has a net worth of ₹ 500 crore or more, and Turnover of ₹ 100 crore or more and a net profit of ₹ 5 crore or more during the immediately preceding financial year

20. Net profit for the year is ₹ 2,00,000. During the period, Trade Payable decreased by ₹ 10,000, inventory increased by ₹ 6,000 and Trade Receivables increased by ₹ 15,000. The amount of cash flow from operating activities using the indirect method will be :

(A) ₹ 1,69,000

(B) ₹ 1,75,000

(C) ₹ 1,79,000

(D) ₹ 1,84,000

21. For the accounting period beginning on or after 1st April 2019, NBFCs will be required to follow Ind ASs if :

(A) Listed NBFCs having a net worth of ₹ 500 crore or more, for unlisted NBFCs with a net worth of ₹ 250 crore or more, and Holding, Subsidiary, joint venture and associate companies of these companies

(B) Listed NBFCs having a net worth of ₹ 500 crore or more, for unlisted NBFCs with a net worth of ₹ 200 crore or more, and Holding, Subsidiary, joint venture and associate companies of these companies

(C) Listed NBFCs having a net worth of ₹ 250 crore or more, for unlisted NBFCs with a net worth of ₹ 200 crore or more, and Holding, Subsidiary, joint venture and associate companies of these companies

(D) Listed NBFCs having a net worth of ₹ 250 crore or more, for unlisted NBFCs with a net worth of ₹ 100 crore or more, and Holding, Subsidiary, joint venture and associate companies of these companies

22. When an entity provides goods or services to customers at a price or rate that is subject to rate regulation is known as :
    (A) Regulatory Fair Value
    (B) Regulatory Revenue
    (C) Regulatory Deferral Accounts Balance
    (D) Regulatory Revenue Expenditure

23. .... provides explanation about inventories of service providers.
    (A) AS 2
    (B) Ind AS 2
    (C) AS 9
    (D) Ind AS 27

24. The ledger where all transactions relating to assets and liabilities are recorded is called :
    (A) Cash Book
    (B) General Ledger
    (C) Nominal Ledger
    (D) Private Ledger

25. In case of the purchase of debentures in the open market for immediate cancellation, if there is any difference between the nominal value of the debentures cancelled and the price paid for them, the same has to be treated as :
    (A) Profit or Loss on cancellation
    (B) Capital Reserve
    (C) Revenue Reserve
    (D) Capital Loss

26. When a company purchases its own shares out of free reserves, then a sum equal to the nominal value of the shares so purchased shall be transferred to the :
    (A) Capital Reserve Account
    (B) Capital Redemption Reserve Account
    (C) General Reserve Account
    (D) Profit and Loss Account

27. If there are profits and the dividends on cumulative preference shares are in arrears, the arrears of dividends on preference shares held by the Minority shareholders should be :
    (A) Credited to the Consolidated Profit and Loss Account and debited to the Minority Interest Account
    (B) Debited to the Consolidated Profit and Loss Account and credited to the Minority Interest Account
    (C) Debited to the Consolidated Profit and Loss Account and credited to the Capital Reserve Account
    (D) Credited to the Consolidated Profit and Loss Account and debited to the Capital Reserve Account

28. H Ltd. acquires 75% of the equity shares of S Ltd. on 1-4-2023. On that date, the paid-up capital of S Ltd. was 20,000 equity shares of ₹ 100 each; the accumulated reserve balance was ₹ 10,00,000. H Ltd. paid ₹ 26,00,000 to acquire 75% interest in the S Ltd. Assets of S Ltd. were revalued on 1-4-2023 and a revaluation loss of ₹ 1,00,000 was ascertained. The cost of control is :

(A) Capital Reserve ₹ 4,25,000

(B) Goodwill ₹ 4,25,000

(C) Capital Reserve ₹ 3,50,000

(D) Goodwill ₹ 3,50,000

29. Non-listed public companies having paid-up share capital of ₹ 100 crores or more or having a turnover of ₹ 300 crores or more are required to appoint :

(A) at least one-woman director

(B) at least one independent director

(C) at least 5 directors

(D) No need to require a woman director

30. Shareholder value added is :

(A) Net operating profit after tax–Cost of capital

(B) Net operating profit before tax–Cost of capital

(C) Net operating profit after tax + Cost of capital

(D) Net operating profit after tax–WACC

31. Following is the information of ABC Limited :

Equity Share Capital – ₹ 1,200 lakhs

12% Debenture – ₹ 600 lakhs

WACC = 12%

Financial Leverage 1.5 times

(Assume a 30% tax rate)

EVA is :

(A) ₹ 216

(B) ₹ (151.20)

(C) ₹ 64.8

(D) ₹ (64.8)

32. Profits are meant for shareholders whereas value added is meant for :

(A) Stakeholders

(B) Shareholders

(C) Managers

(D) Directors

33. To establish principles for reporting financial information, about the different types of products and services an enterprise produces and the different geographical areas in which it operates. This is the objective of :

(A) Accounting Standard–17 (Segment Reporting)

(B) Accounting Standard – 25 (Interim Financial Reporting)

(C) Accounting Standard – 27 (Financial Reporting of Interests in Joint Ventures)

(D) Accounting Standard – 29 (Provisions, Contingent Liabilities and Contingent Assets)

34. The objective of Accounting Standard–23 (Accounting for Investments in Associates in Consolidated Financial Statements) is :

(A) to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period

(B) to ensure that appropriate recognition criteria and measurement bases are applied to provisions and contingent liabilities and that sufficient information is disclosed in the notes to the financial statements to enable users to understand their nature, timing and amount

(C) to set out principles and procedures for recognizing, in the consolidated financial statements, the effects of the investments in associates on the financial position and operating results of a group

(D) Accounting for investments in the financial statements of enterprises and related disclosure requirements

35. The focus of the IFRC Advisory Council is to provide strategic support and advice to the IFRS Foundation, and it meets in :

(A) New York at least once a year for a period of two days

(B) London at least once a year for a period of two days

(C) New York at least twice a year for a period of two days

(D) London at least twice a year for a period of two days

36. The total number of members normally the Australian Accounting Standards Board (AASB) has :

(A) 10 members (excluding the Chair)

(B) 10 members (including the Chair)

(C) 12 members (excluding the Chair)

(D) 12 members (including the Chair)

37. The International Public Sector Accounting Standards Board's (IPSASB) structures and processes are facilitated by the :

(A) International Accounting Bodies

(B) International Federation of Accountants (IFAC)

(C) Financial Reporting Council (FRC)

(D) European Financial Reporting Advisory Group (EFRAG)

38. The following are the extracts of the current liabilities of a limited liability company :

	31-3-2022	31-3-2023
Provision for Taxation	50,000	75,000

An income tax of ₹ 65,000 was paid during the year. The amount of provision for taxation made during the year is :

(A) ₹ 40,000

(B) ₹ 60,000

(C) ₹ 80,000

(D) ₹ 90,000

39. The focus of AS-20 is on denominator of the .... calculation.

(A) Earnings Per Share

(B) Lease

(C) Market Price Per Share

(D) Taxes on Income

40. The expected sales value of stock is ₹ 20 lakhs and a commission of 10% on sale is payable to the agent. Calculate Net Realisable Value (NRV) as per AS-2 ?

(A) ₹ 12 lakhs

(B) ₹ 14 lakhs

(C) ₹ 16 lakhs

(D) ₹ 18 lakhs

41. ICSI functions under the jurisdiction of the :

(A) Prime Minister of India

(B) Ministry of Law

(C) NCLT

(D) Ministry of Corporate Affairs

42. .... represents the economic profits generated by a business above and beyond the minimum return required by all providers of capital.

(A) Shareholder Value Added (SVA)

(B) Economic Value Added (EVA)

(C) Market Value Added (MVA)

(D) Debenture-holders Value Added (DVA)

43. CSR stands for ....

(A) Company Social Responsibility

(B) Corporate Social Rights

(C) Corporate Social Responsibility

(D) Company Social Rights

44. Which type of committee is not required to be formed for compliance with provisions of Corporate Governance under the Companies Act, 2013 and SEBI Regulations ?

(A) Audit Committee

(B) Nomination & Remuneration Committee

(C) Stakeholders Grievance Committee

(D) Corporate Governance Committee

45. Pre-acquisition dividend received by Holding Company is credited to ....
    (A) Profit & Loss A/c
    (B) Capital Profit
    (C) Investment A/c
    (D) Revenue Profit

46. Holding Company holds more than .... voting power in subsidiary company.
    (A) 25%
    (B) 40%
    (C) 50%
    (D) 75%

47. The net profit on forfeiture and reissue of equity shares is transferred to ....
    (A) Capital Reserve
    (B) General Reserve
    (C) Dividend Equalization Reserve
    (D) Revaluation Reserve

48. Final Accounts of companies are prepared according to .... of the Companies Act, 2013.
    (A) Schedule VI
    (B) Schedule V
    (C) Schedule II
    (D) Schedule III

49. Sale of copyright is concerned with cash flow from ....
    (A) Operating activities
    (B) Financing activities
    (C) Investing activities
    (D) Revenue activities

50. A person who undertakes to take up the whole or a portion of the offered shares or debentures as may not be subscribed for by the public is called ....
    (A) Writer
    (B) Share writer
    (C) Broker
    (D) Underwriter

51. As per SEBI Regulations, the merchant banker shall underwrite at least .... itself or jointly with other merchant bankers associated with the issue.
    (A) 15% of issue size
    (B) 10% of issue size
    (C) 25% of issue size
    (D) 5% of issue size

52. Under ESOS employees are given an option to purchase shares at ....
    (A) On the spot
    (B) Later date i.e. after vesting period
    (C) Relevant date
    (D) Later date i.e. after end of accounting year

53. If interest on calls-in-advance is not mentioned in the articles then the rate must be decided by the Board of Directors subject to a maximum of 12% p.a. as per :
    (A) Table A of the Companies Act 2013
    (B) Table D of the Companies Act 2013
    (C) Table F of the Companies Act 2013
    (D) Table G of the Companies Act 2013

54. Sagar Ltd. purchased a machinery worth ₹ 1,20,000 and building worth ₹ 2,00,000 from Radha Ltd. for an agreed purchase consideration of ₹ 3,00,000 to be satisfied by the issue of 3,000, 10% debentures of ₹ 100 each. Calculate the amount to be transferred to Capital Reserve A/c.
    (A) ₹ 10,000
    (B) ₹ 20,000
    (C) ₹ 30,000
    (D) ₹ 40,000

55. Instalment of principal amount of long term loan payable within next 12 months is shown under Balance Sheet of a company under the heading ....
    (A) Non-current assets
    (B) Non-current liabilities
    (C) Current assets
    (D) Current liabilities

56. A special bank account with schedule bank is to be opened if buyback of shares is given :
    (A) Within 15 days from the closure of the offer
    (B) Within 10 days from the closure of the offer
    (C) Within 7 days from the closure of the offer
    (D) Immediately on the closure of the offer

57. A company may allot fully paid shares to promoters or any other party for the services rendered by them, share capital account is credited and .... debited.
    (A) Preliminary expenses account
    (B) Goodwill account
    (C) Capital reserve account
    (D) Suspense account

58. The following is not an advantage of Double entry system :
    (A) It prevents and minimizes frauds
    (B) Helps in decision-making
    (C) The trial balance doesn't disclose certain types of errors
    (D) It becomes easy for the Government to calculate the tax

59. At the time of forfeiture of shares, the share capital account will be ....
    (A) Debited with paid up value of shares forfeited
    (B) Debited with called up value of shares forfeited
    (C) Debited with face value of shares forfeited
    (D) Debited with issue price of shares forfeited

60. This Standard deals with the preparation of financial statements on a going concern basis using the accrual basis of accounting, materiality and aggregation issues, offsetting of assets and liabilities or income and expenses, frequency of reporting, comparative information, and consistency in presentation or classification :
    (A) Ind AS–1
    (B) Ind AS–2
    (C) Ind AS–3
    (D) Ind AS–6

PART—II

61. Direct materials include :

(*i*) All materials specifically purchased for a particular job/process

(*ii*) All material acquired and later requisitioned from stores

(*iii*) Components purchased or produced

(*iv*) Primary packing materials

(*v*) Material passing from one process to another

(A) (*i*), (*ii*) and (*iii*)

(B) (*i*), (*ii*) and (*v*)

(C) (*i*), (*ii*), (*iii*) and (*iv*)

(D) (*i*), (*ii*), (*iii*), (*iv*) and (*v*)

62. According to CIMA, the prime cost is :

(A) the total cost of direct material only

(B) the total cost of direct material and direct labour

(C) the total cost of direct material, direct labour and direct expenses

(D) the total cost of direct material and indirect material

63. Any casual vacancy in the office of a Cost Auditor, whether due to resignation, death or removal, shall be filled by the .... within .... of the occurrence of such vacancy.

(A) Central Government, thirty days

(B) Board of Directors, thirty days

(C) Central Government, sixty days

(D) Board of Directors, sixty days

64. The form that required intimation of the appointment of a cost auditor by the company to the central government :

(A) CRA-1

(B) CRA-2

(C) CRA-3

(D) CRA-4

65. What is the amount of variable cost per unit and fixed cost ?

Volume of output	80,000 units	1,20,000 units
Total Production overheads	₹ 4,00,000	₹ 5,50,000

(A) ₹ 5 per unit and 1,50,000

(B) ₹ 4.58 per unit and ₹ 1,50,000

(C) ₹ 3.75 per unit and ₹ 1,50,000

(D) ₹ 3.75 per unit and ₹ 1,00,000

66. Budgeted Hours 1,25,000

Actual Production 20,000

Standard hours per unit ₹ 5

Actual hours 90,000

Activity ratio is :

(A) 80%

(B) 125%

(C) 90%

(D) 111.11%

67. All items in this statement are expressed as a percentage of the base item. This is a :

(A) Comparative Financial Statement

(B) Common Size Financial Statement

(C) Trend Analysis

(D) Ratio Analysis

68. Net Profit before tax ₹ 2,00,000

Taxation @ 50% of Net Profit

20% Preference Capital ₹ 75,000

10,000 Equity shares of ₹ 10 each ₹ 1,00,000

Earnings per share from the data is :

(A) ₹ 10 per share

(B) ₹ 18.5 per share

(C) ₹ 8.5 per share

(D) ₹ 20 per share

69. Total Assets ₹ 1,25,000

Total debts ₹ 1,00,000

Current Liabilities ₹ 50,000

The Debt-Equity ratio will be :

(A) 2 : 1

(B) 2.5 : 1

(C) 1.25 : 1

(D) 1.75 : 1

70. Which ratio is the barometer of the market sentiment ?

(A) P/E Ratio

(B) Dividend Yield Ratio

(C) Dividend Payout Ratio

(D) Earnings Per Share (EPS)

71. Proprietary funds is :

(A) Equity share capital + Preference share capital – Fictitious Assets

(B) Equity share capital + Preference share capital + Fictitious Assets

(C) Equity share capital + Preference share capital + Reserves – Fictitious Assets

(D) Equity share capital + Preference share capital + Reserves + Fictitious Assets

72. The reports which are to be presented after investigating the problem which requires to be scrutinized is called :

(A) Descriptive reporting

(B) Tabular reports

(C) Graphic presentation

(D) Special report

73. The Higher Level of Management Reports are :

(A) (*i*) less summarized (*ii*) less frequent (*iii*) less in numbers

(B) (*i*) more summarized (*ii*) more frequent (*iii*) more in numbers

(C) (*i*) more summarized (*ii*) less frequent (*iii*) more in numbers

(D) (*i*) more summarized (*ii*) less frequent (*iii*) less in numbers

74. Only variable costs are considered as :

(A) Product costs

(B) Period costs

(C) Product cost and Period cost both

(D) Not a product cost nor period cost

75. The data of a Limited company

	Year 2022	**Year 2023**
Sales (lakhs)	300	400
Cost (lakhs)	240	300

The P/V Ratio is :

(A) 20%

(B) 25%

(C) 33.3%

(D) 40%

76. Under absorption costing the stocks are valued at :

(A) the total cost

(B) the variable cost

(C) the fixed cost

(D) the semi-variable cost

77.

Direct Material	₹ 40
Direct Labour @ ₹ 10 per hour	₹ 20
Variable overheads	₹ 20
Selling price	₹ 100

If labour hours are the key factor, what is the contribution per key factor ?

(A) ₹ 20

(B) ₹ 10

(C) ₹ 80

(D) ₹ 40

78. Approaches of valuation are :

(A) Asset Approach, Income Approach and Market Approach

(B) Asset Approach and Income Approach

(C) Asset Approach and Market Approach

(D) Income Approach and Market Approach

79. An investor wants to invest in an equity share of ABC Ltd. The company's last EPS was ₹ 40 per share and the dividend payout ratio is 35%. The required rate of return from equity investment is 20%. The intrinsic value of equity is :

(A) ₹ 200

(B) ₹ 40

(C) ₹ 70

(D) ₹ 100

80. Diluted earnings per share shall be calculated :

(A) by dividing profit or loss attributable to ordinary equity holders of the entity (numerator) by the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares (denominator) during the period

(B) by dividing profit or loss attributable to ordinary equity holders of the entity (numerator) by the average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares (denominator) during the period

(C) by dividing profit or loss attributable to ordinary equity holders of the entity (numerator) by the weighted average number of ordinary shares outstanding (denominator) during the period

(D) by dividing profit or loss attributable to ordinary equity holders of the entity (numerator) by the average number of ordinary shares outstanding (denominator) during the period

81. The approaches which are used in valuation of intangible assets are :
    (A) (*i*) Cost Approach, (*ii*) Market-Value Approach and (*iii*) Economic-Value Approach
    (B) (*i*) Asset-Based Approach, (*ii*) Earning Value Approach and (*iii*) Market Value Approach
    (C) (*i*) Cost Approach, (*ii*) Earning Value Approach and (*iii*) Market Value Approach
    (D) (*i*) Asset-Based Approach (*ii*) Earning Value Approach and (*iii*) Economic-Value Approach

82. The average profit of a firm is ₹ 75,000. The rate of capitalization is 12%. The assets and liabilities of the firm are ₹ 6,80,000 and ₹ 4,30,000 respectively. The value of goodwill is :
    (A) ₹ 6,25,000
    (B) ₹ 3,75,000
    (C) ₹ 3,25,000
    (D) ₹ 1,75,000

83. Valuation of Shares is to be done by :
    (A) Company Secretary or Advocate with 10 years of experience
    (B) Merchant Banker or Company Secretary with 5 years of experience
    (C) Merchant Banker or Chartered Accountant with 10 years of experience
    (D) Company Secretary or Chartered Accountant with 5 years of experience

84. Asset backing or intrinsic value or break-up value method is also called :
    (A) Earning Basis Method
    (B) Fair Value Method
    (C) Net Asset Method
    (D) Super Profit Method

85. Ind AS 102 applies to :
    (A) both employees and non-employees share based payments
    (B) shareholders of the company
    (C) non-employees share based payments
    (D) both employees share based payments

86. An investor wants to invest in the equity shares of XYZ Ltd for one year. The company is expected to declare a dividend of ₹ 3 per share. Further, a leading security analyst has projected the year-end target price of this company's share at ₹ 160. Assume that the required rate of return is 10%. The fair price of the share is :
    (A) 111
    (B) 145.45
    (C) 145
    (D) 148.45

87. The P/E ratio (also known as the P/E multiple) is the method most widely used by finance managers, investment analysts and equity shareholders to arrive at :

(A) the market price of an equity share

(B) the market price of preference share

(C) the issue price of an equity share

(D) the issue price of preference share

88. Systematic risk of a security is indicated by :

(A) Rho coefficient

(B) Gamma coefficient

(C) Alpha coefficient

(D) Beta coefficient

89. Economic Value Added (EVA) is :

(A) ‘‘Net Operating Profit after Taxes”– (Equity Capital × % Cost of Equity Capital)

(B) ‘‘Net Operating Profit before Taxes”– (Equity Capital × % Cost of Equity Capital)

(C) ‘‘Net Operating Profit after Taxes”– (Equity & Pref. Capital × % Cost of Equity Capital)

(D) ‘‘Net Operating Profit before Taxes”– (Equity & Pref. Capital × % Cost of Equity Capital)

90. The opportunity cost of making a component part in a factory with no excess capacity is the :

(A) Variable manufacturing cost of the component

(B) Cost of production given up in order to produce the component

(C) Total manufacturing cost of the component

(D) Net benefit given up from the best alternative use of the capacity

91. Pick out the correct statement :

(A) Increase in margin of safety means increase in BEP

(B) Increase in actual sales increases margin of safety

(C) Increase in variable cost increases margin of safety

(D) Decrease in variable cost decreases margin of safety

92. The difference between variable costs and fixed costs is :

(A) Variable costs per unit fluctuate and fixed costs per unit remain constant

(B) Variable costs per unit are fixed over the relevant range and fixed costs per unit are variable

(C) Total variable costs are variable over the relevant range and fixed in the long-term, while fixed costs never change

(D) Variable costs per unit change in varying increments, while fixed costs per unit change in equal increments

93. If the budget of a company is reviewed and updated at regular intervals, it is known as :
    (A) Capital budget
    (B) Rolling budget
    (C) Flexible budget
    (D) Fixed budget

94. Which of the following is not a part of operating budget ?
    (A) Production budget
    (B) Cost of goods sold budget
    (C) Sales budget
    (D) Capital budget

95. In the cost Audit report Abnormal Non-Recurring cost relates to :
    (A) The costs that arise due to abnormal features affecting sales
    (B) The costs that need to be indicated along with their effect on the unit cost of sales
    (C) Costs arising due to substantial power cuts
    (D) The special expenses which are directly allocated to products

96. Which of the following is not a method of business valuation ?
    (A) Asset based
    (B) Earnings based
    (C) Market based
    (D) Equity based

97. Which of the following is not the method of valuation of goodwill ?
    (A) Average profit method
    (B) Super profit method
    (C) Capitalization method
    (D) Straight line method

98. The ratio that explains how efficiently companies use their assets to generate sales is ....
    (A) Revenue asset ratio
    (B) Receivable turnover ratio
    (C) Income ratio
    (D) Fixed Asset turnover ratio

99. (1) To determine Fair value.
    (2) To set out a single Ind AS framework for measuring fair value.
    (3) To require disclosures with respect to fair value measurements.

    Above objectives are related to :
    (A) Ind AS 33-Earnings per share
    (B) Ind AS 32-Financial Instrument Presentation
    (C) Ind AS 113-Fair Value Measurement
    (D) Ind AS 102-Share-based payment transaction

100. The date that award exercised satisfied conditions of agreement is called :
    (A) Grand date
    (B) Vesting date
    (C) Actual date
    (D) Exercise date

Space for Rough Work

ANSWERS MARKED IN THE OMR ANSWER SHEET SHALL ONLY BE EXAMINED