

**K.B.COLLEGE OF ART S & COMMERCE FOR WOMEN, KOPARI THANE (EAST)**

**TYBAF SEM – VI**

**SAMPLE QUESTION**

**SUB: INDIRECT TAX – II**

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**MULTIPLE CHOICE QUESTIONS**

Q.1) Every registered person required to deduct tax at source shall furnish a return in Form -----

- a. GSTR – 1
- b. GSTR – 5
- c. GSTR – 9
- d. GSTR – 7

Q.2) Every operator who collects the amount of tax has to furnish the details of the same within ----- after the end of month.

- a. 15 days
- b. 1 month
- c. 20 days
- d. 10 days

Q.3) An operator can rectify any omission or incorrect particulars in furnishing the statement u/s 52 (4) subject to payment of -----.

- a. taxes
- b. interest
- c. penalty
- d. late fee

Q.4) CPIN is a ----- digit unique number.

- a. 15
- b. 14
- c. 10
- d. 27

Q.5) ----- is to be furnished electronically upto 31<sup>st</sup> Dec. of succeeding financial year by every registered person.

- a. final return
- b. annual return
- c. return of outward supply
- d. return of inward supply.

Q.6) Fees of ----- per day shall be levied for delay in furnishing the return.

- a. Rs. 25
- b. Rs. 50
- c. Rs. 75
- d. Rs. 100

Q.7) ----- is to be filled by 20<sup>th</sup> of succeeding month.

- a. GSTR1
- b. GSTR2
- c. GSTR3
- d. GSTR4

Q.8) The books of accounts are to be retained by a registered person for a period of ----- from the date of filing of annual return.

- a. 8 years
- b. 72 months
- c. 4 years
- d. 1 year

Q.9) Every registered person is required to ----- the taxes payable under the act and furnish a return for each tax period.

- a. re-assess
- b. self- assess
- c. scrutinize
- d. calculate

Q.10) The commissioner or any officer authorized by him by any way of general or specific order may undertake ----- of any registered person.

- a. provisional assessment
- b. best judgement assessment
- c. audit
- d. scrutiny

Q.11) ----- is the last stage in imposition of tax.

- a. Levy
- b. Collection
- c. Assessment
- d. rebate

Q.12) Custom duty is on -----

- a. Goods
- b. Services
- c. goods & Services
- d. Profession

Q.13) Bill of entry for ----- is filled by importer for making imported goods part of mass of India.

- a. warehousing
- b. home consumption
- c. clearance
- d. Indian consumption

Q.14) Penalty for late filling of import manifest or import report is upto Rs. -----

- a. 10,000
- b. 20,000
- c. 30,000
- d. 50,000

Q.15) Import vehicle is to be filled by person-in-charge of a vehicle within ----- hours of arrival of vehicle.

- a. 6
- b. 9
- c. 12

d. 24

Q.15) Classification of goods under custom tariff act, is based on -----

- a. Localised classification methods
- b. harmonized system of nomenclature
- c. Indian classification systems
- d. T.D.S system

Q.16) First schedule to Customs Tariff Act, 1975 is divided into 21 -----

- a. chapters
- b. headings
- c. sections
- d. sub-chapters

Q.17) ----- is charged to protect of any industry established in India.

- a. protective duty
- b. safeguard duty
- c. CVD on subsidized articles
- d. Anti-dumping duty

Q.18) Social Welfare surcharge is not chargeable on -----

- a. Safeguard duty
- b. countervailing duty
- c. anti-dumping duty
- d. safeguard, countervailing and anti-dumping duty

Q.19) In case of goods being cleared for home consumption and bill of entry is filled before arrival of vessel, date of ----- shall be considered for determining rate of duty.

- a. arrival of vessel at port
- b. granting entry inward to vessel
- c. filling of bill of entry
- d. presentation of goods.

Q.20) -----% of duty drawback is available for stores other than fuel and lubricant oil used on board a foreign going aircraft.

- a. 100
- b. 99
- c. 98
- d. 97

Q.21) Baggage rules shall apply to unaccompanied baggage provided such baggage arrives ----- months before arrival of passenger.

- a. 2
- b. 3
- c. 4
- d. 6

Q.22) Public warehouses are ----- by customs department.

- a. controlled
- b. approved
- c. licensed
- d. registered

Q.23) A bond is executed for warehousing of goods imported in multiple imports is referred to as ----- bond.

- a. special
- b. general
- c. higher
- d. lower

Q.24) Maximum warehousing period for goods belonging to 100% Export Oriented Unit is ----

- a. 5 yrs.
- b. 3 yrs.
- c. 1yr.
- d. no limit on time period.

Q.25) No duty shall be levied if the amount of duty is Rs. ----- or less.

- a. 50
- b. 75
- c. 100
- d. 500

Q.26) ----- refers to the process of inflicting serious damage to goods.

- a. Mutilation
- b. Denaturing
- c. Wreck
- d. degeneration

Q.27) Refund/ drawback/ Input Tax Credit for IGST paid on imported goods shall be claimed under -----

- a. CGST Act, 2017
- b. Customs Act,1962
- c. Customs Tariff Act, 1975
- d. Central Excise Act, 1944.

Q.28) Duty drawback u/s 75 of Custom tariff Act, 1962 for safeguard duty paid u/s 8B shall be provided under ----- rate.

- a. All India
- b. Brand
- c. Special Brand
- d. Special

Q.29) Application for brand rate or special brand rate shall be made to -----

- a. Any custom officer
- b. Assistant Commissioner of Customs
- c. Principal chief commissioner of Customs
- d. Chief Commissioner of Customs

Q.30) Person making under undue or excess reduction of liability, person is liable to pay interest -----.

- a. 5%
- b. 24%
- c. 12%
- d. 18%

Q.31) CPIN will be valid for -----days.

- a. 0
- b. 15
- c. 20
- d. 25

Q.32) The last date for declaring the details of a credit note issued on 25<sup>th</sup> June 2019 for a supply made on 19<sup>th</sup> Sept. 2018 is -----

- a. 31<sup>st</sup> Dec. 2019 ( actual date for filling return)
- b. 20<sup>th</sup> July 2019
- c. 20<sup>th</sup> Sept. 2019
- d. 20<sup>th</sup> Oct. 2019

Q.33) ----- is the validity of the challan in form GST PMT -06.

- a. 3
- b. 10
- c. 15
- d. perpetual validity

Q.34) Any person claiming refund of any tax or any other amount paid by him, may make application before expiry of ----- from the relevant date.

- a. one Yr.
- b. 2 years
- c. 3 yrs.
- d. 4 yrs.

Q.35) Time Limit for sanctioning refund under section 54 of CGST Act is -----.

- a. 30 days
- b. 60 days
- c. 90 days
- d. 120 days

Q.36) United Nations Organisations should make applications of GST refund before expiry of ---- from last day of quarter within which such application received.

- a. 3 months
- b. 6 months
- c. 9 months
- d. 12 months

Q. 37) The annual return shall be filled by the registered taxable person other than composition supplier in form -----

- a. GSTR7
- b. GSTR8
- c. GSTR 9
- d. GSTR 10

Q.38) Due date of filling Final return is -----

- a. 10<sup>th</sup> of the next month
- b. 20<sup>th</sup> day of the next month
- c. 31<sup>st</sup> Dec.
- d. within 3 months from the date of cancellation of registration

Q.39) ----- is the rate of T.D.S.

- a. 1%
- b. 2%
- c. 5%
- d. 18%

Q.40) ----- is the registration form.

- a. Form GSTR -1
- b. Form GSTR-2
- c. Form GST REG – 01
- d. Form GST REG

Q.41) Accounts are required to be maintained in -----

- a. Electronic Form
- b. Manual form
- c. Manual & electronic form
- d. Manual or electronic form

Q.42) ----- is liable to pay tax in case of principal & agent.

- a. Principal
- b. Agent
- c. Jointly
- d. Jointly & severally

Q. 43) Special audit u/s 66 shall be ordered by any officer not below the rank of -----

- a. Assistant Commissioner
- b. Deputy Commissioner
- c. Joint Commisioner
- d. Commisioner

Q.44) Report of special audit u/s 66 be submitted within -----

- a. 1 month
- b. 30 days
- c. 3 months
- d. 90 days

Q.45) Anti- dumping duty is levied u/s ----- of Custom Tariff Act, 1975.

- a. Sec.8
- b. Sec 8B
- c. Sec. 9
- d. Sec 9A

Q.46) Transaction value of identical goods is under -----

- a. Rule 4
- b. Rule 5
- c. Rule 7
- d. Rule 8

Q.47) If FOB is not ascertainable but sum of FOB value and cost of transportation is available, then the cost of insurance is -----

- a. 20% of such sum
- b. 1.125% of FOB

c. 1.125% of such sum

d. 20% of FOB

Q.48) Personal & household articles in Annexure III not include -----

a. Gold ornaments

b. Washing Machine

c. Music System

d. Clothes

Q.49) No drawback is allowed on export of following item -----

a. Wearing apparels

b. Motor vehicles

c. Capital goods

d. Investment

Q.50) ----- takes place under the supervision of the proper officer.

a. Transshipment

b. Transit

c. Transport

d. Transaction

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**K.B College of Arts & Commerce for Women, Kopri Thane (East)**

**TYBAF Semester VI**

**Sample Question**

**subject: Financial Accounting – VI**

**Multiple Choice Questions**

- Q1. The Organisation that manages the investment is known as
- Investment Company
  - Asset Management Company
  - Management Company
  - Broking Company
- Q2. Investment intended to be held for less than 12 months is called \_\_\_\_\_ investment.
- Annual
  - Current
  - Long term
  - Trade
- Q3. The aim of Co - Operative Society is
- Service
  - Profit
  - Unity
  - Team Spirit
- Q4. Balance Sheet of Electricity Company is presented in:
- Schedule III Format
  - Three Parts
  - Four Parts
  - Five Parts
- Q5. The Maharashtra Co-Op Society Act was Passed in
- 1912
  - 1960
  - 1980
  - 1961
- Q6. The cost of Investment sold is to be calculated on the basis of \_\_\_\_\_ method
- FIFO
  - LIFO
  - Weighted Average
  - Simple Average
- Q7. The value calculated to measures net asset
- Net Asset Value
  - Yield Returns
  - Rate of Returns
  - Net Annual Value
- Q8. Premium on issue of Securities is retained as:
- Reserve & Surplus
  - Net Revenue Account
  - Assets
  - General Profit & Loss A/C
- Q9. The advantages of investing in Mutual Funds is
- Diversification of Risk
  - Non - Liquidity
  - Non - Convenience



- d. Risky
10. On 1st July 2008, J Ltd purchased 100, 12% debentures of A Ltd at a price of 9,900 (CUM - INTEREST), Interest is paid on 30th September & 31st March every year, Calculate Interest:
- a. 500
  - b. 400
  - c. 300
  - d. 1,200
11. From the above question you are required to calculate acquisition price
- a. 9,600
  - b. 9,900
  - c. 10,100
  - d. 8,600
12. Live Stock in Co – Operative Final Accounts should be disclosed under
- a. Current Assets
  - b. Fixed Assets
  - c. Other Assets
  - d. Investments
- Q13. Book Value of old Assets is written off under
- a. Double Accounting System
  - b. Single Accounting System
  - c. Double Entry System
  - d. Single Entry System
- Q14. The Percentage of Profit transferred to reserve fund's in Co – operative accounting?
- a. 25%
  - b. 20%
  - c. 15%
  - d. 10%
- Q15. Risk can be measures by
- a. Variance
  - b. Standard Deviation
  - c. Beta
  - d. All of the Above
- Q16. Loan Repayment Period in electricity accounting
- a. 10 Years
  - b. 12 Years
  - c. 15 Years
  - d. 20 Years
- Q17. R Ltd holds 14% Debentures of the face value of Rs. 5,000 in X Ltd, Interest is payable on 30th June & 31st December every year. the debentures were purchased on 1st July 2017. Accounts are closed on 31st March every year. you are required to calculate accrued interest on 31st March 2018:
- a. 175
  - b. 575
  - c. 325
  - d. 350
- Q18. Fixed Deposit in Co – operative Final Account should be shown under:
- a. Loan
  - b. Deposit
  - c. Share Capital

- d. Fixed Assets
19. Net asset value of Mutual Funds scheme is calculated
- a. Daily
  - b. Monthly
  - c. Yearly
  - d. Weekly
20. Depreciation under Electricity Final Accounts is provided as per
- a. Regulation 2009
  - b. Regulation 2003
  - c. Regulation 2004
  - d. Regulation 2005
21. Appreciation in investment of Mutual Fund should be carried to
- a. Reserve for unrealised Gain A/C
  - b. Profit & Loss A/C
  - c. Revenue A/C
  - d. General Reserve
22. Interest in Investment Accounting is calculated on the basis of \_\_\_\_\_
- a. Face Value
  - b. Cost Price
  - c. Purchase Price
  - d. Average Price
- Q23. Repair fund in Co – Operative Society may be utilized for
- a. Heavy Repairs
  - b. Establishment Expenses
  - c. Property Expenses
  - d. Other Expenses
- Q24. Salvage Value of Asset under Electricity final account should be
- a. 10%
  - b. 20%
  - c. 25%
  - d. 40%
- Q25. Entrance Fees received from the members in Co-operative final Accounts is to be
- a. Transferred to profit
  - b. Transferred to Loss
  - c. Capitalized
  - d. Transferred to Assets
- Q26. Securities can be purchased at \_\_\_\_\_
- a. Cum - Interest Price
  - b. EX - Interest Price
  - c. Cost + Interest + Brokerage
  - d. Any of the above
- Q27. Revenue Account of Mutual Fund should disclose scheme wise
- a. Income&Expenditure
  - b. Units
  - c. Methods
  - d. Investments
- Q28. Surplus in Electricity Final Accounts =
- a. Clear Profit – Reasonable Returns

- b. Reasonable Returns – Clear Profit
  - c. Clear Profit + Reasonable Returns
  - d. Clear Profit X Reasonable Returns
- Q29. Investment in Mutual Funds should be carried in the Balance sheet at
- a. Market Value
  - b. NAV
  - c. Cost
  - d. Average Cost
- Q30. On sale of Investment Profit / Loss is calculated by the equation \_\_\_\_\_.
- a. Sale - Average cost
  - b. sale - Cost (FIFO) Method
  - c. Sale - Cost (LIFO) Method
  - d. Sale - Cost (weighted average cost)
- Q31. Loose Tools should be disclosed under:
- a. Fixed Assets
  - b. Current Assets
  - c. Misc. Expenses
  - d. Investments
- Q32. Preliminary Expenses in Electricity Final Account is treated as
- a. Reserve Expenditure
  - b. Other Current Assets
  - c. Deferred Revenue Expenses
  - d. Deferred Revenue Income
- Q33. Co- Operative housing society has to Prepare
- a. Profit & Loss A/C
  - b. Revenue A/C
  - c. Income & Expenses A/C
  - d. Cash Book
- Q34. Dividend on shares are is received on:
- a. Opening balance
  - b. Bonus
  - c. Right issue
  - d. Fresh issue
- Q35. The difference between NAV & Re- Purchase price is
- a. Entry Load
  - b. Exit Load
  - c. Expense
  - d. Income
- Q36. Reasonable Return in Electricity accounts is
- a. Actual Profit
  - b. Clear Profit
  - c. Surplus
  - d. Returns on Capital base + Reserves
- Q37. Various measures of portfolio performance include
- a. Sharpe's Ratio
  - b. Treynor's Ratio
  - c. Jensen's Ratio
  - d. All of the Above

Q38. Bonus on equity shares is received \_\_\_\_\_

- a. Only on Opening Shares held
- b. Opening Shares held + Shares purchased
- c. Only on shares purchased
- d. shares purchased Sold

Q39. Balance Sheet & P&L or Co - Operative society should be prepared in Form:

- a. Form A
- b. Form N
- c. Form D
- d. Form V

Q40. For Calculating Reasonable Returns:

- a. Capital Base + 2%
- b. Capital Base + 3%
- c. Capital Base + 4%
- d. Capital Base + 5%

Q41. Interest received on loan should be

- a. Credited to Income & Exp A/C
- b. Debited to Income & Exp A/C
- c. Disclose to Liability
- d. Disclose to Assets

Q42. Loss on sale of Investments is \_\_\_\_\_A/C

- a. Debited to Investment A/c
- b. Credited to P&L A/C
- c. Debited to P&L A/C
- d. Transferred to P&L A/C

Q43. A Mutual fund has a NAV of Rs.= 20 on 1/12/2017. during December 2017, it has earned a regular income of Rs. 0.0375 per unit & Capital gain of Rs. 0.03 per unit. On 31/12/2017, the NAV was 20.06.

Calculate Monthly return. (HPR)

- a. 0.5750 %
- b. 0.7250 %
- c. 1 %
- d. 0.6375%

Q44. Traction in Electricity Final Accounts is transferred to

- a. Fixed Assets
- b. Current Assets
- c. Current Liabilities
- d. Share Capital

Q45. \_\_\_\_\_regulates Mutual Funds

- a. SEBI
- b. RBI
- c. Stock Exchange
- d. IRDA

Q46. X Purchased 2000 equity shares of Y Ltd. at cost of Rs. 125 per share on 1st March 2018. These shares are still held as investment, you are required to determine closing balance as on 31st March 2018. (Market value of these shares on 31st March 2018 = 135 & Face value is 100.)

- a. 2,50,000
- b. 2,70,000
- c. 2,00,000

d. 2,30,000

Q47. Prepaid Expenses should be disclosed under

- a. Other item
- b. Advances
- c. Current Asset
- d. Misc. Expenses

Q48. Accounting Standard for Investment Accounting is:

- a. AS 13
- b. AS 14
- c. AS 15
- d. AS 16

Q49. IFRS are issued by:

- a. IASB
- b. ICAI
- c. FASB
- d. IASC

Q50. Total Number of Indian Accounting Standards:

- a. 41
- b. 40
- c. 32
- d. 20

## Financial management sem-6

-By Anjali S. pal  
(Tybaf)

### Multiple choice questions:

1. The only feasible purpose of financial management is
  - a) **Wealth Maximization**
  - b) Sales Maximization
  - c) Profit Maximization
  - d) Assets maximization
2. Financial management process deals with
  - a) Investments
  - b) **Financing decisions**
  - c) Both a and b
  - d) None of the above
3. Agency cost consists of
  - a) Binding
  - b) Monitoring
  - c) Opportunity and structure cost
  - d) **All of the above**
4. Finance Function comprises
  - a) Safe custody of funds only
  - b) Expenditure of funds only
  - c) Procurement of finance only
  - d) **Procurement & effective use of funds**
5. The objective of wealth maximization takes into account
  - a) Amount of returns expected
  - b) Timing of anticipated returns
  - c) Risk associated with uncertainty of returns
  - d) **All of the above**
6. Financial management mainly focuses on

- a) Efficient management of every business
- b) Brand dimension
- c) Arrangement of funds
- d) **All elements of acquiring and using means of financial resources for financial activities**

7.. **Risk of two securities with different expected return can be compared with:**

- a) **Coefficient of variation**
- b) Standard deviation of securities
- c) Variance of Securities
- d) None of the above

8. **A portfolio having two risky securities can be turned risk less if**

- a) **The securities are completely positively correlated**
- b) If the correlation ranges between zero and one
- c) The securities are completely negatively correlated
- d) None of the above.

9.**Efficient frontier comprises of**

- a) Portfolios that have negatively correlated securities
- b) Portfolios that have positively correlated securities
- c) Inefficient portfolios
- d) **Efficient portfolios**

10.**Efficient portfolios can be defined as those portfolios which for a given level of risk provides**

- a) **Maximum return**
- b) Average return
- c) Minimum return
- d) None of the above

11. **Capital market line is:**

- a) Capital allocation line of a market portfolio
- b) Capital allocation line of a risk free asset
- c) **Both a and b**

d) None of the above

**12. CAPM accounts for:**

- a) Unsystematic risk
- b) **Systematic risk**
- c) Both a and b
- d) None of the above

**13. The point of tangency between risk return indifference curves and efficient frontier highlights:**

- a) **Optimal portfolio**
- b) Efficient portfolio
- c) Sub-optimal portfolio
- d) None of the above

**14. A portfolio comprises two securities and the expected return on them is 12% and 16% respectively. Determine return of portfolio if first security constitutes 40% of total portfolio.**

- a) 12.4%
- b) 13.4%
- c) **14.4%**
- d) 15.4%

**15. The value of a bond and debenture is**

- a) Present value of interest payments it gets
- b) **Present value of contractual payments it gets till maturity**
- c) Present value of redemption amount
- d) None of the above

**16. Required rate of return > Coupon rate, the bond will be valued at**

- a) Premium
- b) Par value
- c) **Discount**
- d) None of the above.



**17.If the coupon rate is constant, the value of bond when close to maturity will be**

- a) Issued value
- b) Par value
- c) **Redemption value**
- d) All of the above

**18.If the coupon rate is constant, the value of bond when close to maturity will be**

- a) Issued value
- b) Par value
- c) **Redemption value**
- d) All of the above

**19.When the concept of ratio is defined in respected to the items shown in the financial statements, it is termed as**

- a) **Accounting ratio**
- b) Financial ratio
- c) Costing ratio
- d) None of the above

**20.The definition, “The term accounting ratio is used to describe significant relationship which exist between figures shown in a balance sheet, in a profit and loss account, in a budgetary control system or in a any part of the accounting organization” is given by**

- a) Birman and Dribin
- b) Lord Keynes
- c) **J. Betty**
- d) None of the above.

**21.The relationship between two financial variables can be expressed in:**

- a) Pure ratio
- b) Percentage
- c) Rate or time

d) **Either of the above**

**22. Liquidity ratios are expressed in**

- a) **Pure ratio form**
- b) Percentage
- c) Rate or time
- d) None of the above

**23. Which of the following statements are true about Ratio Analysis?**

- A) Ratio analysis is useful in financial analysis.
- B) Ratio analysis is helpful in communication and coordination
- C) Ratio Analysis is not helpful in identifying weak spots of the business.
- D) Ratio Analysis is helpful in financial planning and forecasting.

- a) **A, B and D**
- b) A, C and D
- c) A, B and C
- d) A, B , C, D

**24. Profit for the objective of calculating a ratio may be taken as**

- a) Profit before tax but after interest
- b) Profit before interest and tax
- c) **Profit after interest and tax**
- d) All of the above

**25. The span of time within which the investment made for the project will be recovered by the net returns of the project is known as**

- (A) Period of return
- (B) **Payback period**
- (C) Span of return
- (D) None of the above

**26. Projects with \_\_\_\_\_ are preferred**

- (A) **Lower payback period**
- (B) Normal payback period
- (C) Higher payback period
- (D) Any of the above

**27. \_\_\_\_\_ on capital is called 'Cost of capital'.**

- (A) Lower expected return
- (B) Normally expected return
- (C) Higher expected return
- (D) **None of the above**

28. the values of the future net incomes discounted by the cost of capital are called

- (A) **Average capital cost**
- (B) Discounted capital cost
- (C) Net capital cost
- (D) Net present values

**29. Under Net present value criterion, a project is approved if**

- (A) **Its net present value is positive**
- (B) The funds are unlimited
- (C) Both (A) and (B)
- (D) None of the above

30. The lock in period for ELSS \_\_\_\_\_

(A) **3 years**

(B) 4 years

(C) 2 years

(D) 1 year

31. The term 'EVA' is used for:

(a)Extra Value Analysis, **(b)Economic Value Added**,(c)Expected Value Analysis,(d)Engineering Value Analysis.

32. Return on Investment may be improved by:

(a)Increasing Turnover,(b) Reducing Expenses,(c)Increasing Capital Utilization,(d)**All of the above.**

33. In Current Ratio, Current Assets are compared with:

(a)Current Profit, **(b)Current Liabilities**,(c)Fixed Assets, (d)Equity Share Capital.

34. ABC Ltd. has a Current Ratio of 1.5: 1 and Net Current Assets of Rs. 5,00,000. What are the Current Assets?

(a)Rs. 5,00,000, **(b)Rs. 10,00,000**, (c)Rs. 15,00,000, (d) Rs. 25,00,000

35. There is deterioration in the management of working capital of XYZ Ltd. What does it refer to?

(a)That the Capital Employed has reduced,(b)That the Profitability has gone up,**(c)That debtors collection period has increased**,(d)That Sales has decreased.

36. Which of the following does not help to increase Current Ratio?

(a)Issue of Debentures to buy Stock, (b)Issue of Debentures to pay Creditors,**(c)Sale of Investment to pay Creditors**,(d)Avail Bank Overdraft to buy Machine.

37. Debt to Total Assets Ratio can be improved by:

(a)Borrowing More,(b)Issue of Debentures,(c)Issue of Equity Shares,**(d)Redemption of Debt.**

38. Ratio of Net Income to Number of Equity Shares known as:

(a)Price Earnings Ratio, (b) Net Profit Ratio,**(c)Earnings per Share**, (d) Dividend per Share.

39. Trend Analysis helps comparing performance of a firm

(a)With other firms,**(b)Over a period of firm**,(c)With other industries,(d) None of the above.

40. A Current Ratio of Less than One means:

- (a) **Current Liabilities < Current Assets**, (b) Fixed Assets > Current Assets, (c) Current Assets < Current Liabilities,  
(d) Share Capital > Current Assets.

41. A firm has Capital of Rs. 10,00,000; Sales of Rs. 5,00,000; Gross Profit of Rs. 2,00,000 and Expenses of Rs. 1,00,000. What is the Net Profit Ratio?

- (a) **20%**, (b) 50%, (c) 10%, (d) 40%.

42. The level of risk premium is depends upon the risk of \_\_\_\_\_

- (A) Cost value of security  
(B) Market value of security  
(C) **Beta**  
(D) None of the above

43. the firm is said to be levered when it uses \_\_\_\_\_ capital

- (A) Equity  
(B) Debt  
(C) Both  
(D) none

44. Investment can be defined.

- A) Person's dedication to purchasing a house or flat  
B) **Use of capital on assets to receive returns**  
C) Usage of money on a production process of products and services  
D) Net additions made to the nation's capital stocks

45. What is the primary goal of financial management?

- A) To minimize the risk  
B) **To maximize the return**  
C) To maximize the owner's wealth

D) To raise profit

46. The finance manager is accountable for.

A) Earning capital assets of the company

B) Effective management of a fund

C) **Arrangement of financial resources**

D) Proper utilization of funds

47. The market value of a share is responsible for.

A) **The investment market**

B) The government

C) Shareholders

D) The respective companies

48) The objective of wealth maximization takes into account

a) Amount of returns expected

b) Timing of anticipated returns

c) Risk associated with uncertainty of returns

d) **All of the above**

49). If the nominal rate of interest is 10% per annum and there is quarterly compounding, the effective rate of interest will be:

a) 10% per annum

b) 10.10 per annum

c) 10.25% per annum

d) **10.38% per annum**

**50.** If nominal rate of return is 10% per annum and annual effective rate of interest is 10.25% per annum, determine the frequency of compounding:

a) 1

**b) 2**

c) 3

d) None of the above

## K.B College of Arts & Commerce for Women, Kopri Thane (East)

**TYBAF Semester VI**

**Sample Question**

**Subject: Securities Analysis Portfolio Management**

### Multiple Choice Questions

Q1. The important objectives of portfolio management may be as follows:

- a. maximizing returns and minimising the risk
- b. maximizing the tax benefits and other objectives
- c. maximizing the liquidity under tax benefits
- d. maximizing various objectives to achieve better Returns

Q2. Fundamental analysis and technical analysis are considered opposite to each other

- a. Absolutely false
- b. Partly false
- c. Maximum true
- d. Minimum true

Q3. You purchase a Security at rupees 50 receive dividend rupees 5 and sold at the end of the year at rupees 55. What is holding period return in percentage is

- a. 25
- b. 20
- c. 30
- d. 40

Q4. Mukesh purchased 5 shares of ABC for rupees 57 on 1st April 2017. During the year received dividend rupees 4 Per share. sold the security on 31st March 2018 for rupees 50 each what returns are earned by Mukesh, in percentage

- a. 3.15
- b. -3.51
- c. 3.51
- d. 5.31

Q5. What do you understand by the term annualized rate of return

- a. it is all about return happening while holding the security
- b. it is all about total Returns gained by the holder for at least 2 years
- c. it is converting the holding period return into annual Returns in any case.
- d. it is about The returns gained during one year holding period

Q6. From the information given below returns and standard deviation for xyz Limited. For year 2015 it is 25% and for 2016 it is 45% and for 2017 60% and 2018 it is 40%

- a. Returns 42.5% and standard deviation is 14.4 3%
- b. 40% and 14%
- c. 45% and 15%
- d. 41% and 14%



Q7. The returns of security m n o p q r given to you respectively(in percent) is 10 12 12 15 11 10 and the risk in standard deviation is 6, 4,12, 15,7,3 respectively. if you are supposed to select two securities which two you will select?

- a. security M and n will be selected
- b. security m & o will be selected
- c. security p and R will be selected
- d. security is n and R will be selected

Q8. What is beta, which can be explained as below:

- a. beta is not the risk return relationship calculations
- b. it is all about comparison between the portfolio return and the market return
- c. it is about the return and risk relationship
- d. none of these

Q9. What is  $3n + 2$

- a. the number of inputs required for single index model
- b. the number of inputs required for double index model
- c. the number of inputs required for Intex model
- d. none of these

Q10.CAPM return is all about the following

- a. Capital Asset pricing model
- b. Capital Asset prediction model
- c. capital asset prediction method
- d. Capital Asset postpone method

Q11.What do you understand portfolio evaluation

- a. it is all about comparing one thing with another and find out which one is better
- b. it is all about the portfolio revision
- c. it is with reference to the portfolio reconstruction
- d. it is all about portfolio fundamentals

Q12.The Jensen differential measure is all about

- a. expected return from security
- b. the expected return from security as per CAPM
- c. expected return from all securities
- d. expected return from mutual funds

Q13. A debenture of rupees hundred face value with interest rate 13% redeemable after 5 years premium of 2%. If the required rate of return is 15% what is the present value of the debenture

- a. 92.2986
- b. 93.2986
- c. 94.2986

d. 91.2986

Q14. Government of India bond of rupees 1000 each has a coupon rate of 7.5 % per annum and maturity period is 25 years if the current market price is rupees 1050 find the yield to maturity in percentage

- a. 2.17
- b. 1.27
- c. 7.12
- d. 7.21

Q15. What do you understand by the term yield to call - YTC.

- a. selling the Bond to the bond holder
- b. buying the bond from the bond holder
- c. call back the bond from the bond holder
- d. sell back the bond to the bond order

Q16. Bond Valuation can be done by utilising the following important formulas

- a. future value annuity
- b. present value annuity
- c. both the above formulas
- d. the present value of annuity and the present value

Q17. When the required rate of return is equal to coupon rate in Bond then market value is not equal to face

- a. market value is not equal to face
- b. market value is equal to face value
- c. market value may be or may not be equal to face value
- d. none of the above

Q18. Required rate of return is greater than coupon rate in the bond then

- a. market value is less than face value
- b. market value is greater than face value
- c. market value is equal to the face value
- d. none of the above

Q19. Required rate of return is less than coupon rate of the bond then

- a. market value is less than face value
- b. market value is greater than face value
- c. market value is equal to the face value
- d. none of the above

Q20. When the required rate of return is greater than coupon rate the bond sells at

- a. premium
- b. not in premium
- c. sells at discount
- d. none of the above

Q21. Fundamental analysis consists of the following three analysis

- a. economic analysis industry analysis and company analysis
- b. company analysis foreign market analysis and economic analysis
- c. ulcers industry analysis and environmental analysis
- d. company analysis industry analysis and regional analysis

Q22. Ratios can be broadly classified into following two types

- a. solvency ratio and working capital ratio
- b. profitability ratio and solvency ratios
- c. solvency ratio and asset investment ratios
- d. profitability ratios and coverage ratios

Q23. Shiva limited has current ratio 1.5 and the industry standard is 2.3. Debt equity ratio is 0.8 whereas industry standard 0.6 Your comments would be

- a. current ratio lower so poor short term solvency and debt equity ratio higher the Reliance is on loan fund
- b. both are at moderate level
- c. both are at good level
- d. difficult to comment

Q24. Quick ratio of ABC Limited is at 1.07 and the industry standard is 1.5 what is your comment on this?

- a. it is not a big difference
- b. it does not indicate any big change
- c. it indicates nothing
- d. it indicates funds are Locked Up and just in time to be adopted

Q25. what is operating leverage

- a. operating leverages all about contribution upon operating profit
- b. it is operating profit upon contribution
- c. it is with reference to sales and fixed cost
- d. it is with sales and variable cost

Q26. When you are been told that earnings before interest and Taxes upon earnings before tax it means

- a. It is about financial leverage
- b. it is about financial risk
- c. it is about operating leverage
- d. it is about financial risk

Q27. What is contribution upon EBT called.

- a. complete leverage
- b. composite leverage
- c. contribution leverage
- d. calculation leverage

Q28. We can get operating leverage by following method

- a. sales minus variable cost is equal to contribution -fixed cost is equal to operating profit.

- b. sales minus contribution is equal to variable cost minus operating profit is equal to fixed cost
- c. sales minus fixed cost is equal to variable cost which is contribution
- d. none of the above

Q29.Trading on equity is used for increasing the Earning per share

- a. Yes absolutely true
- b. no absolutely not true
- c. may be possible
- d. none of the above

Q30.combined leverages should be as low as possible

- a. not necessary
- b. yes absolutely true
- c. absolutely false
- d. none of the above

Q31.Find out the operating leverage when sales is rupees 50000 and variable cost 60% and fixed cost is rupees 12000

- a. 2:4
- b. 2.5
- c. 2.6
- d. 2.7

Q32. Find out the financial leverage from the following information. net worth rupees 25 lacs debt equity3:1, interest rate 12 percent ,20 lacs is operating profit.

- a. 1.92
- b. 1.62
- c. 1.82
- d. 1.72

Q33.The market discounts everything means

- a. the price in the market is the reality
- b. the sentiment in the market is the reality
- c. the moment of prices most important
- d. the moment of overall sentiment is most important

Q34. History tends to repeat itself in technical analysis means

- a. in terms of volume moments
- b. in terms of the price movements
- c. in terms of psychological moments
- d. in terms of pattern moments

Q35. Candlestick chart is very much useful for

- a. finding out opening, closing, hi ,low , and configuration.
- b. finding out the sentiments of the market
- c. finding out the volumes of the markets

- d. finding out the truth of the market

Q36. Support resistance in chart means

- a. finding the trend from low price and high price
- b. understanding the trend from volume
- c. understanding the trend from demand supply
- d. understanding the trend from sentiments

Q37. Head and shoulders in technical analysis means

- a. the brand of a shampoo
- b. security is likely to move against the previous Trend
- c. security will be following the previous Trend
- d. security will be bothering about your shoulders and heads.

Q38. Cup and handle in the chart propose to

- a. bullish trend to end
- b. bullish Trend ended temporarily
- c. bullish Trend already ended permanently
- d. bullish trend will continue limitlessly

Q39. Double tops and bottoms means in charting..

- a. not signalling a trend reversal
- b. definitely signalling a trend reversal
- c. not concerned with tops and bottoms
- d. concerned with the top and bottom of the market

Q40. Moving averages reveal in charting patterns about

- a. understanding the market volumes
- b. understanding the sentiments
- c. technical tool for predicting stock prices
- d. none of the above

Q41. Elliott Wave theory reveals about

- a. predictions based on unique characteristics
- b. predictions based on normal characteristics
- c. predictions based on common aspects
- d. predictions on the volume and price

Q42. The three different versions of Efficient market hypothesis include

- a. weak form semi-strong form and strong form
- b. market efficiency, effectiveness and price
- c. strength weaknesses opportunities and threats
- d. trends, volume and price

Q43. Weak form of Efficient market hypothesis insist on

- a. current price does not reveal the past history
- b. current price does reveal the past history
- c. current price doesn't shows anyway
- d. current price is totally useless

Q44.The semi strong form of Efficient market hypothesis insist on

- a. the current price does not include all publicly available information
- b. current price does include all publicly available information
- c. current price doesn't reflect anything
- d. current price is totally useless

Q45.According to Efficient market hypothesis investors cannot outperform the market. this is

- a. absolutely true
- b. only partially true
- c. absolutely incorrect
- d. none of the above

Q46.Efficient market hypothesis also claims that financial analysis is pointless and investors are wasting their time

- a. absolutely true
- b. absolutely false
- c. partially correct
- d. cannot say

Q47. Efficient market hypothesis also claims that new information is always fully reflected in market prices.

- a. This is incorrect
- b. This is absolutely correct
- c. This is partially correct
- d. This is partially acceptable

Q48.According to EMH investors have to be informed skilled and constantly analysing the flow of new information always.

- a. This is incorrect
- b. This is absolutely correct
- c. This is partially correct
- d. This is 25% acceptable

Q49.Efficient market hypothesis popularly known as the ... walk theory

- a. Random
- b. Absolute
- c. Abrupt
- d. Style

Q50.The .....form of Efficient market hypothesis is silent on possibility of successful fundamental analysis.

- a. Strong
- b. Weak
- c. Random
- d. Semistrong

## Sample Paper

K.B. College of Arts, commerce for women

Costing Accounting VI

T.Y.B.A.F SEM VI

**1) Plant utilization budget and Manufacturing overhead budgets are types of**

- a. Production budget
- b. Sales budget
- c. Cost budget
- d. None of the above

**2) R&D budget and Capital expenditure budget are examples of**

- a. Short-term budget
- b. Current budget
- c. Long-term budget
- d. None of the above

**3) Marginal costs is taken as equal to**

- a) Prime Cost plus all variable overheads
- b) Prime Cost minus all variable overheads
- c) Variable overheads
- d) None of the above

**4) If total cost of 100 units is Rs 5000 and those of 101 units is Rs 5030 then increase of Rs 30 in total cost is**

- a) Marginal cost
- b) Prime cost
- c) All variable overheads
- d) None of the above

**5) Marginal cost is computed as**



- a) Prime cost + All Variable overheads
- b) Direct material + Direct labor + Direct Expenses + All variable overheads
- c) Total costs – All fixed overheads
- d) All of the above

**6) Marginal costing is also known as**

- a) Direct costing
- b) Variable costing
- c) Both a and b
- d) None of the above

**7) While computation of profit in marginal costing**

- a) Total marginal cost is deducted from total sales revenues
- b) Total marginal cost is added to total sales revenues
- c) Fixed cost is added to contribution
- d) None of the above

**8) While preparing sales budget, which of the following factors are considered?**

- a. Non-operational factors
- b. Environmental factors
- c. Both a and b
- d. None of the above

**9) \_\_\_\_\_ provides an estimate of the capital amount that may be required for buying fixed assets needed production requirements.**

- a. Production budget
- b. Cash budget
- c. Capital expenditure budget
- d. None of the above

**10) \_\_\_\_\_ is designed after assessment of the volume of output to be produced during budget period.**

- a. Cost budget
  - b. Sales budget
  - c. Production budget
  - d. None of the above
- 

11) \_\_\_\_\_ is the first step of budgetary system and all other budgets depends on it.

- a. Cost budget
  - b. Sales budget
  - c. Production budget
  - d. None of the above
- 

12) \_\_\_\_\_ also known as subsidiary budgets.

- a. Master budget
  - b. Functional budget
  - c. Cost budget
  - d. None of the above
- 

13) \_\_\_\_\_ contains the picture of total plans during the budget period and it comprises information profit, cost, production etc.

- a. Master budget
  - b. Functional budget
  - c. Cost budget
  - d. None of the above
- 

14) \_\_\_\_\_ is stated as a budget which is made to change as per the levels of activity attained.

- a. Fixed budget
- b. Flexible budget
- c. Both a and b

d. None of the above

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15) \_\_\_\_\_ is prepared for single level of activity and single set of business conditions.

- a. Fixed budget
- b. Flexible budget
- c. Both a and b
- d. None of the above

16) Which of the following statements are not true about budget, budgeting & budgetary control?

- a. Budgetary control works on the basis of best option
- b. Budget is one of the important mediums of communication
- c. Budgeting develops the quality of objectivity in planning
- d. None of the above

17) Which of the following statements are true about budget, budgeting & budgetary control?

- a. Budgeting is business estimates for future periods
- b. Budget is the process of preparing business estimates
- c. Budgetary control is the means to achieve performance on the basis of budget
- d. None of the above

18) Which of the following statements are true about budget, budgeting & budgetary control?

- a. Budgetary control is a wider concept whereas Budget and budgeting are narrower concepts
- b. If there is budgeting or budget, it is not necessary that there should be budgetary control also
- c. If there is budgetary control, budgeting and budget are must
- d. All of the above

**19) The problems associated with marginal costing are**

- a. Difficulties in divisions of costs
- b. Problem of valuation of stocks
- c. Ignores time elements
- d. All of the above

**20) \_\_\_\_\_ is not suitable where selling price is determined on the basis of cost-plus method.**

- a. Absorption costing
- b. Marginal costing
- c. Both a and b
- d. None of the above

**21) Managers utilize marginal costing for**

- a. Make or buy decision
- b. Utilization of additional capacity
- c. Determination of dumping price
- d. All of the above

**22) Which of the following are advantages of marginal costing?**

- a. Makes the process of cost accounting more simple
- b. Helps in proper valuation of closing stock
- c. Useful for standard and budgetary control
- d. All of the above

**23) Which of the following statements are true about absorption & marginal costing?**

- a. In absorption costing, cost is divided into three major parts while in marginal costing, cost is divided into two
- b. In absorption costing period is important and in marginal costing product is important
- c. Both a and b
- d. None of the above

**24) Given production is 1,00,000 units, fixed costs is Rs 2,00,000 Selling price is Rs 10 per unit and variable costs is Rs 6 per unit**

**Determine profit using technique of marginal costing.**

- a. Rs 2,00,000
- b. Rs 8,00,000
- c. Rs 6,00,000
- d. None of the above

**25) Absorption costing is also known as**

- a. Historical costing
- b. Total costing
- c. Both a and b
- d. None of the above

**26) When contribution is positive but equal to fixed cost,**

- a. There is loss equal to fixed costs
- b. There is loss more than fixed costs
- c. There will be loss less than fixed costs
- d. There will be neither profit nor loss

**27) When contribution is negative but less than fixed cost,**

- a. There is loss equal to fixed costs
- b. There is loss more than fixed costs
- c. There will be loss less than fixed costs
- d. All of above are false

**28) Which of the following statements related to Contribution Analysis are true?**

- a. If contribution is zero, there is loss equal to fixed costs
- b. If contribution is negative, loss is less than fixed costs
- c. If contribution is positive and more than fixed cost there will be profit
- d. All of the above

**29) Given Maximum value of production and minimum value of production is 10,000 and 5000 units, total cost is Rs 25,000 and minimum total cost is Rs 15,000. Determine total fixed cost and per unit cost.**

- a. Rs 2 per unit, Rs 5,000

- b. Rs 5 per unit, Rs 2000
- c. Rs 10 per unit, Rs 10,000
- d. None of the above

**30) Under High and Low Point method, the output at two different levels is compared with the amount incurred at these two points.**

- a. Total fixed costs
- b. Total costs
- c. Total fixed costs
- d. None of the above

**31) In two periods total costs amounts to Rs 50000 and Rs 40000 against production of 20000 and 10000. Determine marginal cost per unit and fixed cost.**

- a. Rs 2 and Rs 10,000
- b. Rs 4 and Rs 5000
- c. Rs 10 and Rs 8000
- d. None of the above

**32) Which of the following are the assumptions of marginal costing?**

- A) All the elements of cost can be divided into fixed and variable components.
- B) Total fixed cost remains constant at all levels of output.
- C) Total variable costs varies in proportion to the volume of output.
- D) Per unit selling price remain unchanged at all levels of operating activity.

- a. A and B
- b. B and C
- c. A and D
- d. A, B, C and D

**33) While computing profit in marginal costing**

- a. Total marginal cost is deducted from total sales revenues
- b. Total marginal cost is added to total sales revenues
- c. Fixed cost is added to contribution
- d. None of the above

**34) Which of the following statements are true about marginal costing?**

- A) Marginal costing is not an independent system of costing.**
- B) In marginal costing all elements of cost are divided into fixed and variable components.**
- C) In marginal costing fixed costs are treated as product cost.**
- D) Marginal costing is not a technique of cost analysis.**

- a. A and B**
- b. B and C**
- c. A and D**
- d. B and D**

**35) Marginal costing is also known as**

- a. Direct costing**
- b. Variable costing**
- c. Both a and b**
- d. None of the above**

**37) Marginal costs is taken as equal to**

- a. Prime Cost plus all variable overheads**
- b. Prime Cost minus all variable overheads**
- c. Variable overheads**
- d. None of the above**

**38) Which of the following statements are true?**

- A) Absorption costing helps in preparation of fixed budget.**
- B) Absorption costing is dependent on level of level of output.**
- C) Absorption costing is very helpful in taking managerial decisions.**
- D) Absorption costing helps to conform with accrual and matching concept.**

- a. A and B**
- b. B and C**
- c. A and D**
- d. B and D**

**39) Absorption costs help in**

- a. Difference between product cost and period cost**
- b. Charged of fixed factory overheads on inventory**
- c. Both a and b**
- d. None of the above**

**40) Absorption costing is used for**

- a. Price determination on basis of full cost**
- b. Solution of separation of costs**
- c. Calculation of gross and net profit**
- d. All of the above**

**41) Which of the following statements are true about labour idle time?**

- a. Labour idle time variance is not caused by non-availability of raw material**
- b. Labour idle time variance is measured as : Abnormal idle hours \* Actual hourly rate**
- c. Labour idle time variance is always unfavourable or adverse**
- d. All of the above**

**42) The sub-variance of material usage variance, known as Material mix variance is measured as**



- a. Total standard cost - Total actual cost
- b. Standard cost of revised standard mix - Standard cost of actual mix
- c.  $(\text{Standard unit price} - \text{Actual unit price}) * \text{Actual quantity used}$
- d.  $(\text{Standard quantity} - \text{Actual quantity}) * \text{Unit standard price}$

43) **When actual price is higher or lower than the standard price, then it is**

- a. Sales price variance
- b. Sales volume variance
- c. Sales mix variance
- d. Sales quantity variance

44) **The capacity variance arises when**

- a. There are more working hours than the budgeted working hours
- b. There are less working hours than the budgeted working hours
- c. Both a and b
- d. None of the above

---

45) **If the actual output is more than the budgeted output, volume variance is**

- a. Favorable
- b. Non-favorable
- c. No impact
- d. None of the above

46) **The formula to estimate overhead cost variances is**

- a.  $\text{Actual output} * \text{Standard overhead rate} + \text{actual variable overhead}$
- b.  $\text{Actual output} * \text{Standard overhead rate per unit} - \text{actual overhead cost}$
- c.  $\text{Actual output} * \text{Standard overhead rate per unit} * \text{actual overhead cost}$
- d. None of the above

47) **Idle hours are not deducted in**

- a. Labour efficiency variance

- b. Labour rate variance
- c. Both a and b
- d. None of the above

**48) The formula to estimate Labour Mix variance is**

- a. Total standard labour cost of actual output - Total actual cost of actual output
- b.  $(\text{Standard rate per hour} - \text{Actual rate per hour}) * \text{Actual Hours}$
- c.  $(\text{Revised standard time} - \text{Actual time}) * \text{Standard rate}$
- d. Abnormal idle hours \* Standard hourly rate

**49) Which variance is also known as Gang composition variance?**

- a. Labour mix variance
- b. Labour cost variance
- c. Labour efficiency variance
- d. None of the above

**50) Idle time variance arises when**

- a. Only one grade of labour is used
- b. Time is lost due to abnormal reasons
- c. Both a and b
- d. None of the above

