

KONGUNADU ARTS AND SCIENCE COLLEGE

(AUTONOMOUS)

[Re-accredited by NAAC with 'A' Grade 3.64 CGPA-(3rd Cycle)]

Coimbatore – 641 029



DEPARTMENT OF B.COM CA

QUESTION BANKS

SUBJECTS

S.No	Name of the Subject
1.	C. P: 1 – Principles of Accountancy
2.	C.P: 2 – Introduction to Information Technology
3.	C.P: 5 – Cost Accounting
4.	C.P: 6 – Direct Tax
5.	C.P: 7 – Principles of Marketing
6.	C.P: 8 – Database Management System
7.	Allied. C: 1- Executive Business Communication
8.	SBS: 1 – Managerial Economics
9.	C.P: 12 – Principles of Auditing
10.	C.P: 13 – Management Accounting
11.	C.P: 14 – Financial Management
12.	C.P: 15 – Programming in Visual Basic
13.	E.I.P: 1 - Business Research Methods
14.	SBS: 3 – Human Resource Management
15.	Allied Paper: 3 – Accounting and Export Management
16.	Allied Paper: 1 - Business Accounting

SECTION- A**1 MARKS****UNIT-I**

1. The First and foremost step of accounting is
 - (a) Recording
 - (b) Summarizing
 - (c) Classifying
 - (d) Interpreting
2. According to the Going concern concept, a business entity is assumed to have
 - (a) Short life
 - (b) Limited life
 - (c) Indefinite life
 - (d) Long life
3. Which account is an account of a person?
 - (a) Personal
 - (b) Real
 - (c) Nominal
 - (d) Impersonal
4. Debit all the expenses and losses it is a rule of
 - (a) Real A/C
 - (b) Nominal A/C
 - (c) Personal A/C
 - (d) Expenses A/C
5. Return outwards are deducted from
 - (a) Purchase
 - (b) Rent
 - (c) Sales
 - (d) Wages
6. Gross Profit is transferred to
 - (a) Capital
 - (b) Trading
 - (c) Assets
 - (d) Profit and loss
7. All the items given in the Adjustment will appear in final Accounts
 - (a) three places
 - (b) two places
 - (c) four places
 - (d) one place
- 8) Outstanding expenditure is a
 - (a) Nominal account
 - (b) Personal account
 - (c) Real account
 - (d) Current account
- 9) The depreciation account deals with
 - (a) AS4
 - (b) AS6
 - (c) AS10
 - (d) AS13
- 10) According to which concept, proprietor of a business is treated as a creditors to the extent of his capital
 - (a) Money measurement
 - (b) Cost
 - (c) Dual aspect
 - (d) Business entity
- 11) The policy of anticipate no profit and provide for all possible losses arises due to
 - (a) Convention of consistency
 - (b) Convention of conservatism
 - (c) Convention of materiality
 - (d) Convention of full disclosure
- 12) 'Every debit has a corresponding credit' it is the concept of
 - (a) Incomplete records
 - (b) Cost sheets
 - (c) Single entry system
 - (d) Double entry system

13. Journal is book of
(a) First Entry (b) second Entry
(c) Third Entry (d) Fifth Entry
14. Ledger is a book of
(a) Original entry (b) Final entry
(c) Both (d) None
15. Trail balance is prepared to find out the-----.
(a) P&L (b) Financial Position
(c) Decision Making (d) Arithmetical accuracy of the accounts
16. The system of recording transactions dual concept is called ----- system.
(a) Double entry (b) Single entry
(c) Double and Single (d) Primary
17. Which accounting a used to find out profit or loss.
(a) Cost (b) Management
(c) Financial (d) Corporate
18. The Assets of a business on 31st March 2017 are worth Rs.80000 and its capital is Rs.35000.Its liabilities on that date shall be
(a) Rs.45,000 (b) Rs.15,000
(c) Rs.1,15,000 (d) Rs.35,000
19. Wages is an example of
(a) Capital expenses (b) Direct expenses
(c) Indirect expenses (d) Sundry expenses
20. Trading A/c is prepared to find out
(a)Gross profit or loss (b) Net profit or loss
(c) Financial position (d) Net worth

UNIT - II

21. An entry of Rs.75 has been debited to Ram account as Rs.57 is an error of
(a) Principle (b) Commission
(c) Omission (d) Compensating
22. A bank reconciliation statement is prepared by
(a). Customer of the bank (b) Bank
(c) Company (d) RBI
23. The difference in trial balance is taken to
(a) The capital account (b) The trading account
(c) The suspense account (d) The profit and loss account
24. When the cash withdrawn from the bank, the bank _____ the customer 's account.
(a) Debit (b) Credit
(c) No Change (d) Charge

25. The error disclosed by Trial Balance is
(a) Error of principle (b) Wrong amount posted in ledger account
(c) Errors of omission (d) Non- recording of a transaction in the books of original entry
26. A transaction not recorded at all is known as an error of
(a) Principle (b) Complete omission
(c) Partial omission (d) Duplication
27. Errors not affecting the agreement of trial balance are
(a) Errors of principle (b) Errors of overcasting
(c) Errors of undercasting (d) Errors of partial omission
28. Wages paid for installation of machinery wrongly debited to wages account is an error of
(a) Partial omission (b) Principle
(c) Complete omission (d) Duplication
29. Rs 200 paid as wages for erecting a machine should be debited to
(a) Repair account (b) Machine account
(c) Capital account (d) Furniture account
30. Recording credit sale in purchase book is an error of
(a) Commission (b) Principle
(c) Overcasting (d) Undercasting
31. When the balance as per cash book is the starting point, direct deposits by customers are
(a) Added (b) Subtracted
(c) Not required to be adjusted (d) neither of the two
32. A bank reconciliation statement is prepared with the help of
(a) Bank statement (b) Cash book
(c) Petty cash book (d) Bank statement and bank column of the cash book
33. Debit balance in the bank column of the cash book means
(a) Credit balance as per bank statement (b) Debit balance as per bank statement
(d) Overdraft as per cash book (d) None of the Above
34. A bank statement is a copy of
(a) Cash column of the cash book (b) Bank column of the cash book
(c) A customer's account in the bank's book (d) Cheques issued by the business
35. A bank reconciliation statement is prepared to know the causes for the difference between:
(a) The balance as per the cash column of the cash book & bank column of the cash book
(b) The balance as per the cash column of the cash book and bank statement
(c) The balance as per the bank column of the cash book and the bank statement
(d) The balance as per petty cash book and the cash book
36. When money is withdrawn from bank, the bank
(a) Credits customer's account (b) Debits customer's account
(c) Debits and credits customer's account (d) Bank account

37. Which of the following is not the salient feature of bank reconciliation statement?
- (a) Any undue delay in the clearance of cheques will be shown up by the reconciliation
 - (b) Reconciliation statement will discourage the accountant of the bank from embezzlement
 - (c) It helps in finding the actual position of the bank balance
 - (d) Reconciliation statement is prepared only at the end of the accounting period
38. Balance as per cash book is ` 2, 000. Bank charge of ` 50 debited by the bank is not yet shown in the cash book. What is the bank statement balance now?
- (a) Rs1,950 credit balance
 - (b) Rs 1,950 debit balance
 - (c) Rs 2,050 debit balance
 - (d) Rs 2,050 credit balance
39. Balance as per bank statement is Rs.1,000. Cheque deposited, but not yet credited by the bank is Rs2,000. What is the balance as per bank column of the cash book?
- (a) Rs 3,000 overdraft
 - (b) Rs 3,000 favourable
 - (d) Rs 1,000 overdraft
 - (d) Rs 1,000 favourable
40. Which one of the following is not a timing difference?
- (a) Cheque deposited but not yet credited
 - (b) Cheque issued but not yet presented for payment
 - (d) Amount directly paid into the bank
 - (d) Wrong debit in the cash book

UNIT - III

41. The Objectives of Non Trading Organization is
- (a) Profit motive
 - (b) Services motive
 - (c) Both A& B
 - (d) None of these
42. Depreciation on fixed asset is a _____ expenditure
- (a) Revenue
 - (b) Capital
 - (c) Deferred revenue
 - (d) None of these
43. Subscription received in advance by a club is shown on the _____ side of the balance sheet
- (a) Liabilities
 - (b) Assets
 - (c) Credit
 - (d) debit
44. Life membership fee received by a club are shown in
- (a) B/S
 - (b) P & L A/C
 - (c) Income & Expenditure A/C
 - (d) Revenue A/C
45. Which concerns prepare Income and expenditure A/ C
- (a) Trading
 - (b) Non – trading
 - (c) Manufacturing
 - (d) Processing
46. Income and expenditure Account is
- (a) Real A/C
 - (b) Personal A/C
 - (c) Nominal A/C
 - (d) Real-Cum-Personal A/C

47. Receipts and payment account contains
- (a) Only receipts and payment of current year
 - (b) All receipts and payments
 - (c) Income and expenditure
 - (d) All the above
48. Balance of receipts and payments account represents
- (a) Cash in hand or at bank
 - (b) Surplus
 - (c) Deficit
 - (d) Reserve
49. Educational institutions are
- (a) Profit organizations
 - (b) Non profit organizations
 - (c) Wealth organization
 - (d) Social organization
50. Non profit organizations trial balance shows
- (a) Debit
 - (b) Credit
 - (c) Equal balance
 - (d) Suspense account
51. In not-for-profit organizations, excess of expenditure over income is called
- (a) Loss
 - (b) Profit
 - (c) Deficit
 - (d) Surplus
52. In non-trading concerns, excess of income over expenditure is called
- (a) Profit
 - (b) Surplus
 - (c) Loss
 - (d) Deficit
53. The excess of assets over liabilities in non-trading concerns is treated as
- (a) Capital Fund
 - (b) Capital
 - (c) Profit
 - (d) Net Profit
54. Income and Expenditure Account generally indicates—
- (a) Surplus/Deficit
 - (b) Cash Balance
 - (c) Capital Fund
 - (d) Net Profit/Loss
55. Receipts and Payments Account usually indicates
- (a) Surplus
 - (b) Capital Fund
 - (c) Debit Balance
 - (d) Credit Balance
56. Which of the following is not a not-for-profit organisation
- (a) College
 - (b) Sports Club
 - (c) Maruti Udyog
 - (d) Hospital
57. Subscription received during the year Rs 50,000; Subscriptions outstanding at the end of the year Rs 8,000; Subscription outstanding at the beginning of the year Rs 6,000. Net Income from subscription will be
- (a) Rs 48,000
 - (b) Rs 64,000
 - (c) Rs 52,000
 - (d) Rs 36,000
58. Subscription received during the year Rs 1,80,000; Subscriptions outstanding at the end of the year Rs 20,000; Subscriptions received in advance at the end of the year Rs 10,000. The amount of subscription to be credited to Income and Expenditure Account will be
- (a) Rs 2,10,000
 - (b) Rs 1,90,000
 - (c) Rs 1,70,000
 - (d) Rs 2,00,000

59. Any donation received for a specific purpose is a
- (a) Liability.
 - (b) Assets.
 - (c) revenue receipts
 - (d) capital receipts.
60. Example of revenue expenditure is:
- (a) Purchase of land
 - (b) Salaries.
 - (c) Lease.
 - (d) Purchase of buildings.

UNIT - IV

61. The Nature of consignment account is
- (a) Capital in nature
 - (b) Revenue in nature
 - (c) Bank in nature
 - (d) Realization in nature
62. Out the following at which point the treatment of 'sales' and 'consignment' is same
- (a) ownership transfer
 - (b) Stock outflow
 - (c) Money receive
 - (d) Risk
63. Commission will be shared between
- (a) Consignor only
 - (b) Consignee only
 - (c) Consignor & Consignee
 - (d) Third party
64. A Proforma invoice sent by
- (a) Consignor to consignee
 - (b) Debtor to consignor
 - (c) Consignee to consignor
 - (d) Debtor to consignee
65. The relationship between a consignor and consignee is that between
- (a) Principal & Agent
 - (b) Creditor & Debtor
 - (c) Seller & Buyer
 - (d) Partner & Co-Partn
66. The abnormal loss on consignment is credited to
- (a) Profit & loss A/C
 - (b) Consignee A/C
 - (c) Consignment A/C
 - (d) Consignor A/C
67. The extra commission to consignee if he sells the goods for credit is _____ Commission
- (a) Sales
 - (b) DelCredere
 - (c) Special
 - (d) Commission on purchase
68. if the del-credere commission is allowed to bad debt, consignee will debit the bad debt amount to
- (a) Debtors A/c
 - (b) Commission Earned A/c
 - (c) consignor A/c
 - (d) General Trading A/c
69. Consignment A/c is prepared in the books of
- (a) Consignee
 - (b) Third party
 - (c) Consignor
 - (d) Debtor
70. Which of the following expenses of consignee will be considered as non selling expenses
- (a) Advertisement
 - (b) Insurance
 - (c) Selling expenses
 - (d) Salesman salary

71. The owner of the consignment stock is
(a) Consignor (b) Consignee
(c) Consignor & Consignee (d) Debtors
72. Consignment account is
(a) Real account (b) Nominal account
(c) Personal account (d) Impersonal account
73. In the books of consignor, the loss of consignment business will be charged to
(a) General Trading a/c (b) Consignee a/c
(c) Bank a/c (d) General P/L a/c
74. The consignment account is made on the following basis
(a) Cash (b) Realization
(c) Accrual (d) None of the above
75. The consignee acts entirely on behalf of the
(a) Consignor (b) Creditor
(c) Customer (d) Debtor
76. Del credere commission is calculated on
(a) Credit sales (b) Cash sales
(c) total sales (d) Both (a) and (b)
77. The consignor is a
(a) Agent (b) Buyer
(c) Debtor (d) Principal
78. The consignee is a
(a) Agent (b) Buyer (c) Seller (d) Principal
79. Account sales is submitted by
(a) principal to his Agent (b) Consignee
(c) Consignor (d) Debtor to creditor
80. Goods sent on consignment should be debited by consignor to
(a) Consignee a/c (b) Consignor a/c
(c) Consignment a/c (d) Bank a/c

UNIT - V

81. Joint venture account is :
(a) Nominal account. (b) Personal account.
(c) Real account. (d) Trading account.
82. When goods are purchased for the joint venture, the amount is debited to:
(a) Purchases account. (b) Joint venture account.
(c) Venture's account. (d) Goods account.
83. When A advances money to B in the course of joint venture then A debits such money to
(a) Joint bank account. (b) Joint venture account.
(c) B's personal account. (d) Expenses account

84. Joint venture relationship resembles closely:
- (a) a consignment. (b) a partnership.
(c) the company (d) sole trading concern.
85. Joint bank account is opened, when the system adopted for joint venture transaction is
- (a) complete record in existing books.
(b) partial record in existing books.
(c) separate set of the books.
(d) no separate set of the books.
86. which entry is applied when Goods costing Rs 10,000 destroyed by an accident, Insurance claim nil.
- (a) Rs 10,000 credited to Joint venture a/c .
(b) No entry will be made in Joint venture a/c
(c) Rs 10,000 debited in Joint venture a/c as loss
(d) Rs 8000 credited in Joint venture a/c
87. if unsold goods costing Rs 20,000 is taken over by venture at Rs 15,000, the Joint Venture a/c will be credited with amount of
- (a) Rs 20,000 . (b) Rs 15,000
(c) Rs 35000 (d) Rs 5000
88. Memorandum joint venture account is
- (a) Personal A/C (b) Real A/C
(c) Nominal A/C (d) Representative A/C
89. the persons carrying the business are called as
- (a) Co venturers (b) Partners.
(c) Owners. (d) Creditors
90. Joint venture business duration is
- (a) Short (b) Long
(c) life time (d) both (a) & (b)
91. Memorandum joint venture account is prepared to find out
- (a) Profit / Loss (b) Share of co venturers
(c) Assets worth (d) Outsider's liability
92. The parties of Joint ventures are called as
- (a) Agent (b) Partners.
(c) Owners. (d) Co venturers
93. The co venture shares the profit in
- (a) Agreed ratio (b) Equal portion
(c) no profit sharing (d) none of the above
94. A, B & C are Co venture. The relative Profit sharing ratio between A & B is 3:2 and between B & C is also 3:2. Find out the Profit sharing ratio of A, B & C
- (a) 3:2:2 (b) 3:2:1 (c) 4:9:6 (d) 9:6:4

95. A and N enter into a Joint venture by opening a joint bank account contributing Rs 10,00,000. The profit sharing ratio between A and N is 3:2. How much amount to be contributed by A?
 (a) Rs 6,00,000 (b) Rs 3,00,000 (c) Rs 4,00,000 (d) Rs 8,00,000
96. how many methods are there for maintaining joint venture account is
 (a) 2 methods (b) 3 methods. (c) 4 methods (d) 5 methods
97. B and N brought a Land for Rs 20,000 and sold it for Rs 60,000. Originally B contributed Rs 12000 and N Rs8000. what will be the profit on venture?
 (a) Rs 50,000 (b) Rs 40,000 (c) Rs 30,000 (d) Rs 20,000
98. B and K brought a Buildings for Rs 2,00,000 and sold it for Rs 3,60,000. Originally B contributed Rs 1,20,000 and K Rs80,000. what will be the profit on venture?
 (a) Rs 1,50,000 (b) Rs 5,60,000 (c) Rs 1,60,000 (d) Rs 2,00,000
99. The relationship between the co- ventures in that of
 (a) Buyer & Seller (b) Principal & Agent
 (c) Partners (d) Debtors & Creditors
100. The objective of Joint Venture A/c on Memorandum basis is
 (a) To find the profit or loss (b) To calculate dues for others
 (c) To determine the interest (d) To know Capital

SECTION – B**5 marks****UNIT - I**

- Define Accounting and mention its objectives?
- Prepare ledger for following transactions of the books of GN Company for May 2018 :

1. Started business with cash	1,00,000
5. Deposited cash into bank	60,000
9. Borrowed loan from bank	25,000
17. Bought goods and paid by cheque	10,000
23. Cash withdrawn for personal use	5,000
28. Cash withdrawn from bank for office use	3,000

- The following items are found in the trail balance on 31/3/2015 : Sundry debtors Rs.85,500; Bad debts Rs1,200 ; Provision for bad and doubtful debts Rs 2,800
 Adjustment: Provide @ 5% provision for bad and doubtful debts on Debtors
 Show how these items will appear in the profit and loss A/c and Balance Sheet.
- Explain the differentiate between single entry and double entry system of book keeping.

5. Prepare Trading account for the year ended 31.3.2018

Stock on 1.4.2017	8000	Purchases	70,000
Wages	15,800	Sales	1,25,000
Carriage inwards	1,800	Gas & Power	2,200
Purchases returns	2,000	Sales returns	1,500
Closing stock	10,000	Factory Rent	1,980

6. Prepare the Trial balance from the following particulars:

Capital	9,000	Plant and machinery	12,000
Purchases	8,000	Sales	12,000
Sundry creditors	8,000	Bank loan	22,000
Debtors	12,000	Opening stock	2,000
Sales return	4,000	Investment	14,000

7. The Trail balance show on 31/3/2015, sundry debtors Rs.1,25,000 : bad Debts Rs. 9,500 ; Discount allowed Rs 18,000

Adjustment:

1. Bad debts written off Rs.80,000.
2. Provide @ 5% provision for bad and doubtful debts and
3. Provide @ 2% provision for discount on debtors.

Show how these items will appear in the profit and loss A/c and Balance Sheet

8. Journalize and ledger for Month July 2018

1	Ram started business with cash	80,000
6	Purchased goods for cash	13,000
15	Purchased goods on credit	9,000
20	Sold goods for cash	12,000
25	purchased furniture on credit	5,000
31	cash paid to Mr.S	8,000

9. Point out any 10 accounting standards?

10. Gist out the Advantage and Disadvantage of Accounting?

UNIT- II

11. List out the different kinds of error usually made in maintaining accounts.

12. What is error of omission? Give some examples.

13. Rectify the following errors:

purchases book overcast by Rs.3580 (for the month of march)
Sales book has been under cast by Rs.2570
Purchases return book has been under cast by Rs.240
Sales return book has been over cast by Rs.122

14. Rectify the following errors:

Purchase book is over cast by Rs.300
Sales book has been under cast by Rs.400
Purchase return book is over cast by Rs.150
A total of Rs.658 in the Purchase book has been carried forward as Rs.856.

15. Rectify the following errors:

Purchases from Arun for Rs.1500 has been posted to the debit side of her account.
Sales to Vikram for Rs.2980 has been posted to his credit as Rs.2980
Purchases from Sanjeev Rs.1750 has been omitted to be posted to the personal account.
Sales to Murali for Rs.590 has been posted to his account as Rs.950

16. What are need for preparation of Bank Reconciliation statement

17. From the following information, prepare bank reconciliation statement to find out balance as per bank statement on 31st March, 2017.

Cheques deposited but not yet collected by the bank	500
Cheque issued but not yet presented for payment	1,000
Bank interest charged	100
Rent paid by bank as per standing instruction	200
Cash book balance	300

18. Prepare bank reconciliation statement:

Balance as per pass book on 31.12.2007	Rs.9000
Cheques issued but not presented	Rs.15000
Cheques received but not credited	Rs.1500
Bank has given credit for interest	Rs.150

19. Form the information given below prepare BRS:

a) Credit balance overdraft as per cash book as on 31.1.2006	Rs 7100
b) Cheque drawn but not presented for payment	Rs 2300
c) Interested on overdraft not recorded in the cash book	Rs1500

20. From the following data, ascertain the cash book balance as on 31st December, 2017.

Overdraft balance as per bank statement	6,500
Cheques deposited into the bank but not yet credited	10,500
Cheques issued, but not yet presented for payment	3,000
Wrong debit by the bank	500
Interest and bank charges debited by bank	180
Insurance premium on goods directly paid by the bank as per standing instructions	100

UNIT- III

21. Mention the characteristics of Non - Trading Organization?
22. Distinguish between capital receipt and revenue receipt.
23. Briefly say about the classification of Expenditure?
24. From the following details, ascertain the amount of subscriptions to be credited to income and expenditure account for year 2016. Subscription received in 2016 Rs. 48,000 which include Rs 4,000 for the year 2015 and Rs. 8000 for the year 2017. Subscriptions due but not received at the end of the year 2016 were Rs. 20,000. Subscriptions received in 2015 in advance for the year 2016 were Rs. 12,000.

25. From the following Prepare Receipts and Payments A/C

Opening cash in hand	500	Furniture purchased	2,000	Opening bank balance	4,800
Tournament expenses	3,000	Salary paid	3,000	Entertainment expenses	1,500
Entrance fees received	1,000	Periodicals	1,200	Subscription collected	11,000
Miscellaneous	300	Rent paid	1,200	Cash in hand at closing	800

26. How will the following appear in the final accounts of LGN sports club?

Particulars	Amount
Stock of sport materials on 1-1-2017	3,000
Sports materials purchased during 2017	8,500
Sale of old sports materials during 2017	100
Stock of sports materials on 31-12-2017	600

27. Classify the below items under capital or Revenue expenditure:

Purchase of furniture.	23,000
Purchase of second hand machinery for	45,000
Paid for machinery repair	36,000
Paid wages for installation of plant	2,400

28. State whether the following are capital, revenue or deferred revenue expenditure.

Carriage spent on machinery purchased and installed is	1,000
Office rent paid	2,000
Wages paid to machine operators	5,000
Hire charges for the use of motor vehicle, hired for five years, but paid yearly	500

29. How do you incorporate the following in Balance sheet of L.T Sport club:

Metal distribution fund	98,400
Interest on the funds investments	28,900
Medals distributed	28,700
Metal distribution fund investments	98,000

30. Find out the amount of salaries to be debited in Income & Expenditure account for 2017 from the below :

Payments made of salaries during 2017	48,000
Outstanding salary as on 31-3-2016	2,000
Outstanding salary as on 31-3-2017	3,700
Prepaid salary as on 31-3-2016	1,200
Prepaid salary as on 31-3-2017	1,600

UNIT - IV

31. What do you mean Consignment and say its features in brief?
32. A consignor consigned 500 DVD players @ Rs 1200. The expenses of the cosigner are freight Rs 20000; loading Rs 5000 and insurance Rs 15000. On receipts of the goods S consignee spend Rs 11000 for clearing charges, Rs 9000 for unloading Rs 13000 for Godown rent and Rs 21000 for selling expenses. On 31st March 2009 the account sales showed that 400 DVD players are sold @ Rs 1700. Calculate the value of stock.
33. What do you understand by 'Recurring expenses' and 'Non recurring expenses' and give their significance?
34. 100 cycles costing Rs 750 each were consigned by Jagan to his agent Kanpur incurring Rs1000 as expenses. On the way 5 cycles were damaged and insurance claim of Rs 3000 was accepted. Kanpur incurred direct expenses of Rs 500 and indirect expenses of rs.400. Kanpur sold 80 cycles at Rs 1000 p.c. Calculate abnormal loss and end of value at closing stock.
35. Give short notes on - Normal commission; Del-credere commission; Overriding commission.
36. Explain the losses of consignment with examples?
37. Give the difference of Consignment and sale?
38. J of Kolkata send 500 bags to S of Mumbai at Rs.400 each at an invoice price of Rs.500 each. Consignor's A/c expenses is Rs 4,000 consignee expenses non selling Rs 1,000 and Selling expenses Rs 2,000. 400 bags were sold Calculate the Amount of stock reserve

39. X of Chennai send out 1000 bags to Y on Delhi costing Rs 2000 each.600 bags were sold at 10% above the cost price. Find out the Sale value.

40. Differentiate between Normal and Abnormal Loss?

UNIT - V

41. Say any 5 characteristics of Joint venture?

42. Brief out the mean of Joint Venture and Co-Venture.

43. Define Joint Venture and write the Format of it?

44. A and N completed a joint venture and earned Rs. 30,000. The profits are to be shared in the ratio 2:1. Pass necessary journal entries in the books of A and N.

45. K, a co-venturer of B, took away goods worth Rs 9,000, at the end of a venture. what entries will you make when:

a) These is a separate set of books for the venture.

b) Records are kept by K only.

c) records are kept by B only.

46. K and A completed a joint venture and earned Rs. 79,000. The profits are to be shared in the ratio 3:2. Pass necessary journal entries in the books of K and (a)

47. Name the methods of keeping Joint venture accounts?

48. S, a co-venturer of J, took away goods worth Rs 30,000, at the end of a venture. what entries will you make when:

a) These is a separate set of books for the venture. b) Records are kept by J only.

49. A and B are partners of a Joint venture sharing profit and losses in the ratio of 2:1. A contributed goods worth Rs.5,90,000 and spent Rs.39,100 as expenses. B contributed goods worth Rs.4,70,000 and spent Rs.44,300 as expenses. The goods were sold by A for Rs.7,40,000 and B for Rs.6,50,000. The venturers are entitled to a commission @ 7% on sale. Assume that the accounts are closed and final settlement has been done. Prepare necessary accounts in the books of (a)

50. K and M are partners of a joint venture sharing profit and losses in the ratio of $\frac{3}{4}$ and $\frac{1}{4}$ respectively. K contributed goods worth Rs 450000 and spend Rs 40000 As Expenses. M contributed goods worth Rs 150000 and spent Rs 20000 as expenses. the goods were sold by M for Rs 790000. The balance amount is paid by M to K by cheque. Pass necessary journal entries for it.

SECTION – C

8marks

UNIT - I

1. Define Accounting. Describe the concepts and conventions of accounting?
2. Write meaning of Journal and Distinguish between the Journal and Ledger?
3. Prepare a Trial balance as on 31.3.2018 from the books of Ms.Thanmaya

Particulars		Particular	R
Capital	2,49,000	Stock	1,32,400
General Expenses	97,000	Insurance	2,610
Machinery	1,18,680	Bad debts	1,100
Wages	14,400	Sales	3,30,720
Drawings	24,000	Commission	5,500
Buildings	78,000	Bills payable	7,700
Creditors	5,000	Bank overdraft	28,600
Loan(Cr)	75,000	Cash	25,320
Purchases	2,10,800	Reserve fund	15,000

4. Elucidate the advantage of double entry system?
5. Enter the following transactions of Mr. Chandran Journal entry and post in ledger on June 2018

DATE	TRANSATIONS	AMOUNT
1	Purchased goods for cash	1,50,000
2	Purchased stationery for cash from Mr.Murali	35,400
6	Purchased furniture on credit from Mr.Arun	83,500
8	Cash sales	18,500
9	Sold goods to Ranjit for cash	52,000
11	Sold goods to Ravi on credit	2,000
14	Paid rent to Krishnan	800
16	Paid salary	8,000
21	Paid salary to the Manager Lokesh	3,000
25	Paid insurance	400
28	Paid wages	1,500

6. Give Journal Entry and prepare ledger and Trial Balance for March 2018

DATE	TRANSATIONS	AMOUNT
1	commences business with cash	2,50,000
2	Purchased goods for cash	2,00,000
6	Paid Wages	50,000
8	Cash sales made for	4,000
9	Purchased machinery	2,000
11	Received cash from Mr.Guru	17,500
14	Received cash from Ms.Bhagya	8,800
16	Paid for purchase of stationary	2000
26	paid rent	600

7. Prepare Trading and Profit & Loss account for the year ending 31/12/2017 of Mr. Sree Ram

Particulars	Amount	Particulars	Amount
Opening Stock [1.4.2015]	1,15,000	Wages	10,000
Purchases	1,65,000	Sales Returns	50,000
Carriage Outwards	4,000	Closing Stock	80,000
Sales	3,00,000	Salaries	5,000
Purchases Returns	10,000	Stationeries	1,000
Postage	300	Interest	8,000
Bad Debts	100	Insurance	4,500
Discount Received	500	Depreciation	650

8. Draft a Specimen copy of final Accounts with simple Adjustments.

9. Prepare Final A/c for the year 31/3/2018 of Mr. Arul Jyothi

General Expenses	800	Wages	1,000	Furniture	500
Rent,Rates & Taxes	450	Bills Receivable	2,900	Buildings	10,000
Commission	250	Sundry Debtors	4,400	Cash in hand	6,500
Stock[1.4.17]	6,000	Drawings	4,000	Cash at bank	1,700
Purchase	2,000	Capital	20,000	Sales	16,000
Sundry Creditors	4,500				

Adjustment:

1. Stock [31.3.18] is valued at Rs. 4,500
2. Interest on capital at 6% to be provided
3. Interest on drawings at 6% to be provided
4. Wages yet to be paid Rs 100
5. Rent prepaid Rs.50

10. Prepare Final A/c for the books of Ms. LG Company -

Opening Stock [1.4.2015]	26,500	Purchases	68,500	Capital	60,000
Drawings	7,200	Sales	1,40,500	Carriage inwards	1,500
Cash in hand	5,500	Bank	2,200	Carriage outwards	1,900
Sundry debtors	23,500	Machinery	28,000	Salaries	20,000
Bills receivable	5,300	Bills Payable	4,200	Insurance	1,200
Furniture	10,500	Wages	21,500	Sundry creditors	14,300
General Expenses	6,900	Rent	2,500	Provision for doubtful debts	1,000

Adjustment:

1. Closing stock is valued at Rs. 29,000
2. Provide Doubtful debts 5% on sundry debtors

3. Unexpired insurance Rs.300
4. Outstanding wages Rs.3500
5. Depreciate Machinery by 10%

UNIT - II

11. Portray about the types of error?
12. Pass necessary journal entries to rectify these errors:

(i) Repairs made were debited to building account Rs.1,000
(ii) A sum of Rs.100 drawn by the proprietor was debited to travelling expenses account
(iii) Cash received from ganesh Rs.300 was credited to gajapathy.
(iv)Purchase of Rs.500 from gopal wrongly entered in the sales book.
(v) Salaries paid to ramesh Rs.1,500 debited to his personal account.

13. Rectify the following Errors:

i) Sales to Sridhar Rs.1520, posted to his account as Rs.1250.
ii) Purchase goods from Mano Rs.5550, credited as Rs.5050.
iii) Received Bills Receivable from Seenu Rs.10,000, posted as Rs.1,000.
iv) Purchased furniture from Raghu Rs.4040 on credit debited as Rs.4440.
v) Discount allowed Rs.640 to Anbu credited to his account as Rs.460.
vi) Discounted received Rs.370 from Babu posted to his account as Rs.390.
vii) Purchased furniture on Cash for Rs.20,000 was not poste(d)

14. The following errors were found in the books of JK & Co. Give the necessary entries to correct them:

a) Salary of Rs.1000 paid to Mohan due to him has been debited to his personal A/c
b) Rs.1500 paid in cash for a typewriter was charged to office expenses account.
c) Rs, 5000 paid for furniture purchased has been charged to purchases account
d) Repairs made were debited to Building account for Rs.250
e) An amount of Rs.500 withdrawn by the proprietor for his personal use has been Debited to trade expenses account.
f) Rs. 200 Received from Shanthi & Co has been wrongly entered in Shajahan & Co.

15. Draft the proforma of Bank Reconciliation statement as per cash book

16. On 31.3.2001 the Pass book balance showed a credit balance of Rs.10,500. Prepare a bank reconciliation statement as on 31.03.2001 The following details were:

(i)Cheque amounting to Rs.2750 were deposited in the bank but cheque of Rs.750 had not been cleared upto 31 st march.
(ii) Cheque amounting to Rs.3500 were issued but cheque for Rs.1200 had not been presented for payment in the bank upto 31 st march.
(iii)Bank had given debit of Rs.35 for sundry charges.
(iv) Bank had received directly from customers Rs.800 and dividend of Rs.130 upto 31 st March.

17. From the following particulars, prepare a bank reconciliation statement as at 31st Dec 2017 to find out the balance as per cash book of Mrs.Janani. The bank balance as per pass book was Rs 31,600 on 31/12/2017

(a) The following cheques were paid into bank in Dec 2017 but were credited by the bank Jan2018. Murali – Rs. 1800, Kavitha –Rs. 1700, Selva – Rs. 1600.
(a) The following cheques were issued in Dec 2017 but were presented for payment in Jan 2018. Sowmiya – Rs. 2100., Tamil Rs. 900.
(c) The following charges were made by the bank which was not recorded in the cash book: Incidental charges for the half year ended 31.12.2017 Rs. 40; collection charges for outstanding cheque Rs. 30.
(d) The following payments made by the bank direct as per standing instructions were not entered in the cash book. Insurance premium Rs. 700, subscription for commerce Rs. 150.

18. From the following Particulars ascertain the bank balance as would appear in the pass book of Mr. Kumar at 31st December 2017.

(a) The Bank overdraft (Cr balance) as per cash book on 31st Dec 17 was Rs. 12, 000
(a) Interest on O/D for 6 months ending 31st Dec 17 Rs.400 is debited in the Pass book.
(c) Bank charges for the above period also debited in the pass book amount to Rs.100.
(d) Cheque issued but not cashed before 31st December 1994 amounted to Rs. 3,000
e. Cheque paid into bank but not cleared and credited before 31st Dec 17 were Rs.5,000.
f. Interest on investment collected by the banker and credited in the pass book amounted to Rs. 3, 600

19. The bank statement of Sudha and Company showed an overdraft of Rs 10,000 on 31st December, 2017, prepare a bank reconciliation statement.

(a) A cheque deposited on 30/12 /2017 for Rs 15,000 was not credited by the bank.
(b) Interest on term loan Rs 500 was debited by bank on 31/12/2017 but not accounted in the books of Sudha and Company.
(c) A cheque issued for Rs 550 on 24/12/2017, paid by the bank was recorded as Rs 505 in the bank column of the cash book.
(d) One outgoing cheque on 27/12/ 2017 of Rs 200 was recorded twice in the cash book.
(e) Bank recorded a cash deposit of Rs 2,598 as Rs 2,589.
(f) A sum of Rs 2,000 deposited in cash deposit machine by a customer of the business on 31/12/ 2017 was not recorded in the books of Sudha and Company.
(g) Interest on overdraft of Rs 600 was not recorded in the books of Sudha and Company.
(h) Two cheques issued on 29/12/ 2017 for Rs 500 and Rs 700, but only the first cheque was presented for payment before 31/12 /2017.

20. From the following information, prepare bank reconciliation statement as on 31st March, 2018 to find out the balance as per bank statement.

(i) Balance as per bank statement Rs 6,000
(ii) Cheques deposited on 28/3/2018 but not yet credited Rs 2,000
(iii) Cheques issued for Rs 10,000 on 20/3/ 2018 but not yet presented for payment Rs 3,000
(iv) Interest on debentures directly collected by the bank not recorded in cash book Rs 4,000
(v) Insurance premium on building directly paid by the bank Rs 1,000
(vi) Amount wrongly credited by bank Rs 500

UNIT- III

21. Define a Non – Trading Organization and say it features in detail.
22. Give a specimen form of Receipts and Payments Account.
23. Distinguish between Receipt & Payment Account and Income &Expenditure Account
24. What are necessary steps to prepare Balance sheet and provide Specimen form of Balance sheet
25. Prepare Receipts and payments Account from the following for year end of 31 Dec 2018

Cash balance as on 1.1.2017	1,750
Bank balance as on 1.1.2017	16,850
Subscription received	28,000

Entrance Fees collected	10,500
Donations	3,500
Rent paid	4,200
Salary	10,500
Furniture purchased	1,750
Expenses on tournament	3,500
Printing of stationary	1,750
Books	4,200
Closing cash in hand	3,850

26. Draft a specimen form of Income and Expenditure Account

27. From the following information Prepare an Income and Expenditure A/C

Particulars	RS	Particulars	RS
Fee collected including Rs.80,000 on the account of Previous Year	3,80,000	Meeting Expenses	18,000
Fees outstanding for current year salary paid, including	10,000	Travelling Expenses	6,000
The above fees outstanding includes Rs.3,000 on A/C of the previous Year	28,000	Purchase of books and including Rs. 19,000 for purchase of books	29,000
Salary outstanding at the end of the year	1,000	Rent	10,000
Entertainment Expenses	3,000	Postage	15000
Tournament Expenses	12,000	Printing & Stationary	4000
Donations Received	20,000		

28. V Anand Chess Club conducts National Grand Master Tournament once in three years. Apart from the providing routine sports facilities to its members, the following items relating the tournament in year 2017 are available. Show how these items are to appear in the Balance Sheet of the Club

Particulars	Amount
Tournament Fund on 1-1-2017	4,00,000
Fund Investments on 1-1- 2017	3,90,000
Fund Bank balance on 1-1-2017	10,000

Invest o investments received in 2017	45,000
Tournament Entrance fees received	20,000
Tournament Expenses	1,80,000
Cash received from the sale of investment at par	1,20,000

29. Compute the expenditure to be shown in income and expenditure. Assume from the following

(a) Sports materials purchase for cash	20000
Opening stock of sports raw materials	5000
Closing stock of raw materials	8000
Opening creditors for raw materials	7000
Cash paid to creditors for sports materials	22000
Closing creditors for raw materials	6000
(b) Stationery purchased during the year	40000
Opening stock of stationery	8000
Closing stock of raw material	9000

30. The following is the Receipts and Payments accounts of R.T.S Club for the year ended 31/3/2018

Receipts		Rs	Payments		Rs
To Balance B/d		7,000	By Salaries		28,000
To Subscriptions:			By General Expenses		6,000
2016-17	5,000		By Electricity		4,000
2017-18	20,000		By Books Purchased		10,000
2018-19	<u>4,000</u>	29,000	By Periodicals Purchased		8,000
To Rent for use of Conference room		14,000	By Loan repaid		20,000
To Receipts from entertainment facilities		28,000	By Balance c/d		4,000
To Sale of old magazines		2,000			
		80,000			80,000

Additional Data:

1. The Club has 50 members, each paying Rs 500 PA as subscription.
2. Subscriptions outstanding on 31/3/2018 is Rs 6,000.
3. Salaries outstanding Rs 2,000. Salaries paid include Rs 6,000 for 2016-17.
4. On 1/4/2017, the clubs properties were: Buildings Rs 2,00,000; Furniture & Fittings Rs 20,000 and Books Rs 20,000

5. Provide 10% depreciation on Buildings and Furniture.

Prepare Income and Expenditure account for the year ending 31/3/2018 and a Balance sheet on that date.

UNIT - IV

31. Describe the meaning of Consignment and Say Difference between Sale and Consignment

32. Give a Specimen copy of Valuation of unsold stock

33. Write Model journal entries in the books of Consignor.

34. Write Model journal entries in the books of Consignee.

35. M of Nagercoil consigned to H of Madurai, 1000 tins of chocolates @ Rs.200 p.t on 1/4/2009, the goods were invoiced @ Rs 220 at selling price. Expenses of M are freight Rs 4000, insurance Rs7500 and other expenses Rs.8500. H sold 1000 tins @ Rs290 p.t his expenses are freight 9000, salary Rs.11000 and selling expenses Rs 10000. H is entitled to a commission @ 5% on sales. The accounts are closed as on 31 march 2009. Prepare necessary a/c in the book of consignor and consignee.

36. A of cochin consigned to B of belgaum, 1500 calculators @ Rs .240 p.c at cost for a profit @ 20% on sales. The expenses of M are freight Rs.13250 and insurance Rs 5750. On receipts of the goods B spend Rs 7000 for clearing charges, Rs.2500 for rent and Rs3500 for selling expenses. B is entitled to a commission @ 5% on gross sales and @12% for the sales above the invoice price. He sold 1290 calculators @ Rs320 p.(c) Prepare necessary a/c in the books of A and (a)

37. Prem consigned 200 boxes of medicines @ Rs 100 per box to Ram. He incurred the following expenses : Insurance Rs 1,000; Loading Charges Rs 1,000 & Freight Rs 1,400. An Account sales were received from Ram which that 160 boxes were sold @ Rs 200 per box. Ram incurred the following expenses : Clearing charges Rs 1,000; Godown Rent Rs 400; Advertisement Rs 600 and Other selling expenses Rs 1,000. Ascertain the Value of stock on consignment and show the relevant entry.

38. Ramesh consigned 2,000mt. of chemicals at a cost of Rs 800 per mt. to Jain. Ramesh paid freight and insurance charges Rs 20,000. Of the above, 500mt. of chemicals were destroyed by fire during

transit. John cleared the balance of 1,500mt. of chemicals and sold 1,000mt. at an average price of Rs 1,000 per mt. John incurred the following expenses: Clearing charges Rs 4,500; Godown Rent Rs 5,000; Insurance Rs 3,000. Insurance claim received against the fire Rs 4,00,000 after admitting the salvage value of stock destroyed by fire at Rs 10,000. John was entitled to a commission of 10% on sale proceeds. John sends the balance to Ramesh after adjusting his commission and expenses out of the sale proceeds. Prepare a consignment A/c and John A/c in the books of Ramesh.

39. Sankar sends 20,000 units @ Rs 50 to Sunil on 1-1-17 to be sold at a commission of 7.5%, 5% goods were lost in transit and it is considered normal. The consignor spent the following expenses: Packing expenses @ Rs 2 per case(Cash);freight Rs 10,000(Due); Insurance Rs 6,000(Bank). The consignee received the balance consignment and sent a cheque of Rs 2,00,000 as advance. He incurred Rs 8,000 as unloading charges and Rs 36,000 as selling and distribution expenses. He submitted account sales on 31-3-17 disclosing that Rs 14,000 units were sold @ Rs 80 per unit. Assuming the consignee sent draft balance you are required to prepare the necessary ledger accounts in the books of both the parties.

40.Karthik sold goods on behalf of Vinayak Sales Corporation on consignment basis. On the 1/1/2017 he had with the stock Rs. 40,000 on consignment. Karthik had instruction to sell the goods at cost plus 25% and was entitled to a commission of 4 % on sales, in addition to 1% Del-Credere commission on total sales, for guaranteeing collection of all the sale proceeds.

During the year ended 31/12/2017 cash sales were Rs 2,40,000, Credit sales Rs. 2,10,000 and Karthik's Expenses in relation to consignment Rs. 6,000 being Salaries and Insurance. Bad Debts were Rs.6,000 and Goods sent on consignment Rs. 4,00,000. You are required to prepare Consignment A/C in the books of Vinayak Sales Corp. and important Ledger Account in the books of Karthik.

UNIT - V

41. what do you mean Joint Venture and say its features in detail.
42. Distinguish between the Joint venture and partnership.
43. Describe the different methods of recording the transactions relating to joint venture
44. Show the separate set of book method journal entries of recording the transactions of joint venture.

45. S and P entered into a Joint Venture and agreed to divide the profit as S 60% and P 40%. S and P contributed Rs.1,80,000 and Rs.1,20,000 respectively for carrying on the transactions relating to the venture. They opened a Joint Bank A/c with above contribution. They Purchased three old state buses for Rs. 2,40,000. S and P personally paid Rs.45,000 and Rs.30,000 for repairs and renewals. They purchased a few tyres and tubes costing Rs.54000. Two buses were sold for Rs.2,70,000 and the third one was taken by P at cost price. Pass necessary journal entries and prepare Joint Venture A/C, Joint bank A/C and close the accounts of the venture.

46. W and D are partners of a Joint Venture sharing profit and losses in the ratio of 7:3. W purchased goods worth Rs.5,00,000 and spent Rs.27,450 as freight and insurance. D purchased goods worth Rs.4,00,000 and spent Rs.49,750 as godown rent and other expenses. The goods were sold by W for Rs.6,39,000 and D for Rs.5,91,000. W has taken over goods worth Rs.70,000 and D gas taken over goods worth Rs.50,000. The venturers are entitled to a commission @7% on sales. The buying commission is allowed @3% on purchase. Assume that the accounts are closed and final settlement has been done. Prepare necessary accounts in the books of W and (d)

47. Distinguish between Consignment Account and Joint Venture Account.

48. Ramu and Chand enter into Joint venture to share the result as 2:1. The joint venture transactions are as follows

Particulars	Ramu Rs	Chand Rs
Goods Supplied	60,000	30,000
Expenses paid	8,000	2,000
Sale proceeds received	80,000	56,000

Show the journal entries and ledger accounts in the books of both the parties.

49. Show the No separate set of book method journal entries of recording the transactions of joint venture.

50. Das and Krishnan entered into a Joint venture sharing profits and losses as 3:2. They opened a Bank A/c by depositing Rs 40,000 each. Das purchased 800 kg of an item @ 60 per kg and his expenses were Rs 13,000. Krishnan purchased a second item of 10,000kg @ 2.10 per kg and his expenses were Rs 11,000. Expenses were met from private sources and purchases were paid into Bank account.

Krishnan sold 600 kg of the first item @ 100 per kg and his selling expenses were Rs5,500 .Das sold 8,000 kg of the second item @5 per kg and his expenses were Rs6,000. All the sale proceeds were deposited in bank account and expenses were met from private sources.

Write up necessary accounts in the books of the venture. Also prepare a balance sheet of the venture.

ANSWERS

UNIT - I			
1.	(a) Recording	11.	(b) Convention of conservatism
2.	(d) Long life	12.	(d) Double entry system
3.	(a) Personal	13.	(a) First Entry
4.	(b) Nominal A/C	14.	(b) Final entry
5.	(a) Purchase	15.	(c) Arithmetical accuracy of the accounts
6.	(d) Profit and loss	16.	(a) Double entry
7.	(b) Two places	17.	(c) Financial
8.	(b) Personal A/c	18.	(a) Rs.45,000
9.	(b) AS6	19.	(b) Direct expenses
10.	(d) Business entity	20.	(a) Gross profit or loss

UNIT - II			
21.	(b) Commission	31.	(a) Added
22.	(a).Customer of the bank	32.	(d) Bank statement and bank column of the cash book
23.	(c) The suspense account	33.	(a) Credit balance as per bank statement
24.	(a) Debit	34.	(d) A customer's account in the bank's book
25.	(d) Non- recording of a transaction in the books of original entry	35.	(c) The balance as per the bank column of the cash book and the bank statement
26.	(b) Complete omission	36.	(b) Debits customer's account
27.	(b) Errors of overcasting	37.	(d) Reconciliation statement is prepared only at the end of the accounting period
28.	(b) Principle	38.	(a) Rs1,950 credit balance
29.	(b) Machine account	39.	(b) Rs 3,000 favourable
30.	(a) Commission	40.	(d) Wrong debit in the cash book

UNIT - III			
41.	(b) Services motive	51.	(c) Deficit
42.	(a) Revenue	52.	(b) Surplus
43.	(a) Liabilities	53.	(a) Capital Fund
44.	(a) B/S	54.	(a) Surplus/Deficit
45.	(b) Non – trading	55.	(c) Debit Balance
46.	(c) Nominal A/C	56.	(c) Maruti Udyog
47.	(b) All receipts and payments	57.	(c) Rs 52,000
48.	(a) Cash in hand or at bank	58.	(b) Rs 1,90,000
49.	(b) Non profit organizations	59.	(d) capital receipts.
50.		60.	(b) Salaries.

UNIT - IV			
61.	(b) Revenue in nature	71.	(a) Consignor
62.	(b) Stock outflow	72.	(b) Nominal account
63.	(b) Consignee only	73.	(d) General P/L a/c
64.	(a) Consignor to consignee	74.	(c) Accrual
65.	(a) Principal & Agent	75.	(a) Consignor
66.	(c) Consignment A/C	76.	(d) Both (a) and (b)
67.	(b) DelCredere	77.	(d) Principal
68.	(b) Commission Earned A/c	78.	(a) Agent
69.	(c) Consignor	79.	(b) Consignee
70.	(b) Insurance	80.	(c) Consignment a/c

UNIT - V			
81.	(a) Nominal account.	91.	(a) Profit / Loss
82.	(b) Joint venture account.	92.	(d) Co venturers
83.	(b) Joint venture account	93.	(a) Agreed ratio
84.	(b) a partnership.	94.	(d) 9:6:4
85.	(c) separate set of the books	95.	(d) Rs 8,00,000
86.	(b) No entry will be made in Joint venture a/c	96.	(a) 2 methods
87.	(b) Rs 15,000	97.	(d) Rs 20,000
88.	(c) Nominal A/C	98.	(c) Rs 1,60,000
89.	(a) Co venturers	99.	(c) Partners
90.	(a) Short	100.	(a) To find the profit or loss

SECTION - A

UNIT - I

1. From where did the word computer originated?
a) Latin b) French c) Greek d) English
2. Which converts raw data into meaningful information?
a) Compiler b) Computer c) Interpreter d) CPU
3. How would you measure the processing speed of a computer?
a) Mini seconds b) Nano seconds c) Micro seconds d) seconds
4. Which of the following rule is followed in computer?
a) LIFO b) FIFO c) GIGO d) CICO
5. What is the chief component of first generation computer?
a) Vacuum tubes b) Transistors c) Chips d) Circuits
6. Can you select the component of 2nd generation computer?
a) Vacuum tubes b) circuits c) Transistors d) Silicon chips
7. What is the name of transistors packed on a silicon chip?
a) Integrated circuit b) LSI c) Intelligence d) Micro processor
8. Name the technology which imitates human skills.
a) Computer b) Sensor c) Software d) Artificial Intelligence
9. Can you select the output generated through computerized sales system?
a) Trail Balance b) Ledger c) Sales Register d) Balance Sheet
10. Which of the following technology improves the realization of office use?
a) Administration b) Human resource c) Computerization d) Office Automation
11. From where did the word Analog derived?
a) Latin b) French c) Greek d) English
12. Choose the form of output from analog computer.
a) Graph b) Numbers c) Discrete values d) Picture
13. What is the basic operation performed by Digital computers?
a) Addition b) Subtraction c) Multiplication d) Division
14. Which of the computer is useful for billing and payroll preparation?
a) Analog b) Hybrid c) Digital d) Micro

15. Which one of the following computer is designed to solve a particular problem or task?
- a) Micro Computer
 - b) Mini Computer
 - c) General Purpose Computer
 - d) Special Purpose Computer
16. Select the common form of Computer Memory.
- a) Micro Processor
 - b) Memory Chip
 - c) Input Chip
 - d) Output Chip
17. Which computer is also called as central host computer?
- a) Mini Computer
 - b) Micro Computer
 - c) Super Computer
 - d) Mainframe Computer
18. Which computer accepts all high level languages?
- a) Mini Computer
 - b) Micro Computer
 - c) Super Computer
 - d) Mainframe Computer
19. Choose the hardware that enables a notebook computer to work as a desktop computer.
- a) Docking Station
 - b) Plamtop
 - c) Work Station
 - d) Play Station
20. How data are provided to the computer?
- a) Through Input Device
 - b) Through Output Device
 - c) Through Processer
 - d) Through CPU

UNIT - II

21. The main memory is also called as
- a) Primary storage
 - b) Secondary storage
 - c) Auxiliary memory
 - d) Core memory
22. Which is the basic element of dynamic Ram?
- a) Flipflop
 - b) Capacitor
 - c) Electric signal
 - d) Electrical pulse
23. Where did the data and instructions are actually stored?
- a) RAM
 - b) ROM
 - c) E-PROM
 - d) PROM
24. Which is the basic element of Static RAM?
- a) Flipflop
 - b) Capacitor
 - c) Electric Signal
 - d) Electrical Pulse
25. In which memory information can be changed by electrical signals?
- a) ROM
 - b) PROM
 - c) EPROM
 - d) EE-PROM
26. Which of the device is word programmable?
- a) ROM
 - b) PROM
 - c) EPROM
 - d) EE-PROM
27. What is the name of the copy on the screen?
- a) Hard Copy
 - b) Soft Copy
 - c) Document Copy
 - d) File Copy

28. What is the name of the printed copy?
a) Hard Copy b) Soft Copy c) Document Copy d) File Copy
29. Select the type of printer which prints by means of thermal effects.
a) Impact printer b) Non-Impact Printer c) Graphical Printer d) Plotter
30. Which printer uses wire needles and pins to print?
a) Ball printer b) Wheel printer c) Dot matrix printer d) Drum Printer
31. What is the main element of Daisy wheel printer?
a) Golf ball b) Pin c) Metal Drum d) Metal Petals
32. Which printer can print a line at a time?
a) Drum Printer b) Chain Printer c) Ball Printer d) Wheel Printer
33. Choose the ideal printer for drawings and graphs.
a) Inkjet Printer b) Thermal Printer c) Laser Printer d) Dot Matrix Printer
34. Select the plotter used in Analog computers.
a) Digital Plotter b) Flat bed Plotter c) Drum Plotter d) X-Y Plotter
35. What is the expansion of OCR?
a) Optical Character Reader b) Optical Character Recognition
c) Optical Computer Reader d) Optical Computer Recognition
36. Which input device is commonly used for scoring tests?
a) OCR b) OMR c) MICR d) Bar code reader
37. Select the input device which feed the computer visually interesting data.
a) Trackball b) OCR c) Joystick d) Printer
38. Find the octal equivalent of $(76)_{10}$
a) $(112)_8$ b) $(113)_8$ c) $(114)_8$ d) $(115)_8$
39. Find the Hexadecimal Equivalent of 65535.
a) $(FFAA)_{16}$ b) $(FFFA)_{16}$ c) $(AFFF)_{16}$ d) $(FFFF)_{16}$
40. What is the base for binary numbers?
a) 2 b) 8 c) 10 d) 16

UNIT - III

41. A set of instruction written to solve a problem on a computer is called
- a) Hardware b) Software c) Humanware d) Firmware
42. Which is the subset of instructions in system?
- a) Subroutines b) Routines c) Utility programs d) Diagnostic routines
43. Which program tool is a step by step problem solving procedure?
- a) Flowchart b) Algorithm c) Pseudocode d) Query
44. The correct sequence of instructions is called
- a) Definition b) Program c) Programming d) Coding
45. Which of the following language use symbolic notations?
- a) Machine Language b) Assembly Language
c) High level Language d) Low level Language
46. Select the one-to-one translator.
- a) Compiler b) Interpreter c) Assembler d) Converter
47. Who coined the word Algorithm?
- a) John von Neumman b) Mark Slumbergz
c) Charles Babbage d) Abu Jafar Mohammad
48. Pictorial representation of the steps involved in solving a problem is called
- a) Algorithm b) Flowchart c) Decision Tree d) Decision Table
49. Who designed the first formal flowchart?
- a) John von Neumman b) Mark John
c) Charles Babbage d) Abu Jafar
50. When was the first formal flowchart designed?
- a) 1943 b) 1944 c) 1945 d) 1946
51. What is the purpose of the symbol ?
- a) Decision b) Merge c) Sort d) Processing
52. What is the shape of the terminal block in a flowchart?
- a) Flat oval b) Rectangle c) Square d) Circle

53. Select the shape of decision block in flowchart.
- a) Parallelogram b) Stright line c) Diamond d) Oval
54. What is the meaning of the word “Pseudo”?
- a) Instruction b) Code c) Imitation d) Program
55. What tool is used for representing the program logic?
- a) Pseudocode b) Decision making c) Decision table d) Decision tree
56. Who act as an interface between the user and the computer?
- a) Hardware b) Software c)Frimware d) Humanware
57. DOS stands for
- a) Data operating system b) Disk operating system
c) Dock operating system d) Date operating system
58. When was UNIX operating system developed?
- a) 1964 b) 1965 c) 1969 d) 1970
59. Which is the upgraded version of Windows 95?
- a) Windows XP b) Windows 98 c) Windows NT d) Windows 2000
60. What is the expansion for “XP” in Windows XP?
- a) Experience b) Expression c) Expensive d) Extract

UNIT- IV

61. What is made up of physical components that connect computers?
- a) Application Hardware b) Application Software
c) Network Software d) Network Hardware
62. What consists of computer programs that establish protocols?
- a) Application Hardware b) Application Software
c) Network Software d) Network Hardware
63. What is the expansion for TCP?
- a) Transmission Control Protocol b) Transmission Change Protocol
c) Transfer Control Protocol d) Transfer Change Protocol

64. IP stands for
a) Internal Protocol b) Internet Protocol c) Intranet Protocol d) Individual Protocol
65. What prevents collision of data in a network?
a) Protocols b) Bus c) Star d) Packets
66. Name the gateway that avoids unauthorized users.
a) Security wall b) Password c) Firewall d) Encryption
67. What is used to connect two or more LANs?
a) Gateway b) Routers c) Bridges d) Wires
68. Choose the method used to control traffic in bus network.
a) Token Passing b) Token Ring c) Ethernet d) Star Ring
69. Select the best LAN stricter for banking industry.
a) Bus Network b) Star Network c) Ring Network d) Token Ring Network
70. Which network consists of closed loops?
a) Bus Network b) Star Network c) Ring Network d) Hierarchical Network
71. What is the name of central computer in Star network?
a) Hub b) Node c) Client d) Topology
72. Which network has multiple levels of systems?
a) Star Network b) Ring Network c) Token Network d) Hierarchical Network
73. Select the network that covers 1000Kms of geographical location.
a) LAN b) MAN c) WAN d) WLAN
74. What is the maximum speed of WAN?
a) 50KBPS b) 100KBPS c) 150KBPS d) 1000KBPS
75. What network is called as campus network?
a) LAN b) WAN c) MAN d) WLAN
76. Which network is used to access database at remote site?
a) LAN b) MAN c) WAN d) WLAN
77. Select the technology used by WLAN for transmitting and receiving data.
a) Radio frequency b) Internet c) Telephone d) Adopter
78. Choose the technology which uses very high frequency?

- a) Narrowband b) Spread spectrum c) Spectrum d) Infrared
79. What is the maximum speed of WLAN?
- a) 1-2 MBPS b) 1-3 MBPS c) 1-5 MBPS d) 1-10 MBPS
80. Select the technology used to avoid crosstalk.
- a) Infrared b) Spread spectrum c) Spectrum d) Narrowband

UNIT - V

81. Components connected in an organized way is called
- a) System b) Sub-system c) Hardware d) Software
82. What involves a detailed study of the current system?
- a) Definition b) Analysis c) Design d) Implementation
83. Select the technique of fact finding.
- a) Interview b) Questionnaire c) Observation d) All of these
84. Which is adjunct to interviewing?
- a) Questionnaire b) Observation c) Record d) Diagram
85. The starting point of the investigation is called
- a) Performance b) Benefit analysis c) Precedent d) Top-down Analysis
86. Structural design is also called as
- a) Preliminary Design b) General Design
c) Detailed Design d) Common Design
87. What is the other name of General design?
- a) Preliminary Design b) General Design
c) Detailed Design d) Common Design
88. Which phase is also called as programming phase?
- a) Programming b) Coding c) Testing d) Communicating
89. Select the phase where design is converted in to computer understanding language.
- a) Programming b) Testing c) Coding d) Communicating
90. In which stage buds are removed?
- a) Coding b) Testing c) Communicating d) Programming

91. Individually testing of data is called
- a) White Box Testing
 - b) Unit Testing
 - c) System Testing
 - d) Black Box Testing
92. Select the testing which is done on the actual data.
- a) White Box Testing
 - b) Unit Testing
 - c) System Testing
 - d) Black Box Testing
93. In which stage data is turned into a form?
- a) Coding
 - b) Documentation
 - c) Implementation
 - d) System Specification
94. What is required for the authorization of Changes?
- a) Document Control
 - b) Change Control
 - c) Process Control
 - d) Code Control
95. What is used to ensure the authorized changes?
- a) Document control
 - b) Change control
 - c) Process control
 - d) Code control
96. Converting new system design into operation is called
- a) Problem Definition
 - b) System Analysis
 - c) Implementation
 - d) Maintenance
97. Name the concept where the old and new system are run side by side and their output are compare.
- a) Parallel run
 - b) Pilot run
 - c) Test run
 - d) Horizontal run
98. When some parts of the new system is installed and tested for a small time period it is called
- a) Pilot run
 - b) Horizontal run
 - c) Test run
 - d) Parallel run
99. What is important to eliminate errors in system?
- a) Programming
 - b) Checking
 - c) Maintenance
 - d) Debugging
100. SLC stands for
- a) System Language Cycle
 - b) System Life Cycle
 - c) System Language Compiler
 - d) System Life Compiler

SECTION – B**UNIT - I**

1. What can you say about Computers?
2. Can you list out the importance of Computer?
3. Can you organize the limitations of Computer?
4. What is your idea about Office Automation?
5. List out the Office Automation tools.
6. What are all the uses Office Automation?
7. What can you say about general purpose and special purpose computers?
8. Write all kinds of Microchips.
9. Give short notes on Mini Computer.
10. What do you know about Laptops?

UNIT - II

11. What can you tell about Memory unit?
12. What are the characteristics of Magnetic core memory?
13. List out the important characteristics of Semi conductor memory.
14. Can you make a distinction between dynamic and static memory?
15. How would you summarize about auxiliary memory?
16. What are the merits and demerits of using punched cards?
17. List the advantages and disadvantages of magnetic tape.
18. What is your idea about graphical printers?
19. How would you show your understanding on Dot matrix printer?
20. Find the octal equivalent of $(65535)_{10}$.

UNIT - III

21. Can you recall about Application software?
22. Give your idea about Assembly Languages.
23. List out the characteristics of fourth generation languages.
24. How would you differentiate between Assembler and Compiler?
25. What is the difference between Compiler and Interpreter?

26. What are the advantages of Program Flowchart?
27. Draw a Flowchart to find the total of 3 numbers.
28. What is DOS? List out its features.
29. What is UNIX OS? Discuss its advantages.
30. What are the advantages of Windows NT?

UNIT - IV

31. What are the two types of connections in Networks?
32. List out the features of Local Area Network.
33. How would you express about LAN Connections?
34. How will you justify that Star network is better than Bus network?
35. Can you summarize Ring and Token ring Networks?
36. What is WAN? List out its advantages.
37. Can you recollect the points about MAN?
38. What are the technologies used by WLAN?
39. Can you list out the merits of WLAN?
40. What is WLAN? What are the demerits of WLAN?

UNIT - V

41. List out the four categories of Sub-system.
42. How would you rephrase the meaning of the word “system”?
43. What are the three major components of a system?
44. Can you list out the points to be discussed under System analysis?
45. List out the techniques of fact finding in System analysis.
46. What are the systematic methods used in System analysis?
47. What are the two stages of System design?
48. How would you solve the problems in testing phase?
49. Write short notes on System specification.
50. What do you mean by Pilot run?

SECTION – C**UNIT - I**

1. What are the characteristics of a computer?
2. Can you explain how computer is used in personnel department in an organization?
3. Explain the application of computers in finance department.
4. How computers can be used in production department of a company?
5. Can you elaborate on general applications of computers in various fields?
6. How would you differentiate Analog and Digital computers?
7. How would you classify the computers based on size and speed?
8. What is Analog computer? List out its characteristics.
9. Can you elaborate on the Generation of computers?
10. Explain the basic principles of operation of digital computers.

UNIT - II

11. How would you classify the types of main memory?
12. How do you use ROM? What are the different forms of ROMs?
13. Can you discuss about the types of semi- conductor memory?
14. Discuss your ideas about Floppy disk.
15. What is MICR? List its merits and demerits.
16. Discuss in detail about OCR.
17. Can you give a note on any 5 input devices?
18. How would you classify the non-impact printers?
19. Find the decimal equivalent for the binary number $(100100)_2$.
20. Find the hexadecimal equivalent of the binary number $(1010011000111110)_2$.

UNIT- III

21. Discuss in detail about system software.
22. What are the steps to be followed in problem solving?
23. How would you elaborate on high level languages?
24. Can you list out the most commonly used programming tool?
25. What are all the symbols of system flowchart?

26. Explain the functions of various symbols in program flowchart?
27. Draw a flowchart to find the largest of 2 numbers.
28. What are the functions of Operating system?
29. Can you list out the features of Windows?
30. Explain about various features of Windows NT Workstation.

UNIT- IV

31. How would you explain about the layers of network components?
32. What is LAN? Discuss in detail about LAN connections.
33. Discuss in detail about the various LAN structures.
34. If you own a Company, what type of LAN structure will you use? Why?
35. Can you elaborate the reason for the need of WAN?
36. Can you make a distinction between LAN and WLAN?
37. What type of network would you recommend for confidential purpose? Elaborate the reason.
38. What choice would you have made from various types of network for your company? Why?
39. Can you access the importance of network in information technology?
40. Discuss in detail about WLAN.

UNIT - V

41. How will you derive the concepts of system?
42. Discuss in detail about system life cycle.
43. What will you do in problem definition phase?
44. What would you do in system analysis stage in system life cycle?
45. How will you prepare a good system design?
46. How would you show your understanding about coding and testing part of SLC?
47. What conclusion can you draw on the various stages of system life cycle?
48. Can you elaborate on implementation and maintenance phases?
49. Can you predict the outcomes of system life cycle?
50. What should you do for the successful implementation of a project?

SECTION – A
ANSWER KEY

UNIT I			
1.	(a) Latin	11.	(c) Greek
2.	(b) Computer	12.	(a) Graph
3.	(b) Nano Seconds	13.	(a) Addition
4.	(c) GIGO	14.	(c) Digital
5.	(a) Vacuum tubes	15.	(d) Special Purpose Computer
6.	(c) Transistors	16.	(b) Memory Chip
7.	(a) Integrated Circuit	17.	(d) Mainframe Computer
8.	(d) Artificial Intelligence	18.	(a) Mini Computer
9.	(c) Sales Register	19.	(a) Docking Station
10.	(d) Office Automation	20.	(a) Through Input Device
UNIT II			
21.	(a) Primary Memory	31.	(d) Metal Petals
22.	(b) Capacitor	32.	(b) Chain Printer
23.	(a) RAM	33.	(a) Inkjet Printer
24.	(a) Flip flop	34.	(d) X-Y Plotter
25.	(d) EE-PROM	35.	(a) Optical Character Reader
26.	(c) EPROM	36.	(b) OMR
27.	(b) Soft Copy	37.	(c) Joystick
28.	(a) Hard Copy	38.	(c) $(114)_8$
29.	(b) Non-Impact Printer	39.	(d) $(FFFF)_{16}$
30.	(c) Dot-Matrix Printer	40.	(a) 2

UNIT III			
41.	(b) Software	51.	(d) Processing
42.	(a) Subroutines	52.	(a) Flat Oval
43.	(b) Algorithm	53.	(c) Diamond
44.	(c) Programming	54.	(c) Imitation
45.	(b) Assembly Language	55.	(c) Decision Table
46.	(c) Assembler	56.	(b) Software
47.	(d) Abu Jafar Mohammed	57.	(b) Disk Operating System
48.	(b) Flowchart	58.	(c) 1969
49.	(a) John Von Newmman	59.	(b) Windows98
50.	(c) 1945	60.	(a) Experience
UNIT IV			
61.	(d) Network Hardware	71.	(a) Hub
62.	(c) Network Software	72.	(d) Hierarchical Network
63.	(a) Transmission Control Protocol	73.	(c) WAN
64.	(b) Internet Protocol	74.	(a) 50 KBPS
65.	(a) Protocols	75.	(c) MAN
66.	(c) Firewall	76.	(c) WAN
67.	(c) Bridges	77.	(a) Radio Frequency
68.	(a) Token Passing	78.	(d) Infrared
69.	(b) Star Network	79.	(a) 1-2 MBPS
70.	(c) Ring Network	80.	(d) Narrowband

UNIT V			
81.	(a) System	91.	(b) Unit Testing
82.	(b) Analysis	92.	(c) System Testing
83.	(d) All of these	93.	(d) System Specification
84.	(b) Observation	94.	(b) Change Control
85.	(c) Precedent	95.	(a) Document Control
86.	(c) Detailed Design	96.	(c) Implementation
87.	(a) Preliminary Design	97.	(a) Parallel Run
88.	(b) Coding	98.	(a) Pilot Run
89.	(c) Coding	99.	(c) Maintenance
90.	(b) Testing	100.	(b) System Life Cycle

SECTION-A

UNIT- I

1. Cost centre is
 - a) The responsibility of minimising the cost
 - b) Concerned with earning an adequate ROI
 - c) Both a and b
 - d) Earning more profit
2. Elements of cost of production includes
 - a) Materials only
 - b) Labour only
 - c) Expenses only
 - d) All the above
3. Prime cost includes cost of
 - a) Direct labour, direct material, direct expenses
 - b) Indirect labour, indirect material, indirect expenses
 - c) Direct labour, direct material, indirect expenses
 - d) Indirect labour, direct material, indirect expenses
4. Factory cost means
 - a) Prime cost and factory expenses
 - b) Prime cost and administrative expenses
 - c) Prime cost and selling expenses
 - d) Prime cost and distribution expenses
5. Manufacturing cost involves
 - a) Factory cost and selling cost
 - b) Factory cost and distribution cost
 - c) Factory cost and administrative expenses
 - d) Factory cost and over cost
6. Cost of production is equal to
 - a) Prime cost and other manufacturing costs
 - b) Production cost and other manufacturing expenses
 - c) Prime cost + manufacturing costs + opening W.I.P – closing W.I.P
 - d) Factory cost and administrative over head
7. Total cost of product Rs. 10000 profits: 25% on selling price profit is
 - a)Rs.2500
 - b)Rs.3000
 - c)Rs.3333
 - d)Rs.2000
8. Direct expenses are also called a
 - a) Major expenses
 - b) Major overheads
 - c) Chargeable expenses
 - d) Sundry expenses

9. Sale of defectives is reduced from
- a) Prime cost
 - b) Works cost
 - c) Cost of production
 - d) Cost of sales
10. Tender is an estimation of
- a) Cost
 - b) Selling price
 - c) Profit
 - d) Purchase price
11. Which is ascertained with the help of cost sheet?
- a) Selling price
 - b) Major expenses
 - c) Prime cost
 - d) Purchase price
12. Some units are not completed in process, they are known as
- a) Office cost
 - b) Cost of sales
 - c) Work-in-progress
 - d) Over head
13. Which cost sheet is prepared on the basis of actual cost incurred?
- a) Factory cost
 - b) Historical
 - c) Cost of production
 - d) Distribution cost
14. Total cost is termed as
- a) Sales
 - b) Cost of sales
 - c) Selling price
 - d) Total cost
15. Which cost sheet helps in the control of material cost of a product/service
- a) Work-in-progress
 - b) Estimated
 - c) Production
 - d) Sundry expenses
16. Factory cost is also known as work cost, production or
- a) Manufacturing cost
 - b) Administrative cost
 - c) Prime cost
 - d) Cost of production
17. Which is also termed as administrative cost or total cost of production
- a) Prime cost
 - b) Factory cost
 - c) Office cost
 - d) Cost of sales
18. Cost sheet classifies and analyses the components of
- a) Sales
 - b) Cost of sales
 - c) Cost of a product
 - d) Variable
19. Sales = total cost +
- a) Profit
 - b) Production
 - c) Loss
 - d) Cost of production

20. Material consumed = material purchased + opening stock of material –
- a) Purchase price
 - b) Closing stock of material
 - c) Cost of production
 - d) Total cost

UNIT- II

21. Is cost of direct materials
- a) Freight charges
 - b) Grease
 - c) Stock
 - d) Cotton waste
22. Is cost indirect materials.
- a) Lubricating oil
 - b) Erection charges
 - c) Import duties
 - d) Insurance
23. Is not a material control technique.
- a) ABC analysis
 - b) Fixation of raw material levels
 - c) Maintaining stores ledger
 - d) Control over slow moving and non-moving it
24. Is not the work of purchase department?
- a) Receiving purchased requisition
 - b) Search the sources of material supply
 - c) Execution of purchase orders
 - d) Accounting for material received
25. Bin card is a
- a) Quantitative and value records of material received issued and balance.
 - b) Quantitative record of material received issued and balance.
 - c) Value wise record of material received issued and balance.
 - d) Qualitative material received issued and balance.
26. Stores ledger is a
- a) Quantitative and value records of material received issued and balance.
 - b) Quantitative record of material received issued and balance.
 - c) Value wise record of material received issued and balance.
 - d) Over head.
27. Re-order level is calculated as
- a) Maximum consumption x maximum reorder period
 - b) Minimum consumption x minimum reorder period
 - c) $\frac{1}{2} \text{of} (\text{minimum} + \text{maximum consumption})$
 - d) Maximum level – minimum level

28. EOQ is that quantity at which cost of holding and carrying inventory is .
- a) Maximum and equal
 - b) Minimum and equal
 - c) Minimum and unequal
 - d) Equal level
29. ABC analysis is an inventory control technique in which .
- a) Inventory levels are maintained
 - b) Inventory is classified into a, b, c category with a being the highest quantity lowest value
 - c) Inventory is classified into albic category with a being the lowest quantity highest value
 - d) Variable
30. Which one out of the following is not an inventory valuation method?
- a) FIFO
 - b) LIFO
 - c) Weighted average
 - d) EOQ
31. Generally the danger level of stock is fixed in which minimum level
- a) Below
 - b) Above
 - c) Equal
 - d) Danger level
32. Stores level is maintained in which department
- a) Cost accounting
 - b) Stores
 - c) Purchase
 - d) Production
33. Bin card is a record of
- a) Quality
 - b) Quantity
 - c) Number
 - d) Value
34. Bin card is maintained by
- a) Purchase department
 - b) Production department
 - c) Marketing department
 - d) stores keeper
35. ABC analysis is a technique of
- a) Inventory control
 - b) Grease
 - c) Stock
 - d) Cotton waste
36. Which discount is offered by the supplier of early payment of dept?
- a) Purchase
 - b) Cash
 - c).Equal
 - d) Numbers
37. Abnormal losses of materials are charged to
- a) Accounting of material received
 - b) Inventory levels
 - c) Costing profit and loss a/c
 - d) Valuation of stock a/c
38. Material turnover is a ratio of
- a) Import duties
 - b) Minimum and equal
 - c) Over head
 - d) Material consumed during the period

39. The formula for fixing minimum stock level is
- a) Re-order level
 - b) Minimum level
 - c) Maximum level
 - d) Danger level
40. Two important opposing factors in fixing the economic order quantity are
- a) Cost of ordering & cost of carting
 - b) Maximum & equal
 - c) Minimum & unequal
 - d) Quality

UNIT- III

41. Labour turnover means
- a) Turnover generated by labour
 - b) Rate of change in labour force during a specified period
 - c) Labour discharge
 - d) Labour training
42. Which is not an avoidable cause of labour turnover
- a) Dissatisfaction with job
 - b) Lack of training facilities
 - c) Low wages
 - d) Disability of the worker
43. The payment made to which cost of direct labour
- a) Machinist
 - b) Supervisor
 - c) Inspector
 - d) Sweeper
44. The payment made to the is cost of indirect labour
- a) Time keeper
 - b) Welder
 - c) Tailor
 - d) Machine operator
45. Which is the best method of labour costing?
- a) Machine hour rate
 - b) Fixed percentage
 - c) Percentage on work done
 - d) Man, hour rate
46. Which of this is not a reason for an idle time?
- a) Wage rate increase
 - b) Machine break-down
 - c) Illness or injury to worker
 - d) Non-ability of material
47. A disadvantages of an hourly wage plan
- a) Provides no incentive
 - b) Difficult to apply
 - c) Establishes a definite rate per hour for each employee
 - d) Encourages employees to sacrifice quality in order to maximize earnings

48. Which is a mechanical device to record the exact time of the workers?
- a) Clock card
 - b) Store card
 - c) Token system
 - d) Attendance registers
49. Which one of this is the time-based incentive wages plan
- a) Hasley premium plan
 - b) Hasley weir premium plan
 - c) Rowan premium plan
 - d) All of the given option
50. Group bonus scheme are generally suitable where
- a) Output depends on individual efforts
 - b) Output of individual workers can be measured easily
 - c) Necessary to create a collective interest in the work
 - d) Normal loss rate is high
51. To calculate the bonus in rowan premium plan
- a) $\text{Time saved/time allowed} \times 100$
 - b) $(\text{Time allowed/time saved}) \times 100$
 - c) $(\text{Actual time taken/time allowed}) \times 100$
 - d) $(\text{Time allowed/actual time taken}) \times 100$
52. Which is used for recording the time spent by a worker on a job
- a) Job card
 - b) Store card
 - c) Clock card
 - d) Token system
53. Name the card which is a document on which starting and finishing time of an employee is recorded
- a) Store card
 - b) Clock card
 - c) Store card
 - d) Token system
54. A person who look after time keeping is called time keeper and his place of work is called
- a) Welder
 - b) Machine operator
 - c) Time office
 - d) Supervisor
55. Which provides a scientific basis for determining fair wages for each worker based on his ability and performance
- a) Wage rate increase
 - b) Machine break down
 - c) Non ability
 - d) Merit rating
56. Which refers to the payment of bonus to employee based on profits of the company
- a) Profit sharing
 - b) Percentage on work done
 - c) Equal
 - d) Low wages

57. Which is the movement of people into and of the organisation
- a) Labour training
 - b) Labour turnover
 - c) Labour discharge
 - d) Turnover generated by labour
58. Manpower requires a planned assessment of
- a) The total requirements of manpower at various level of organisation
 - b) Difficult to apply
 - c) Output demands on individual efforts
 - d) Provides no incentive
59. Time and motion study refers to
- a) A study of establish the proper method of performing a job
 - b) Sweeper
 - c) Dissatisfaction with job
 - d) Supervisor
60. Job evaluation is an assessment of the relative value of what is an industry. It does not analyse the individual merits of each worker
- a) Welder
 - b) Sweeper
 - c) Machinist
 - d) job

UNIT- IV

61. Which one of this is known as the overhead costs
- a) Cost of direct labour
 - b) Cost of indirect labour
 - c) Direct expenses
 - d) Indirect expenses
63. Overhead expenses include
- a) Factory expenses
 - b) Selling expenses
 - c) Distribution expenses
 - d) All of the above
63. Service department cost should be allocated to
- a) Service departments
 - b) Production departments
 - c) Production and service departments
 - d) None of the department
64. Most suitable basis for apportioning insurance of machine
- a) Floor area
 - b) Value of machines
 - c) No. of workers
 - d) No. of machines

65. Example of semi variable items excludes

- a) Telephone
- b) Repairs and maintenance
- c) Depreciation of plant and machinery
- d) Insurance of plant and buildings

66. Sundry overheads expenses may be apportioned on the basis of

- a) Material
- b) Number of employee
- c) Labour hour
- d) Floor area

67. Departmentalisation of overheads is known as

- a) Primary distribution
- b) Secondary distribution
- c) Absorption
- d) over head

68. Prime cost includes cost of

- a) Direct labour, direct material, direct expenses
- b) Indirect labour, indirect material, direct expenses
- c) Direct labour, direct material, indirect expenses
- d) Indirect labour, direct material, indirect expenses

69.) Factory Cost means

- a) Prime cost and factory expenses
- b) Prime cost and administrative expenses
- c) Prime cost and selling expenses
- d) Prime cost and distribution expenses

70). Manufacturing cost involves

- a) Factory cost and selling cost
- b) Factory cost and distribution cost
- c) Factory cost and administrative expenses
- d) Factory over head

71). Cost of production is equal to

- a) Prime costs and other manufacturing costs.
- b) Production costs and Administration expenses.
- c) Prime costs+ manufacturing costs+ Opening W.I.P- Closing W.I.P.
- d) Factory cost and administrative overheads

72). Total cost of a product: Rs. 10,000 Profit: 25% on Selling Price Profit is

- a) Rs. 2,500
- b) Rs. 3,000
- c) Rs. 3,333
- d) Rs. 2,000

- 73). Direct expenses are also called
- a) Major expenses
 - b) Major overheads
 - c) Major cost
 - d) Cost accounting
- 74). Normal in the manufacturing process leads to
- (a) Reduction in unit price of other good units
 - (b) Increasing in unit price of other goods units
 - (c) Reduction in costing profit
 - (d) Increase in Costing Profit
- 75) Abnormal loss and its value are
- (a) Debited to process a/c
 - (b) Credited to process a/e
 - (c) Debited to costing profit and loss a/c
 - (d) Debited to profit and loss a/c
- 76). Actual loss is more than the predetermined normal loss, it is
- (a) Normal loss
 - (b) Seasonal loss
 - (c) Abnormal loss
 - (d) Standard loss
- 77) Process cost is ascertained and recorded in
- (a) Balance Sheet
 - (b) Separate statement
 - (c) Profit & Loss a/c
 - (d) Separate Ledger a/e
- 78) The loss which arise in manufacturing activity on account of inherent nature of the product is
- (a) Normal loss
 - (b) Net loss
 - (c) Abnormal loss
 - (d) Gross loss
- 79) The stage of production at which separate products are identified is known as
- (a) Process Costing
 - (b) Subsequent cost
 - (c) Reverse Cost method
 - (d) Equivalent production
80. in process costing, if an abnormal loss arises, the process account is generally
- (a) Debited with the scrap value of the abnormal loss units
 - (b) Debited with the full production cost of the abnormal loss units
 - (C) Credited with the scrap value of the abnormal loss units
 - (d) Credited with the full production cost of the abnormal loss units

UNIT-V

81. An outcome of a product process considered as relatively less important as compared with main product is called .
- a) By- product
 - b) Co- product
 - c) Joint product
 - d) Core product
82. Cost of abnormal wastage is charged to .
- a) Production cost
 - b) Costing P/L a/c
 - c) Both A & B
 - d) Selling and distribution cost
83. Total cost incur in a production process is divided by total number of output units is calculated the .
- a) Cost of direct labour
 - b) Cost of indirect labour
 - c) Cost of direct material
 - d) Units
84. Which of the following is not a feature of a process production system?
- a) Repetitive production
 - b) Low product flexibility
 - c) High product volume
 - d) Heterogeneous product
85. Process costing is suitable for .
- a) Hospital
 - b) Transport firms
 - c) Oil refining firms
 - d) Brick laying firms
86. The expense is relating to a particular process is .
- a) Debited to the process a/c
 - b) Credited to process a/c
 - c) Debited to costing P/L a/c
 - d) Debited to p&l a/c
87. Normal loss in the manufacturing process leads to
- a) Reduction in unit price of another goods unit
 - b) Increase in unit price of another goods unit
 - c) Reduction in costing price
 - d) Increase in costing price
88. Abnormal loss and its value are
- a) Debited to process a/c
 - b) Credited to process a/c
 - c) Debited to P/L a/c
 - d) Debited to costing P/L a/c
89. Actual loss is more than the predetermined normal loss it is
- a) Normal loss
 - b) Abnormal loss
 - c) Standard loss
 - d) Seasonal loss

90. Process cost is ascertained and recorded in
- | | |
|------------------------|-----------------------|
| a) Balance sheet | b) separate statement |
| c) Separate ledger a/c | d) P/L a/c |
- 91) Is known as the overhead costs.
- | | |
|--------------------------|----------------------------|
| a) Cost of direct labour | b) Cost of indirect labour |
| c) Direct expenses | d) indirect expenses |
- 92) Overhead expenses include
- | | |
|--------------------------|---------------------|
| a) Factory expenses | b) Selling expenses |
| c) Distribution expenses | d) All of the above |
- 93) Service departments costs should be allocated to
- Service departments
 - Production departments
 - Production and service departments
 - None of the departments
- 94) Most suitable basis for apportioning insurance of machine
- | | |
|-------------------|----------------------|
| a) Floor Area | b) Value of Machines |
| c) No. of Workers | d) No. of Machines |
- 95) Example of semi-variable items excludes
- | | |
|--|------------------------------------|
| a) Telephone | b) Repairs and maintenance |
| c) Depreciation of plant and machinery | d) Insurance of plant and building |
- 96) Sundry overhead expenses may be apportioned on the basis of
- | | | | |
|-------------|------------------------|-----------------|---------------|
| a) Material | b) Number of employees | c) Labour hours | d) Floor area |
|-------------|------------------------|-----------------|---------------|
- 97) Departmentalisation of overhead is known as
- | | |
|-------------------------|---------------------------|
| a) Primary distribution | b) Secondary distribution |
| c) Absorption | d) Over head |
- 98) A disadvantage of an hourly wage plan is
- Provides no incentive
 - Difficult to apply
 - Establishes a definite rate per hour for each employee.
 - Encourages employees to sacrifice quality in order to maximize earnings

99) Is a mechanical device to record the exact time of the workers.

- a) Clock Card
- b) Token System
- c) Store Card
- d) Attendance Register

100) Is the time based incentive wage plan

- a) Hasley Premium Plan
- b) Rowan Premium Plan
- c) Hasley Weir Premium Plan
- d) All of the given options

SECTION-B

5 MARKS

UNIT -I

- 1).What is cost audit?
- 2).What is the various methods of costing?
- 3) What are the importance of cost accounting?
- 4).From the following information's prepare a cost sheet for the month of January.

	Rs.		Rs
Stock of raw materials on 1 st January	25000	Stock of raw materials on 31 st January	26200
Purchase of raw materials	21900	Carriage on purchases	1100
Sales of finished goods	72300	Direct wages	17200
Non-productive wage	800	Direct expenses	1200
Factory overheads	8300	Administrative overheads	3200
Selling overheads	4200	Factory overheads	8300
Stock of raw materials on 1 st January	25000	Non-productive wage	800
Purchase of raw materials	21900	Sales of finished goods	72300

5).From the following particulars prepare a cost sheet showing the selling price unit

- Raw materials - Rs.9100
- Labour & other direct expenses –Rs 4000
- Factory expenses 80% of the labour & other direct expenses
- Office overheads 10% work cost
- Selling & distribution expenses rs.2 per unit sold
- Units produced and sold-10000
- Percentage of profit -20% on selling price

6).The following information's has been obtained by the records of left centre corporations for the period from jan 1st to june 30th 2002

particulars	2002 jan 1 st	2002 jun30 th
Cost of raw materials	30000	25000
Cost of work in progress	12000	15000
Cost of finished goods	60000	55000
Transactions during 6months purchase of raw materials	450000	-
Wages paid	230000	-
Factory overhead	92000	-
Administration overhead	30000	-
Selling and distribution	20000	-
Sales	900000	-

Prepare:1) materials consumed

2) Prime cost

3)factory cost

7).A factory produces 100 units of a commodity the cost of production is

Materials 1000

Wages 5000

Direct expenses 1000

Factory overhead are 125% wages

Office overhead are 20% on work cost

Expected profit is 25% on sales

Calculate the price to be fixed per unit .

8).From the following information's prepare cost and financial reconciliation statement

Profit as per costing book -45030

Income tax provided In financial books -4000

Bank interest credit in financial book -150

Depreciation recovered in cost book -3000

Depreciation charged in financial book-2800

Work over head over recovered -550

Administrative overhead under recovered -450

Interest on investment not included in cost a/c -1200

Stores adjustment credited in financial book-120

9) A factory produces 100 units of a commodity. The cost of production is:

	Rs
Materials	10000
Wages	5000
Direct expenses	1000

10). Over valuation of opening stock in cost book -1200

Under valuation of closing stock of finished goods in financial books -3000

Materials written off in financial book -1000

Under absorption of over head -4000

Fines by municipalities -500

Debenture interest paid – 2000

Prepare reconciliation statement.

UNIT-II

11). What is meant by scrap?

12). Give formula for EOQ.

13). What is weighted average method?

14). What is re-order quantity?

15). The following information relating to computation of 3 nuts and bolts in Bharath Engineering Limited are gathered from the stock register

Normal consumption - 72 pcs per user

Maximum consumption - 100 pcs per user

Minimum consumption - 50 pcs per user

Ordering quantity - 250 pcs

Delivery time to get fresh supply

1. normal - 2 weeks

2. emergency - 3 days

Determine different stock levels for 3 bolts assuming that the factory works 6 days

16). From the following information calculate

1. Maximum stock level

2. minimum stock level

3. re-order level

4. average stock level

Minimum consumption 240 units per day

Maximum consumption 420 units per day

Normal consumption 300 units per day

Re-order quantity 360 units

Re-order period 10-15 days

Normal re-order period 12 days

17).From the following data for last 12 months compute re-order level minimum level,and average stock level of 9 stock item

Minimum usage in a month-200kg

Maximum usage in a month-300kg

Average usage in a month-225kg

Time procurement of materials:

Maximum -6months

Minimum-2 months

Re -ordering quantity 750 kilograms

18).Components x is used as follows

Minimum usage -50 units per week

Maximum usage-150 units per week

Normal usage -100 units per week

Ordinary quantity-600 units

Delivery period -4to6 units

Maximum re-order period for emergency purchase 2 week calculate 1)re-ordering level
2)maximum level 3)minimum level

19).calculate minimum stock level ,maximum stock level,re-order level and average stock level from the following

Minimum consumption -100 units per week

Maximum consumption -1500 units per week

Normal consumption -120 units per week

Re-order period-10to15weeks

Re-order quantity-1500units

20).The following particulars were collected from a manufacturing unit for the year 2012

Monthly demand-1000units	Cost of placing an order-rs 100
Annual carrying cost per unit -50 units per week	Normal usage-50 units per week
Minimum usage-25 units per week	Maximum usage-75 units per week
Reorder period-4to6 weks	

UNIT - III

- 21) What do you meant by overtime?
- 22) What is labour turnover rate?
- 23) What are the kinds of labour cost?
- 24) What are the types of idle time?
- 25) Labour Turn Over Method: ‘s’co., gives the following informations

Number of employees on 31.3.07	240
Number of employees on resigned	20
Number of employee’s discharged	5
Number of employee’s replaced	18

Calculate LTO by various methods.

26).Calculate the normal and overtime wages payable to a workman from the following data.

Days	Hours worked
Monday	8
Tuesday	10
Wednesday	9
Thursday	11
Friday	9
Saturday	4
Total	51 hours

Normal working hours:8 hours

Normal rate:re.0.50per hour

Over time rate:- upto 9 hours in a day @single rate and over 9 hours in a day@double rate(or)upto 48 hours in a week @ single rate and over 48 hours in a week@ double rate,which ever is more beneficial to the work man.

27).Calculate the labour cost per hour for a worker from the following informations:-

Basic pay	Rs 200p.m
DA	Rs 150p.m
HRA	Rs 100 p.m

Number of working days per year -300

Leave rules: 30 days P.L.with full pay

20 days S.L.with half pay

Usually sick leave is fully availed of. Also calculate the labour cost per hour if no sick leave is availed of.

28).ROWAN PLAN

A worker earns rs.2 as bonus on a job which requires 20 standard hours @re.0.50 per hour . Under halsey incentive system based on 50:50 . what would be his earnings Rowans plan?

29).Calculate the earnings of a worker from the following under a)halsey plan b)rowan plan

Standard time :30 hours

Time taken:20 hours

Hourly rate of wages :re.1 per hour

Dearness allowances :re.0.50 per hour worked

30).Calculate labour turn over under separation methods. No .of workers on the payroll

At the beginning of the month-500

At the end of the month-600

Workers left-5

Workers discharged-20

UNIT-IV

31).What is fixed overheads?

32).Discuss the classifications of the overheads?

33).What is machine hour rate?

34).Explain overhead allocations?

35).Z ltd has four department as E,F,G and H,E,F and G are production department he is a service department .the actual costs for a period are as follow

Rent	2000	Repairs	1200
Depreciation	675	Lighting	150
Insurance of stock	750	Supervision	2250
Power	1350		

The following data are also available in respect of the four department

particulars	Dept E	Dept F	Dept G	Dept H
Area(sq.ft)	300	220	180	100
No ,of workers	36	24	18	12
Value of plant	24000	18000	12000	6000
Value of stock	15000	9000	6000	-

Apportion the costs to the various departments on the most equitable method.

36).Krishna producing concern is divided into 4 departments A,B,C are production departments and D is a service department the actual expenses for a period are as follows

Rent	10000	Repairs	6000
Depreciation	4500	Lighting expenses	1200
Supervisory expenses	15000	Fire insurance on stock	5000
Power	9000		

The following information is available in respect of four departments.

particulars	Departments			
	A	B	C	D
Area	1500	1100	900	500
Horse power plant	20	15	10	5
No of employees				
Total wages	200	150	100	50
Value of plant	60000	40000	30000	20000
Value of stock	240000	180000	120000	60000
	150000	90000	60000	-

Apportion the cost to the various departments on the most equitable method.

37.thefollowing data were obtained from the the books of a co., for the half year ended

Particulars	production department			service department	
	A	B	C	X	Y
Direct wages	7000	6000	5000	5000	1000
Direct materials	3000	2500	2000	2000	1000
Employee no	200	150	150	50	50
Electricity KWf	8000	6000	2000	2000	3000
Light points no	10	15	5	5	5
Assets value	5000	30000	10000	10000	10000
Area	800	600	200	200	200

The expenses for the month were:

Stores over heads Rs 400;;motive power rs 1500;electricity light Rs 200;labour welfare Rs 3000 depreciation Rs 6000 repairs and maintenance Rs 1200 general over head Rs 10000 rent and rates Rs 600 prepare primary distribution table for the departments.

38).calculate direct labour hour rate from the followings factory over head Rs 11400

No of labour hours worked -228000hours
 No of worker-36
 No of production manufacturer-623 Units

39) Calculate overhead absorption rate on the basis of

Machine hours -8 hrs
 Production overheads Rs 50000
 Hours 10000

40).Calculate machine hour rate

- 1) Electric charges-0.75
 - 2) Insurance charges-0.30
 - 3) Repair charges-555p.a
 - 4) Machine value -15000-depreciation-10%p.a
- Machine will work for 2000 hours p.a

UNIT - V

41).What is process costing?

42).What is abnormal gain?

43).What are by products?

44).Define process costing?

45).No loss No units;

Calculate the cost of each process and total cost of production from the data given below.

Particulars	Process I	Process II	Process III
Materials	4500	1500	600
Wages	2400	6000	1800
Direct expenses	1000	1000	1000
Works over head	3780	5160	3750

particulars	processA	Process B	Process C
Wages and materials	60800	24000	58500
Work on cost	11200	10500	12000
Production unit	72000	75000	96000
Stock (units proceeding process 1 st july 1992)	-	8000	33000
Stock (units proceding process 31 st july 1992)	-	2000	12000

Other indirect expenses are Rs 2550 should be apportioned on the basis of wages

46) Draw the cost of the three process of manufacturer the production of each process is passed on to the next till completion.

47) .In process A, 100 units of raw materials were introduced at a cost of rs 1000, the other expenditure incurred by the purpose was rs 602 of the units introduced 10%are normally lost in the course of manufacturer and they possess a scrap value of rs 3 each the output of process A was only 75 units prepare process a/c and abnormal loss a/c.

48) Product X goes through three operations before it is finished normal loss of the operations is as follows:

Operation I-1/4

Operation II-1/6 of input

Operation III-1/5 of input

Compute the initial input required to obtain a final output of 100 units.

49) Calculate the cost of each process and total cost of productions from the data given below

Particulars	process I	process II
Materials	2250	750
Wages	1200	3000
Direct expenses	500	500
Works overheads	1890	2580

Other indirect expenses of 1275 should be appropriate on the basis of wages.

50) 1000 units were introduced into a process of cost of Rs 40000

Cost of labour and overheads amounted to Rs 28000 and Rs 18000 respectively

The normal loss in the process is 18% of the input which has no recovery value shows the process a/c.

SECTION-C

8 MARKS

UNIT-I

- 1) Explain the nature of cost accounting?
- 2) Describe the classification of cost?
- 3) Discuss the advantages and dis-advantages of cost accounting?

4) Prepare a statement showing cost and profit from the following details .clearly showing prime cost, work cost, cost of production, cost of sales and profit.

Particulars	Rs	Particulars	Rs
Direct wages	150000	Direct materials	500000
Power	2500	Oil & water	2500
Store keepers wages	5000	Transfer to general reserve	5000
Factory rent	25000	Foremans salary	12500
Office rent	12500	Factory lightening	7500
Repairs:		Office lighting	2500
Factory plant	17500		
Office buildings	2500		
Good will written off	2500	Depreciation: Factory rent	2500
		Office building	6250
Counsumable stores	12500	Managers salary	25000
Directors fees	6250	Office stationery	2500
Telephone rent	625	Postage	1250
Salesmans salaries	6250	Travelling expenses	2500
Advertising	6250	Warehouse rent	2500
Income tax	50000	Dividend paid	10000
Sales	947500		

5)

Particulars	Rs	Particulars	Rs
Opening stock of raw materials	25000	Salary-office	2500
Closing stock of raw materials	40000	Salary-salesman	2000
Purchase of raw materials	85000	Other office exp	900
Carriage of raw materials	5000	Other factory exp	5700
Wages direct	75000	M.D remuneration	12000
Wages indirect	10000	Other selling exp	1000
Other direct charges	15000	Travelling exp	1100
Rent & Rates : factory	5000	Carriage outwards	1000
office	500		
Indirect consumptions of materials	500	Sales	250000
Depreciation-plant	1500	Advance income tax paid	15000
Depreciation –office furniture	100	Advertisement	2000

Following data are extracted from the books of shakthi for the year 1998.

M.D. remuneration is allocated as Rs 4000 to the factory, Rs.2000 to the office and Rs.6000 to the selling department. Prepare cost sheet.

6).The following are the details relating to a factory for the month of June 2005.

Particulars	Rs	Particulars	Rs
Materials used:		Labour used:	
In manufacturing	80000	For production	25000
In primary packing	20000	For factory supervision	5000
In factory	2000	Office salaries	6000
In the office	4000	Sales man services	8000
In selling	5000	Expenses:	
In secondary packing	6000	Direct	2000
Depreciation:		Factory	6000
Factory	4000	Office	4000
Office	3000	Selling	5000
Distribution vans	2000	Distribution	2000

It is customary to fix the selling price by adding 20% of the total cost prepare cost sheet showing profit for the month.

7) From the following particulars of a manufacturing company prepare a statement showing:

- a) Cost of materials used
- b) prime cost
- c) work cost
- d) Percentage of works overhead to productive wages
- e) Cost of production
- f) percentage of general overhead to work cost

stock of materials on 1 st jan 2008 -	20000	purchase of materials in jan-	550000
stock of finished goods on 1 st jan 08	25000	productive wages-	250000
finished gods sold	1200000	works over head charges -	75000
office and general expenses	50000	stock of materials on31st jan 08-	70000
stock of finished goods on 31 st jan 2008-	30000	Office expenses	700
Stock as on 1.4.2005: raw maeterials -	2500	Factory expenses	1600
Finished goods-	1000	Direct wages	1800
Work in progress-	1100	Materials purchased during the year	4000

8) From the following details prepare a comprehensive cost sheet

Stock as on 1.4.2005: raw maeterials	2500
Work in progress	1200
Finished goods	1000
Stock as on 31.3.2006: raw materials	200
Work in progress	1100
Finished goods	1500
Materials purchased during the year	4000
Direct wages	1800
Factory expenses	1600
Office expenses	700
Selling and distribution expenses	800
Sales during the year	12000

Also compute: The percentage of works on cost to wages and

- a) The percentage of administration overheads to work cost.

9).The following extracts of costing informations related to commodity “s” for the half year ending 31.12.2002.

Purchase of raw materials	120000	Works over heads	48000
Direct wages	100000	Carriage on purchases	1440
Stock(1.7.2002): Raw materials	20000	Stock(31.12.2002): Raw materials	22240
Finished products(1000 tons)	1600	Finished products(2000tons)	32000
Work in progress (1.7.2002)	4800	Work in progress (31.12.2002)	16000
Sales finished products	300000		

Selling and distribution overheads are re.1 per ton 16000 tons of commodities we produced during the year. You are ascertaining.

- a) Cost of raw materials used
- b) Cost of output for the period
- c) Cost of sales
- d) Profit for the period and
- e) Net profit per ton of the commodity

10).prepare a cost sheets the following details:

Work in progress	Beginning(rs)	Closing(rs)
Materials	10000	15000
Labour	12000	14000
Factory exp	6000	7000
	28000	36000
Stock of raw materials		80000
Purchase of raw materials		500000
Direct labour		280000
Stock of raw materials at the end		60000
Manufacturing exp		85000
Office & administration exp		53000
Units produced		6000

UNIT-II

- 11).What do you mean by scrap?give its accounting treatment?
- 12).Explain a)maximum stock level b)minimum stock level c)EOQ d)re-order level
- 13).Explain the accounting treatment of wastages and spoilages?
- 14).The standard price of a material is fixed at rs.20 per unit.shpw the stores ledger entries and they would appear when using the standard price method .also calculate material price varience.

STANDARD PRICE METHOD

2005 may 1 balance in hand 400 units@rs 20	4 purchased 500 units@rs 21
6 issued 600 units	8 issued 200 units
10 purchased 700 units@rs 19	

WEIGHTED AVERAGE METHOD

XY ltd purchased and issued the materials in the following order

2006 march 1 purchased 300 units @rs 3 per unit

5 purchased 500 units @rs 4 per unit

10 issued 500 units

12 purchased 700 units@rs 4.50 per unit

15 issued 700 units

20 purchased 300 units@rs 5 per unit

30 issued 150 units

Ascertain the quantity of closing stock as on 31.03.2006 &state its value under weighted average cost method

15).prepare a stores ledger account and enter the following transactions adopting the simple average method of pricing issues.

2005 feb 1 opening balance 50 units @rs.3 per unit

5 issued 20 units

7 purchased 40 units @rs 4 per unit

9 issued 25 units

19 purchased 75 units @rs 5 per unit

20 issued 15 units

26 issued 60units

16).from the following transactions prepare the stores ledger account ,using FIFO,LIFO,methods

Jan: 1 opening balances 100 units @rs.5

5 received 500 units @rs 6

20 issued 300 units

Feb: 5 issued 200 units

6 received back from work Order issued on 5Feb 10 units

7 received 600 units @rs 5

20 issued 300 units

25 returned to supplier 50 units purchased on 7th

feb 26 issued 20 units

Mar:10 received 500 units@rs 7

15 issued 300 units

Stock verifications on 15th march revealed of 10 units

17).prepare a stores ledger accounting assuming that issues are priced on the principle of FIFO

Dec 1 received

10 received 1000units @rs 20

11 received 500 units@rs22

15 issued 500 units @rs 2

20 issued 150 units

22 received 700 units @rs.23

24 received 300 units @rs19

28 issued 500 units

30 received 200 units @rs 18

31 issued 300 units

18) From the following particulars prepare a stores ledger by adopting lifo method

Date	receipts	issues
1990 Jan 1	300 units @rs.10 per units	
10	200 units@rs.12 per unit	
15		250 units
18	200 units@rs.14 per unit	
20		300 units
25	100units@rs.10 per unit	
31		100 units

19).A clothing manufacturer commenced business on1.1.09 textile materials used include two types m,n during six momnths to 30.06.09 purchases are as follows

4th January 1000meters of type M@rs.10 per metre

January 1600 meters of type N@rs.15 per metre

18th March 2300 meters of type M@rs.12 per metre

16th April 3000 meters of type N@rs.16 per metre

26th May 800 meters of type M@rs.9.50 per metre

Issues from the store room to the factory were as follows:-

7th January 700 metres of type M

12th January 1200 metres of typeN

28th March 1420 metres of type M

22nd April 2680 metres of type M

1st June 1580 metres of type M

Materials were charged to the factory at cost on the FIFO principles . prepare stores ledger a/c

20. SIMPLE AVERAGE METHOD :

The following are the transactions took place in respect of an item of materials.

Date	Receipt qty.rs	Rate rs	Issue qty.rs
02.3.02	200	2.00	-
10.3.02	300	2.40	-
15.3.02	-	-	250
18.3.02	250	2.60	-
20.3.02	-	-	200

Record the above in stores ledger pricing issues at simple average rate.

UNIT III

- 21) Explain the concept of labour turn over?
- 22) What is the difference between time keeping and time booking?
- 23) Explain the types “idle time “and “over time”?
- 24) Explain the methods of labour remuneration?
- 25) Computation and treatment of labour:

a) Allocation of wages:-

Worker Mohan is required to work for 44 hours in a week at a wage rate of rs.20 per hour. He is permitted rest pauses for tea, lunch, Etc at the rate of 30 minutes per day over the six day week . During the week ended 30th sep 2004. Mohan time card showed that the worked for 36 hours only on the production lines on 29th September there was delay in work due to machine breakdown which accounts for the difference in times.

Determine the total wages received by Mohan for the week and how the wages are to be dealt with in the accounts.

26) Cash required for wage payment:-

From the following particulars find the cash required for payment of wages.

Gross wages-Rs 400000

Contribution to ESI-Rs 6000

Contribution to PF-Rs 10000

Additional information:-

- 1) Employees are also required to contribute equal amount towards state Insurance and PF
 - 2) Employer has provided accommodation for which rent reducable is rs.50 pet employee for total of 100 employees
 - 3) Festival advances recoverable @rs.200 per employee from 120 employees.
- 27) Formate data prepare a statement showing the cost per man day of 8 hours.
- 28) Calculate the earnings of a worker under the following methods a) time rate b) piece rate c) halsey d) rowan plan

Standard time 30 hr; time taken 20 hr; hourly rate of wages re1/-per hour plus dearness allowance atb50 paise per hour worked.

29).calculate earnings of A&B for a month and allocate the earnings to each job x&y&z

	Worker A	Worker
Basic wages	Rs 100	Rs 100
DA	50%	55%
PF on basic wages	8/-	8/-
ESI on basic wages	2%	2%
Over time	10hrs	-
Idle time and leave	-	16hrs

The normal working hours for a month are 200hrs overtime is paid at double the normal wages and D.A employers contribution to ESI and PF are at equal rate with employee s contribution the month contains 25 working days and 1 paid holiday A&B were employed on jobs x,y,z in the following proportions.

30).Calculate normal and overtime wages payable to a worker from the following:

Days	hours worked
Monday	8
Tuesday	10
Wednesday	9
Thursday	11
Friday	9
Saturday	51

Normal working hours – 8 per day; normal rate -10. Over time rate: up to 9 hours in a day @single rate and or up to 40 hours in a week @single rate and over 48 hours in a week @ double rate which is more beneficial to the employee.

UNIT - IV

- 31) Distinguish between allocation and apportionment of overheads?
- 32) Explain the various classifications of overheads?
- 33) What is machine hour rate? How it is computed?
- 34) Discuss in detail “primary apportionment” of overheads?
- 35) In a factory there are two service departments P & Q and three production departments A, B, C. during April 2008 the departmental expenses were:

A-Rs 1,30,000 B-Rs 1,20,000 C- Rs 1,00,000 D-Rs 24000 P- Rs 24000 Q- Rs 20000

The service department expenses are allocated as follows

Service depts.	A	B	C	P	Q
Service dept-p	30%	40%	15%	-	15%
Service dept-q	40%	30%	25%	5%	-

Distribute the service departments expenses over the production departments under Repeated distribution method.

- 36).The following particulars relate to a manufacturing co.,which has three departments

particulars	A(Rs)	B(rs)	C(rs)	P(rs)	Q(rs)
Total departmental OH per primary distribution	6300	7400	2800	4500	2000

A,B,C and two service departments P&Q.

The co., decided to charge the service department cost on the basis of the following percentages

Service depts	A	B	C	P	Q
X	40%	30%	20%	-	10%
Y	30%	30%	20%	20%	-

Find the total overheads of production departments on the repeated distribution method.

- 37).Prabha manufacturing co., ltd has four production departments and two service departments the particulars of expenses of the respective departments are as follows

Production department:

I Rs 1000;II Rs 990;III Rs 800;IV Rs 700

Service department:

Transport Rs 550; power supply Rs 380

The service department expenses are charged out on the basis given below

Service department	I	II	III	IV	transport	Power supply
Transport	10%	30%	20%	20%	-	20%
Power supply	30%	20%	30%	10%	10%	-

From the above particulars apportion the service department expenses to various production departments using repeated distributions method.

38). Priya ltd is a manufacturing co., having three production departments A,B and two service departments X and Y the following is the total of overheads as per primary distribution

A-Rs 4100 B-Rs 2700 C-rs 6200 X-rs 4200 Y rs 5300

A technical assessment for apportionment of services department is under

Service depts.	A	B	C	X	Y
X	45%	15%	30%	-	10%
Y	60%	35%	-	5%	-

You are required to prepare secondary distribution summary under trial and error method and arrive at the overhead finally charged to each production department.

39).In a factory there are three productions departments A,B,C and two service departments X,Y the departments expenses for the month of January 2008 are given below

Productions departments	Amount (rs)	Labour hours
A	165000	3000
B	360000	5000
C	250000	8000
Service dept:-		
X	12000	
Y	10000	

The service department overheads are allotted as follows:

particulars	A	B	C
X	4	3	3
Y	2	3	5

A job passes through departments A,B,C for 4 hours 10 hours and 15 hours respectively direct material cost of the job rs100 direct wages Rs 200 find out the cost of the job

40).Calculate MHR from the following

Cost of machine -Rs 80000 ,Effective working life-Rs 12000 hours, Estimated scrap value - 6000 Running time per week-40 hours Repair expenses per week – Rs 100 standing charges allocated for a week -Rs 500 power 2 units per hour @ Rs 2.50 per unit.

UNIT-V

- 41) What are the difference between process costing and job costing?
- 42) What are the objectives of process costing?
- 43) What is process costing? list out its features.

44) What are the merits and de merits of process costing?

45) Normal loss no scrap value: ABC ltd., is producing product X required to be processed in three continuous processes they have laid down the standard to produce 75 litres of finished product us under.

Particulars	Process I	Process II	process III
Raw materials-litres (opening)	100	-	-
Material cost per litre	2	-	-
Waste % on input	10%	11.111%	6.25
Direct labour hours	6	10	8
Wage rate per hour	7.5	10	9
OH rate per hour	3.5	3	12.50
Sale price per litre of finished product(Rs)	-	-	8

You are required to prepare the standard cost and standard profit rate per 75 litres of finished product.

46) Normal loss with scrap value

The following expenses were incurred for the production of 570 units of a durable product.

Materials -Rs 200000

Wages -Rs 60000

Overheads – Rs 40000

Normal wastages in the process 5% of the input and scrap value is RS215 per unit prepare procees a/c assuming there was no abnormal loss or gain.

47) Normal loss in weight, scrap, by products.

A product brand of scent passed through three important process during the week ended 15th 07 600 bottles were produced the cost books show the following information's

particulars	Process A	Process B	Process C
Materials	4000	2000	1500
Labour	3000	2500	2300
Direct expenses	600	200	500
Cost of bottles	-	2030	-
Cost of corks	-	-	325

The indirect expenses for the period were Rs 1600 (charged on labour basis the by-products were sold for rs 240 (process B) the residue was sold for rs 125.50 (process c) prepare the a/c in respect of each process showing its costs of production of finished product per bottle.

48) Units of materials added in all process

The product of a co, passes through two process two process M&N and then to finished stock it is ascertained that in each process normally 5% of the total weight is lost and 10% is scrap which from M&N realizes RS 160 per ton and RS 200 per ton respectively the following are the figures relating to both the process.

Particulars	Process M	Process N
Materials in ton	1000	70
Cost of materials	250	400
Wages	28000	10000
Manufacturing expenses	10000	5100
Output in cost	830	780

Prepare process cost a/c.

49) A product passes through 3 processes a/c to completion during the week ended 15th January 2016,500 units are produced.

Particulars	process 1	process 2	process 3
Direct material	3,500	1,600	1,500
Direct labour	2,500	2,000	2,500

The overhead expenses for the period were Rs.1,400 apportioned to the process on the basis of wages. Prepare process a/c.

50). From the details given below, prepare process a/c.

Particulars	process-x	process-y
Input 1000 units@ Rs.3	3000	-
Materials (Rs)	2600	1980
Wages (Rs)	2000	3000
Over head (Rs)	2000	3000
Output(units)	950	840
Normal loss on input	5%	10%
Scrap value per minute(Rs)	2	4

ANSWERS

UNIT - I			
1	(a) The responsibility of minimising the cost	11	(a) Selling price
2	(d) All the above	12	(c) Work-in-progress
3	(a) Direct labour, direct material, direct expenses	13	(b) Historical
4	(a) Prime cost and factory expenses	14	(b) Historical
5	(c) Factory cost and administrative expenses	15	(a) Work-in-progress
6	(d) Factory cost and administrative overhead	16	(b) Administrative cost
7	(c) Rs.3333	17	(a) Factory cost
8	(c) Sundry expenses	18	(a) Sales
9	(b) Works cost	19	(c) Loss
10	(b) Selling price	20	(c) Cost of production

UNIT - II			
21	21. (a) freight charges	31	b) above
22	(a) lubricating oil	32	(a) cost accounting
23	(c) maintaining stores ledger	33	(b) quantity
24	(d) accounting for material received	34	(d) stores keeper
25	(b) Quantitative record of material received issued and balance	35	(a) inventory control
26	(a) Quantitative and value records of material received issued and balance	36	(b) cash
27	(a) maximum consumption x maximum reorder period	37	(c) costing profit and loss a/c
28	(b) minimum and equal	38	(d) material consumed during the period
29	(c) inventory is classified into ABC category with A being the lowest quantity highest value	39	(a) re-order level
30	(d) EOQ	40	(a) cost of ordering & cost of carting

UNIT - III			
41	(b) Rate of change in labour force during a specified period	51	(a) (Time saved/time allowed) *100
42	(d) Disability of the worker	52	(a) Job card
43	(a) Machinist	53	(b) Clock card
44	(a) Time keeper	54	(c) Time office
45	(d) Man, hour rate	55	(d) Merit rating
46	(a) Wage rate increase	56	(a) Profit sharing
47	(a) Provides no incentive	57	(b) Labour turnover
48	(a) Clock card	58	(a) The total requirements of manpower at various level of organisation.
49	(d) All of the given option	59	(a) A study of establish the proper method of performing
50	(c) Necessary to create a collective interest in the work	60	Job

UNIT - IV			
61	d) Indirect expenses	71	c) Prime costs+ Manufacturing costs+ Opening W.I.P- Closing W.I.P .
62	d) All of the above	72	C) Rs. 3,333
63	c) Production and service departments	73	.(b) major overheads
64	b) Value of machines	74	.(a) Reduction in unit price of other good units
65	d) Insurance of plant and buildings	75	(d)debited to profit and loss a/c
66	b) Number of employee	76	b) seasonal loss
67	(a) Primary distribution	77	d) Separate Ledger a/e
68	(a) direct labour, direct material, direct expenses	78	a) Normal loss
69	(c) Prime cost and selling expenses	79	c) Reverse Cost method
70	.(d) None of the above	80	d) Credited with the full production cost of the abnormal loss units.

UNIT - V			
81	.(a) by- product	91	(d) Indirect expenses
82	.(b) costing P/L a/c	92	(d) All of the above
83	(d) units	93	c) Production and service departments
84	d) heterogeneous product	94	b) Value of Machines
85	b) transport firms	95	d) Insurance of plant and building
86	(a) debited to the process a/c	96	(c) Labour hours
87	b) increase in unit price of another goods unit	97	a) Primary distribution
88	b) credited to process a/c)	98	c) Establishes a definite rate per hour for each employee
89	b) abnormal loss	99	(d) Attendance Register
90	(d) P/L a/c	100	(b) Rowan Premium Plan

SECTION - A**UNIT- I**

1. The basic objective of taxation is
- a) To procure resources
 - b) To provide incentives to save
 - c) To check inflation
 - d) To achieve reduction in consumption
2. Income tax is levied as a
- a) Direct tax
 - b) Indirect tax
 - c) Local tax
 - d) Wealth tax
3. Income tax is applicable to
- a) Whole of india
 - b) whole of india except the state of jamu & Kashmir
 - c) whole of india except Sikkim
 - d) none of these
4. Income tax rule framed by CBDT are collectively called
- a) IT rules 1942
 - b) IT rules 1962
 - c) IT rules 1972
 - d) IT rules 1982
5. The number of major heads of Income Tax Act 1961 are
- a) 2
 - b) 6
 - c) 5
 - d) 4
6. The total of all the income shown under the major heads of income is called
- a) Gross Total Income
 - b) Net Income
 - c) Taxable income
 - d) Operating Income

7. The person who has to pay tax or other sum of money payable under I.T Act is

- a) An Assessee
- b) A client
- c) A debtor
- d) A creditor

8. The year in which income is earned is called

- a) Previous year
- b) Current year
- c) Assessment year
- d) All the above

9. The year in which tax on income is computed and determined is called

- a) Previous year
- b) Current year
- c) Assessment year
- d) Tax year

10. The term previous year means

- a) The accounting period of the assessee
- b) Financial year before the assessment year
- c) Calendar year before the assessment year
- d) None of above

11. Income of the PY 2017-18 is taxable in the assessment year

- a) 2016-17
- b) 2018-19
- c) 2019-20
- d) 2015-16

12. Assessment year relevant to previous year 2017-18 is

- a) 2015-16
- b) 2018-19
- c) 2018-19
- c) 2016-17

13. An individual who wants to be resident of India must satisfy atleast

- a) one of the two basic condition
- b) Both the basic condition
- c) Both the additional condition
- d) none of these

14. An individual who wants to be resident of India u/s 6(1)(a) must stay in India for atleast

- a) 730 days in 10 previous years
- b) 182 days in the previous year
- c) 365 days in the previous year
- d) 150 days in the previous year

15. Income accrued in India is taxable in the hands of

- a) Non resident only
- b) Resident and not ordinarily resident only
- c) All assessee
- d) Resident and ordinarily resident only

16. Income received outside India from a business controlled from India is taxable in the hands of

- a) Resident and ordinarily resident
- b) Non resident only
- c) Non ordinarily resident
- d) Assessee

17. Income accrued and received outside India is taxable in the hands of

- a) Non resident
- b) Resident and ordinarily resident
- c) Resident and not ordinarily resident
- d) Assessee

18. Past untaxed income brought to India is taxable in the hands of

- a) Resident and non ordinarily resident
- b) Resident and ordinarily resident
- c) Non resident
- d) Assessee

19. Second additional condition for resident to be ordinarily resident is that he must have stayed in India during the seven previous years preceeding the relevant previous year atleast

- a) 182 days
- b) 365 days
- d) 60 days
- d) 730 days

20. A person is 'Non resident' if he fails to fulfil

- c) 15% of salary d) 5 % of salary

27. Education allowance is exempted upto a maximum of

- a) One child b) Two children
c) Three children d) Four children

28. Children education allowance is exempted upto

- a) Rs.200 p.m per child b) Rs.300 p.m per child
c) Rs.100 p.m per child d) Rs.700 p.m per child

29. Perquisite to employees are covered in the I.T. Act 1961 under

- a) Sec 2(1) b) Sec 17(2)
c) Sec 28(1) d) Sec 36(3)

30. Value of RFA in case of Govt. employee shall be taxable upto

- a) 15% of employee's salary b) 7.5% of employee's salary
c) Licence fee fixed by Govt d) 10% of employee's salary

31. Value of RFA of a house owned by employer in case of non Govt employee's with above 25 lakhs population is

- a) 10% of employee's salary b) 15% of employee's salary
c) 7.5% of employee's salary d) 20% of employee's salary

32. Interest on RPF balance is exempted upto

- a) 9.75% b) 9.5%
c) 10% d) 12%

33. Statutory limit for exemption of gratuity received by non-govt employees is

- a) Rs. 3,00,000
- b) Rs. 5,00,000
- c) Rs. 10,00,000
- d) Rs. 4,00,000

34. The basis of charge for Tax on Income from house property is

- a) Annual value
- b) Rental value
- c) Municipal value
- d) Market value

35. Expected rent cannot exceed

- a) Municipal rent
- b) Fair rental value
- a) Expected rent
- b) Standard rent

36. GAV of self occupied house is

- a) Always nil
- b) Always fully taxable
- c) Higher of MRV/FRV
- d) partly taxable

37. Standard deduction u/s 24 is

- a) 1 / 4 of NAV
- b) 1 / 5 of NAV
- c) 30% of NAV
- d) Rs.10,000

38. Preconstruction interest is deductible in

- a) 4 installments
- b) 5 installments
- c) 6 installments
- d) 3 Installments

39. Arrears of rent recovered are subject to standard deduction u/s 24 up to

- a) 1/5th of arrears
- b) 1/4th of arrears
- c) 1/6th of arrears
- d) 30% of arrears

40. Municipal taxes are deductible on

- a) Payment basis
- b) Accrual basis
- c) Due basis
- d) Not allowed

UNIT-III

41. Scope of income which can be taxed under the head profits and gains of business or profession is defined in I.T Act 1961

- a) Sec 28
- b) Sec 36
- c) Sec 41
- d) Sec 44

42. Profits earned from an illegal business are

- a) Taxable
- b) Tax free
- c) Ignored by tax authorities
- d) all the above

43. Contribution made to an approval scientific research association is eligible for deduction upto

- a) 50%
- b) 80%
- c) 100%
- d) 175%

44. Unabsorbed capital expenditure on scientific research can be carried forward for

- a) 15 years
- b) 14 years
- c) 5 years
- d) indefinite period

45. Any expenditure incurred on the purchase of patent rights is allowed as deduction in equal instalments over a period of

- a) 10 years
- b) 14 years
- c) 5 years
- d) It qualifies for depreciation

46. Capital expenditure on acquisition of patent rights and copy rights prior to 1.4.98 is deductible over a period of

- a) 5 years
- b) 10 years
- c) 14 years
- d) 20 years

47. Technical know-how acquired after 1.4.98 is eligible for depreciation at

- a) 10% P.A
- b) 20% P.A
- c) 25% P.A
- d) 40% P.A

48. General deductions for business or profession are covered in the I.T Act 1961 under

- a) Sec 20
- b) Sec 31
- c) Sec 37
- d) Sec 45

49. Preliminary expenses shall be allowed as deduction in

- a) 5 installments
- b) 10 installments
- c) 15 installments
- d) 12 installments

50. Bad debts allowed earlier and recovered later on is

- a) Business income
- b) Non business income
- c) Exempted income
- d) permanent Income

51. Under valuation of opening stock is

- a) Deducted from net profit
- b) added to net profit
- c) credited to P&L A/C
- d) None of these

52. Over valuation of closing stock is

- a) Deducted from net profit
- b) added to net profit
- c) Adjusted in P&L A/C
- d) None of these

53. Interest on loan borrowed for acquisition of an asset till the date of installation is

- a) Revenue expenditure
- b) Capital expenditure
- c) Non business expenditure
- d) Income

54. Method of depreciation allowed is

- a) WDV method
- b) SLM method
- c) Replacement method
- d) Annuity table Method

55. Rate of depreciation on furniture is

- a) 5%
- b) 15%
- c) 10%
- d) 20%

56. If a depreciable asset is acquired and used for less than 180 days in a financial year, depreciation is allowed on its

- a) Normal rate
- b) 50% of normal rate
- c) Nil
- d) None of these

57. Into how many classes depreciable assets are divided for the purpose of depreciation?

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

58. Under each class of depreciable assets, assets with same rate of depreciation are formed into

- a) Blocks
- b) categories
- c) Aggregates
- d) none of these

59. Rate of depreciation on non residential building is

- a) 10% b) 15% c) 20% d) 25%

60. Apart from normal depreciation, additional depreciation is permitted for certain assets at rate of

- a) 10% b) 20% c) 25% d) 30%

UNIT-IV

61. Capital gains, the fourth among the five major head of income, is assessable to tax under

- a) Sec 5 b) Sec 25 c) Sec 45 d) Sec 65

62. How many months a "Non Financial Capital Asset" must be held to be called as "short term capital asset"?

- a) Not more than 12 months b) Not more than 24 months
c) Not more than 36 months d) Not more than 42 months

63. To be long term capital assets, a non financial assets should be held for more than

- a) 12 months b) 40 months c) 36 months d) 60 months

64. Listed shares held for less than 12 months are

- a) Short term capital asset b) Long term capital asset
c) Exempted capital asset d) 2 months

65. House property held for less than 12 months are

- a) Long term capital asset b) Short term capital asset
c) Exempted capital asset d) None of these

66. "Transfer of capital assets" is defined under I.T Act 1961

- a) Sec 1(32) b) 9(26) c) 26(3) d) 2(47)

67. FMV on 1.4.01 is applicable to assets

- a) Acquired prior to 1.4.01 b) Transferred prior to 1.4.81
c) Acquired after 1.4.01 d) Transferred after to 1.4.81

68. Cost of inflation rules for the purpose of long term capital gain has been notified by cent. Govt every year starting from the financial year

- a) 1991-92 b) 1985-86 c) 2001-02 d) 1975-76

69. Exemption u/s 54 is allowed

- a) on sale of land b) on sale of shares
c) on sale of residential house d) None of these

70. Income from other source is a

- a) 'Residuary head of income' b) 'Major head of income'
c) Income from a single source d) Constant and regular income

71. Which of the following is not an "Income from other source"?

- a) Interest on fixed deposit in bank b) Winning from cross word puzzle
c) Gift in excess of 50,000 from unrelated person d) Profit on sale of building

72. Which of the following income from other source is not taxable?

- a) Dividend from co-operative society b) Dividend from foreign company
c) Dividend from domestic d) Winnings from lottery

73. Dividend from co-operative society are

- a) Exempted
- b) Partly Taxable
- c) Fully Taxable
- c) 5 % taxable

74. "Interest on securities" accrues

- a) Day by Day
- b) Quarterly
- c) Half yearly
- c) After fixed period

75. 'Grossing up' of interest on securities is required when

- a) Interest received after T.D.S
- b) They are cent govt. securities
- c) Interest on bank deposit
- d) None of these

76. Tax is reduced from casual incomes at

- a) 10% + surcharge and cesses
- b) 20% + surcharge and cesses
- c) 30%
- d) None of these

77. Interest on bank term deposits is subject to tax deductions at source if the interest amount during the relevant previous year exceeds

- a) Rs.2000
- b) Rs.5000
- c) Rs.10,000
- d) Rs.30,000

78. Which of the following gifts is taxable?

- a) Gift in kind from relatives
- b) Gift from wife
- c) Gift from son
- d) Gift from office colleague

79. Rate of T.D.S. for listed securities is

- a) 10%
- b) 15.3%
- c) 20.3%
- d) 30.3%

80. Gifts from unrelated persons received are taxable if in

- a) Aggregate exceeds Rs.10,000
- b) Aggregate exceeds Rs.20,000
- c) Aggregate exceeds Rs.40,000
- d) Aggregate exceeds Rs.50,000

UNIT-V

81. Intra head or Inter source set off i.e set off of a loss against income from any source under the same head can be done under I.T. Act

- a) Sec 50
- b) Sec 60
- c) Sec 70
- d) Sec 80

82. Setting off long term capital loss against long term capital gains is called

- a) Intra head set-off
- b) Inter head set-off
- c) Overall set-off
- d) None of these

83. Loss under the head house property cannot be set off against

- a) Salary income
- b) Business income
- c) Capital gains
- d) Casual income

84. Business loss cannot be set off against

- a) House property income
- b) Business income
- c) Capital gain
- d) Salary income

85. Speculation loss cannot be set off against

- a) Salary income
- b) House property income
- c) Speculation income
- d) Another business income

86. Winnings from lotteries, card gains etc., can be used to set off losses from

- a) Business or Profession b) Capital losses
- c) Other sources d) None of these

87. Inter head set off or set off against income under other heads can be done under I.T. Act

- a) Sec 51 b) Sec 71 c) Sec 91 d) Sec 99

88. Losses from long term capital asset can be set off against

- a) STCG b) Business income c) LTCG d) Salary income

89. How many exceptions are there to the provisions as regards inter head set off

- a) 2 b) 4 c) 6 d) 8

90. Casual losses can be set off against

- a) Casual income b) LTCG c) Income from other sources d) STCG

91. The only loss allowed to be carried forward among income from other source is

- a) Loss from card games b) Loss due to lotteries
- c) Loss from crossword puzzles d) Loss on account of maintaining of race horses

92. Brought forward house property loss can be set off against

- a) Salary income b) Business income
- c) House property income d) Income from others

93. Brought forward business loss can be set off against

- a) salary income b) other source income
- c) casual income d) Business income

94. Carry forward and set off losses

- a) Can be done in given order of set off b) Can be done in any order
c) Can be done in head wise income c) Cannot be done at all

95. Brought forward depreciation cannot be set off against

- a) Business income b) House property
c) salary income d) Capital gains

96. Speculation loss can be carried forward for

- a) 8 years b) 10 years c) 5 years d) 4 years

97. Loss on accounting of maintenance of race horses can be carried forward for

- a) 8 years b) 9 years c) 10 years d) 4 years

98. Loss under the head house property can be carried forward for

- a) 4 years b) 8 years c) 9 years d) 10 years

99. Business loss can be carried forward for

- a) 10 years b) 9 years c) 4 years d) 8 years

100. Unabsorbed depreciation can be carried forward for

- a) 8 years b) 4 years c) 10 years d) unlimited period

PART-B**UNIT-I**

1. What are the characteristics and futures of tax?
2. Write a note on previous year and assessment year and person?
3. What are the merits of direct taxes?
4. What are the demerits of direct taxes?
5. Following the particulars of mr.subramani determine the total income of him for the assessment year 2018-2019.
 - 1) Income earned in pakistan but received in india □ 5,00,000.
 - 2) Share profit from a firm in india □ 1,00,000.
 - 3) Past untax foreign income □ 3,00,000.
6. Mr.rajendran left for U.S.A along with his family for the first time on 14.10.2017.He returned to india on 31.5.2018.determine his residential status for the assesement year 2018-2019.
7. Sree vengateash who was born and brought up in india,went to U.K for further studies on 1st feb 2016 and came back to india 1st oct 2017.ascertain his residential status for the previous year 2017-2018.
8. Mr.rajesh an Indian citizenship employed in U.k came to india for a vist in 2015 on 4th aug and left again on 4th jan 2016.He was in india again from 31st dec 2017 till 4th april 2018.You are required to determine his residential status for the previous year 2018.
9. The following are the details in income of Mr.john.
 - 1) A dividend from Indian company □ 50,000.
 - 2) Income agriculturcel in Australia □ 1,00,000.
 - 3) Share of income from business in Mumbai □ 60,000.
 - 4) Income accured in india but received in U.S.A □ 50,000.

Compute Mr.john taxable income for 3 cases.

10. Compute total income of Mr.x for 3cases.

- 1) Salary receive in india □ 60,000.
- 2) Income earned in india received in landon □ 7,000.
- 3) Income from business in southarabia but controlled from india □ 13,000.
- 4) Income house property in napel □ 5,000.
- 5) Income of 2006-2007 in U.S.A now brought in india □ 10,000.

UNIT-II

11. From the figures given below calculate the expected rental value in each case separately:

Rental value	Case A	Case B	Case C
MRV	30000	30000	30000
FRV	36000	36000	36000
standard rent	N.A	33000	42000

12.Mr.A receives rs.65000 p.a as net salary.employer had deducted rs.7500 as employees contribution to R.P.F. rs.1300 p.a. as tax deducted at source and rs.1200 p.a. as professional tax.During the year employer had deducted rs.2500 towards the recovery of house building advance taken by Mr.A.

13.Mr.Patil was appointed as a manager on 1st july 2013 in the grade of 20000-500-22000-1000-25000 with two advance increments.Find out his salary for the previous year 2017-2018 if

- (a) salary is due on first day of the month; and
- (b) salary is due on last day of the month.

14.Mr.X has constructed a multistory building at Delhi consisting of 40 flats.Each flat is let out @1000 p.m. The municipal authorities have fixed the rental value of this property as rs.4,50,000 p.a. The owner bears the following expenses:

Lift maintenance	12000 p.a
pump maintenance	8000 p.a

Salary of garden and watchmen 3600 p.a

Swimming pool 9000 p.a

15. Mr. Rama Rao had taken a shop on rent at monthly rent of rs.2000. He has sub-let 25% of the area to Mr. D.K. Rai @ Rs.1000 p.m. He incurred rs.4000 on repairs of the shop. Calculate his income from sub letting.

16. Calculate ARV from particulars given below:

MRV Rs.60000 FRV 66000 p.a.

Standard rent Rs.63000 Real rent 6000 p.m.

Date of completion 31.5.2017 Date of letting 1.8.2017

17. Write down the provision of Motor car.

18.(1) Motor car (cubic capacity of engine below 1.60 litres) owned by the employer and provided to employee since 1.04.16. It is partly used for official and personal purpose by the employee expenditure fully met by the employer rs.25600 (car is self-driven by the employee).

(2) 100 shares allotted to an employee under ESOP scheme on 1.09.16 by a limited company (The scheme allotment scheme is in accordance with the guidelines issued by the central government). Market value of each share on the date of allotment is rs.70. Compute the value of car perquisite.

19. Mr. Surya was an employee of X Ltd., after 38 years of service, he retired on 29.2.18. He was drawing a monthly salary of rs.16500 p.m. in 2016 and rs.18000 p.m. from 1.1.17 to 29.2.18. On retirement he received a gratuity of rs.500000. Compute taxable gratuity.

20. Mr. Kanthan was retrenched from service of XYZ Ltd. Retrenchment compensation received rs.800000. Amount determined under the Industrial Disputes Act, 1947 rs.475000. Compute taxable retrenchment compensation.

UNIT-III

21. Write down the admissible expenses under business income
22. State whether the following expenses are admissible or inadmissible as loss in p&l a/c
- a) Penalty paid to government authority.
 - b) Capital expenditure on scientific research.
 - c) Commission paid for increasing sales.
23. State the admissibility or not, of the following items in business head
- a) Commission paid Rs.10,000 to secure order for business.
 - b) Rs.2,00,000 compensation paid to an employee for premature termination of services for illegal activities.
 - c) Stock was lost in fire Rs.30,000 debited to p&l a/c.
 - d) loss due to embezzlement by an employee Rs.8,000.
 - e) purchase of building Rs.3,00,000.
24. from the following statements compute the business income
- a) Commission earned Rs.20,000.
 - b) Sales Rs.1,20,000.
 - c) Purchases Rs.20,000.
 - d) Staff salary Rs.11,000.
 - e) Purchase of type writer Rs.8,000.
25. From the following, compute the taxable income under the head income from business, profit before adjusting the following items in Rs.5,50,000.

- a) Administration expenses Rs.10,000.
- b) Trade expenses Rs.5,000.
- c) House hold expenses Rs.3,000.
- d) Discount allowed Rs.4,000.
- e) Income tax Rs.400.
- f) Provisions for bad debts. Rs.2,000.
- g) Bad debts. Rs.3,000.
- h) Donation to p.m national relief fund Rs.4,000.
- i) Legal fee Rs.200.

26. The profit and loss a/c of a firm shows a profit of Rs.50,000 after debit of following sums.

- a) income tax paid Rs.30,000.
- b) travelling expenses (business) Rs.20,000.
- c) penalty & fees Rs.40,000.
- d) sales tax Rs.30,000.

27. Mr.rajan submits the following particulars of his business from which you calculate the income from business.

Net profit as per p&l a/c(after charging the following) Rs.1,25,000.

- a) sales tax Rs.20,000 and income tax Rs.55,000.
- b) Bad debts provision Rs.3,000.
- c) Commission to procure business order Rs.8,000.
- d) Interest on capital Rs.38,000.
- e) Depreciation Rs.4,000 (but as per income tax rules Rs.2,000 only).

28. the following is the profit & loss account of mr.roy for the year

Particulars	Rs.	Particulars	Rs.
To rates and taxes	450	By gross profit	14623
To establishment (staff)	1750	By bank interest on personal deposits	577
To rent	600		
To house hold expenses	1450		
To discount	250		
To advertisement	200		
To income tax	480		
To postage, stationary	810		
To fire insurance	150		
To gifts and presents	160		
To charity and donations (to approved institution)	1140		
To purchase of plant and machinery(not yet installed)	1500		
To repairs of furniture	50		
To interest loan	1000		
To life insurance premium	600		
To reserve for doubtful debts	700		
To interest on capital	250		
To net profit	3660		
	15200		15200

29. State whether the following items are deductible or not and why:

- a) sales-tax and wealth tax.
- b) Donation to a political party.
- c) Cost of installing a new telephone.
- d) Fees paid to the lawyer for drafting partnership deed.
- e) Loss due to embezzlement by an employee.
- f) Penalty paid to custom authorities for violating custom rules.

30. Discuss how the following items are to be dealt with in the income tax assessment of a company.

- a) Capital expenditure on scientific research Rs.4,00,000.
- b) Expenses by way of brokerage, stamps fees, lawyer's fees etc. amounting to Rs.90,000, for raising a long term loan of Rs.10,00,000.
- c) Preliminary expenses before the commencement of production Rs.1,60,000.
- d) Payment in U.K of salaries and interest amounting to Rs.80,000 and Rs.30,000 respectively without deduction of tax at source.
- e) Expenses incurred in respect of a branch of the business which was discontinued by the assess during the accounting year.

UNIT-IV

31. List out general incomes falling u/s 56(1)

32. List out the specific incomes falling u/s 56(2)

33. Write a note on:

A. Security

C. Dividend

B. Deduction of tax at source

34. Mr. A invested ₹ 1,00,000 in 9% tax-free debentures of a company. What will be his taxable interest for the previous year ending on 31-3-2018 if the rate of deduction of tax at source is @ 10% Interest accrues on 1st January every year.

35. Mr. R held the following investments:

- (a) 90,000 10% (Tax free) Debentures of a listed company. (Rate of TD.S, 10%)
- (b) 1,00,000 12% Panjab Govt Loan.

Compute his income from interest on securities for the year ending 31-3-2018 if interest accrues annually on 1st January.

36. Mr. Ankit received the following gifts during PY. 2017-18:

- (i) He received a gift in cash of ₹ 20,000 from his uncle on 30-6-2017
- (ii) He received a cheque of ₹ 30,000 as a gift from his brother on 10-11-2017.
- (iii) He received a gift of ₹ 21,000 on his wedding from Mr. X on 1-12-2017.
- (iv) He received ₹ 25,000 as gift from his non-resident friend Mr. Y 30-12-2017.
- (v) He received a gift of ₹ 51,000 from his brother-in-law on 31-1-2018.
- (vi) He received ₹ 5,000 from Mr. Z, his resident friend on 15-2-2018.

Calculate the amount of taxable gifts chargeable under the head 'Other Sources'.

37. Calculate income from other sources from the information given below:

	₹
(i) Winnings from lottery	1,00,000
(ii) Amount received from race winnings	35,000

Gifts Received during the previous year 2017-18

- (i) Received ₹ 20,000 as gift from his friend.
- (ii) Received ₹ 1,00,000 as gift from his elder brother.
- (iii) Received ₹ 1,40,000 as gift on his marriage.
- (iv) Received ₹ 80,000 as gift from his NRI friend on 1-1-2018.
- (v) Another gift of ₹ 18,000 received from his friend.

38. What are the types of capital gain?

39. Cost of acquisition in 2002-2003 ₹ 1,20,000. Find out the indexed cost if sold in 2017-2018. [C.I.I for 2002-2003 is 105 and for 2017-2018 is 272].

40. The land was acquired in the year 2005-2006 for ₹ 4,50,000. Find out the indexed cost if sold in 2017-2018. [C.I.I for 2005-2006 is 117 and for 2017-2018 is 272].

UNIT-V

41. Write a note on :-

- a. Unabsorbed depreciation
- b. Speculation loss
- c. Expenses on maintenance of horse race
- d. Casual income

42. The following are the particulars of income and loss of an individual under different heads of income. set-off losses in the assessment year 2018-2019 and find out the net result:

Income from house property A	5000
Income from house property B	(-)8000
Income from interest on securities	20000
Income from a cycle business	(-)20000
Profit from speculation expenses	20000
Loss from short term capital asset	6000
Long term capital loss	25000
Long term capital gain (investments)	21000

43. The following are the particulars of income / loss of Mr . A. You are required to set-off losses and carry forward and set-off where necessary

	CASE-A	CASE-B
Income from salary (computed)	15000	15000
Income from interest on securities (gross)	5000	5000
Loss from business	53000	15000
Short-term capital gain	8000	—
Long-term capital gain(land)	21000	—

44. Write down the order in which current and brought forward losses are to be adjusted.

45. From the following particulars of assesses A, B, and C, how the capital losses shall be set-off and carried forward for the previous year ending on 31-3-2018 ?

(A) 1 .Business income	15000
------------------------	-------

2 .Short term capital loss	1200
3. Long term capital gain(shares)	7200
4. Long term capital gain on sales of jewellery	20000
(B) 1. Business income	30000
2. Short term capital loss	40000
(C) 1. Business income	60000
2. Short term capital gain	20000
3. Long term capital gain (land)	17000
4. Carry forward loss (short term capital assets)	50000

46.write the deduction under section 80G

47.From the following particulars compute the total income of Mr . David for the assessment year 2018-2019

Loss from house property	(-)8000
Short term capital gain on sales of shares	95000
Long term capital loss on sale of bonds	(-)85000
Other sources : Interest on government securities	18000

The assessee has unabsorbed depreciation of Rs 35000 being brought forward from 2016-2017.assessee had closed the business and all the assets have been disposed of.

48.Compute the total income from particulars given below:

(1) house property	
(a) loss from self –occupied house	(-)30000
(b) income from let out house	(+)16000
(2)profit and gains	
(a) business loss	(-)115000
(b) share of loss from firm(B/F from A/Y 2016-17)	(-)100000
(3)capital gains	
(a) short term capital loss	(-)240000
(b) long term capital gain	(+)400000

49. From the following calculate total income of Mr . Faro

Loss from business	400000
Depreciation allowance for the AY	80000
House property income	800000
Items carried forward from earlier years:	
Business loss of AY 2015-2016	480000
Unabsorbed depreciation	200000

50 .Calculate the total taxable income from the following cases.

Case1

Long term capital gain	(+)200000
Short term capital loss	(-)60000
Business loss	(-)90000

Case2

Long term capital loss	(-)450000
Short term capital gain	(+)135000
Business loss	(-) 100000

PART-C

UNIT-I

1. Difference between direct tax and indirect tax?
2. Describe the canons of taxation?
3. Ellabrate the conditions of residential status?
4. Following are the particulars of taxable income of hari narayan arora for the previous year ended 31st march 2018.
 - 1) royalty received from govt.of india rs.24,000.

- 2) Income from business earned in afganisthan rs.25,000 of which rs.15,000 were received in india.business is controlled from india.
- 3) Interest received from aditya kumar, a non-resident against a loan provided to him to run a business in indai rs.5,000.
- 4) Royalty received outside india from alagannan a resident for technical services provided to run a business outside india rs.20,000.
- 5) Income from business in jaipur rs.40,000. This business is controlles from franc rs.20,000 were remitted to france.
 - a) Resident of india
 - b) Not ordinary resident of india
 - c) Non resident of india in previous year.
5. 'R' had the following income during the previous year 31.3.2018
 - 1) Salary received in india for 3 months rs.9,000.
 - 2) Income from house property in india (computed) rs.13,470.
 - 3) Interest on saving bank deposit in SBI rs. 1,000.
 - 4) Amount brought into india out of untaxed profits earned in germany rs.20,000.
 - 5) Income from agriculture in Indonesia being invested in india rs.12,350.
 - 6) Income from business in bangaladeash ,being controlled in india rs.10,150.
 - 7) Dividend received in Belgium from French companies out of which rs.2,500 were remitted to india rs.23,000

You are the required to compute his total income for the assessment year 2018-2019,if he is:

 - a) Resident b) not ordinay resident c) non resident.
6. Mr. velan of Madurai left india on 12th September 2017 as a employee in U.S.A and was back in Madurai on 20th sep 2018.determine for the assessment year 2017-2018.
7. A doctor where on as Indian citizen left india to france 6th july 2017 to take up an employment date.he has never been out of india in the part.

What is the residential status of the doctor for the previous year 2017-2018.
8. Describe the format of incident of tax?

9. Mr. H and the following income during the previous year 31.3.2017.
- 1) Salary received in india for 3 months rs.9,000.
 - 2) Income from house property in india (computed) rs.13,470.
 - 3) Interest on saving bank deposite in SBI rs. 1,000.
 - 4) Amount brought into india out of untaxed profits earned in germany rs.20,000.
 - 5) Income from agriculture in Indonesia being invested in india rs.12,350.
 - 6) Income from business in bangaladeash ,being controlled in india rs.10,150.
 - 7) Dividend received in Belgium from French companies out of which rs.2,500 were remitted to india rs.23,000

You are required to complete total income for the assessment year 2018-2019 been his:

- a) Resident
 - b) Non ordinary resident.
10. Mr Y has the following incme for the assessment year 2018-2019
- 1) Income from house property(landon) □ 40,000.
 - 2) Income from salary received in india for the service rended in germany □ 28,000.
 - 3) Profit in business in Pakistan and controlled in india □ 1,20,000.
 - 4) Profit from business in Madurai □ 1,10,000.
 - 5) Agricultural income in india □ 50,000.
- Compute the total year 2018-2019.if he is
- a) Resident
 - b) Non resident

UNIT-II

11. Calculate Gross Annual Value from the following information:

	House-A	House-B
MRV	80,000	80,000
FRV	100,000	100,000

Standard rent	70,000	120,000
Actual rent	120,000	90,000

It is assumed that both the houses were let out throughout the year and there was also no unrealized rent.

12. Mr.P owns a house at Chandigarh. This house property is used in following manner:

1/3rd of the house is used for business,

1/3rd of the house is used for own residence,

1/3rd of the house is used by a tenant to whom it is let out @ rs.3000 p.m. and it was self-occupied for one month during the previous year. The municipal rental value of the house is rs.96000 p.a. on which municipality levies 10% tax. These taxes are paid by the occupants. Compute net annual value of the house property for the previous year 2017-18 if each portion is an independent unit.

13. Mr.B owns a house property at Cochin. It consists of 3 independent units and information about the property is given below:

UNIT 1: Own residence

UNIT 2: Let out

UNIT 3: Own business

MRV	120,000
FRV	132,000
Standard rent	108,000

Rent	3500
Unrealised rent	for three months
Repairs	10,000
Insurance	2000
Interest on money borrowed for the construction of property	96,000
Municipal taxes	14,400
Date of completion	1.11.2012

14. Mr. X is employed at Hyderabad at a basic salary of Rs. 25,000 p.m. and he is also getting following allowances:

1. Dearness allowance
 2. Lunch allowance
 3. Servant allowance (He is paying Rs. 1200 p.m. to a servant)
 4. Transport allowance
 5. Education allowance @ 200 p.m. per child for three children
 6. Hostel allowance to one child
 7. Conveyance allowance
 8. Overtime allowance
 9. Officiating allowance
 10. Cash allowance
-

11. Entertainment allowance

12. Medical allowance

13. City compensatory allowance

14. House rent allowance

He is having a family house at the place of his posting but he is living in a rented house and is paying a rent of rs.7000 p.m. Find out his Gross salary

15. Calculate ARV from the particulars given below:

MRV Rs.60,000 p.a. FRV Rs.66,000 p.a.

A. If actual rent is rs.72,000 p.a. and standard rent is rs.69,000 p.a. or

B. If actual rent is rs.63,000 p.a. and standard rent is rs.69,000 p.a.

16. Calculate the ARV from the particulars given below:

Actual rent Rs.7000 p.m. MRV Rs.60,000 p.a.

FRV Rs.66,000 p.a. Standard rent Rs.69,000 p.a.

During previous year 2017-2018 assessee could not realise rent for two months.

17. Mr. A is provided with two cars, to be used official and personal work, by his employer ABC Ltd. The following information is available from the company records:

CAR-1 CAR-2

Cost of the car	600,000	400,000
Running and maintenance (borne by the company)	40,800	28,000
Salary of driver (borne by the company)	24,000	24,000

The taxable monetary emoluments of Mr.A are rs.90,000. Compute the taxable 'perk' in respect of cars, on the assumption car2, is exclusively used by 'A'.

18.Mr.Hari retires on 15th October 2017, after serving 30 years and 7 months. He gets rs.380,000 as gratuity. He received salary on 1.4.2016 rs.15,000 and on 1.4.2017 rs16,000. D.A. 50% of salary.(40% forms part of retirement benefits).

Determine his taxable Gratuity in the following cases:

- (1) He retires from government service.
- (2) He retires from a seasonal factory in a private sector,covered under payment of Gratuity Act,1972.
- (3) He retires from a non-seasonal factory,covered by payment of Gratuity Act,1972.
- (4) He retires from a private sector,not covered by payment of Gratuity Act.

19.Mr.Selvan is getting a salary of rs.5400 p.m. Since 1.1.17 and dearness allowance of rs.3500 p.m., 50% of which is a part of retirement benefits. He retires on 30 October 2017 after 30 years and 10 months of service. His pension is fixed at rs.4000 p.m. On 1st February 2018 he gets 3/4th of the pension commuted at rs.159,000. Compute his taxable pension for the previous year 2017-2018 in the following cases:

- (1) If he is a government employee and getting gratuity.

(2) If he is an employee of a private company and getting gratuity.

(3) If he is an employee of a private company but gets no gratuity.

Salary drawn of last date of every month.

20. Mr. Varatharajan retires on 16th October 2017 after 30 years and 8 months of service. Salary from 1-4-2017 @ rs.15,000 p.m., D.A. rs.7500 p.m. and from 1-4-2016 salary rs.12,000 p.m., D.A. rs.6000 p.m. 40% of dearness allowance forms part of superannuation benefits. Leave allowed for one year of completed service 20 days; Leave taken while in service 150 days; leave encashed during the year 60 days.

determine the gross salary in the following cases:

- (1) He retires from government service.
- (2) He retires from the service of chennai Municipal Corporation.
- (3) He retires from the service of Life insurance corporation of India.
- (4) He retires from private sector.

PART-C

21. write down the format of professional income of the doctor.

22. profit and loss account of m/s raju & company

Particulars	Rs.	Particulars	Rs.
General expenses	107000	Gross profit	540000
Fire insurance premium	2000	Bad debts, recovered but disallowed earlier	4000
Bad debts	1000	Interest from govt. securities	4000
Salaries	165000	Rent received from employees	12000

Advertisement (in cash)	22250	Interest from debtors for delayed payment	6000
Proprietor's salary	112500		
Interest on capital	2000		
Income tax	1000		
Depreciation	2000		
Sales tax(due)	5000		
Advance income tax paid	1000		
Donations	500		
Motor car expenses	50		
Municipal taxes of quaiters let to employees	5000		
Net profit	139000		
	566000		566000

General expenses include Rs.4,000 paid as compensation to an employee whose services were terminated in the interest of the business and Rs.2,200 by way of help to a poor student. Depreciation calculate according to the rates comes to Rs2,900. Sales tax was paid on 1-5-2018. Date of filling of return is 31-7-2018.

50%of motor car expenses are for proprietor's personal use.

Compute business income.

23.From the profit and loss account given below, calculate the taxable business income of the partnership firm for the year ending on 31st March 2018:

Particulars	Rs.	Particulars	Rs.
Opening stock	160000	Sales	800000
Purchases	560000	Commission	50000

Wages	50000	Interest	20000
Salaries	40000	Closing stock	180000
Bad debts	1500		
Rent	10000		
Interest	10000		
General charges	15000		
Income tax 9firm's)	25000		
Legal charges	8000		
Insurance	2500		
Conveyance	8000		
Depreciation	30000		
Bad debts reserve	5000		
Net profit	125000		
	10,50,000		10,50,000

Following information was detected from the scrutiny of the accounts:

- i. Salaries include payment of salary to partners Alfa and Beta, Rs.24,000 and Rs.10,000 respectively.
- ii. Interest account includes payments made to partners on their capital at the rate of 10% p.a. as per terms of partnership deed: Alfa Rs.2,000, Beta Rs.2,500, Gama Rs.2,500.
- iii. Rent includes rent paid to partner Gama Rs.6,000.
- iv. Travelling expenses of Rs.6,000 were spent on a tour to the U.K by partner Gama to canvass for business, which are included in general charges.
- v. Legal charges include: penalty paid for violation of custom rules Rs.4,500 partnership deed expenses Rs.500.
- vi. General charges include a purchase of furniture of Rs.3,000 and cash shortage of Rs.200.
- vii. Half of the conveyance expenses are related to private use of the partners.

- viii. New machinery of Rs.50,000 was I, talled during the year .the unit is engaged in the production of pesticides.
- ix. Allowable depreciation on assets including new P&W and furniture amounts to Rs.35,500.
- x. Mr.Alfa is working partner of the firm. As per partnership agreement he is entitled to salary as per above and a copy of deed was submitted to the assessing officer.
- xi. Purchase from a firm worth Rs.60,000 were paid by a bearer cheque.

24.The following is the profit and loss account of a merchant for the year ending 31-3-2018.

Particulars	Rs.	Particulars	Rs.
To office salary	206500	By gross profit	436750
To bad debts written off	1700	By commission	1250
To provision for bad debts	3000	By discounts	500
To advertisement	53800	By sundry receipts	200
To fire insurance premium(house property)	550	By rent of building	3600
To general expenses	52750	By profit on sale of investment	3000
To depreciation	1200		
To interest on capital	2000		
To interest on bank loan(due)	1300		
To Net profit	122500		
	445300		445300

Compute the taxable profit from business. The amount of depreciation is Rs.1,000 interest on bank loan was paid on 1-8-2018. Due date of filing of return is 31-7-2018.

25. For the following statement compute the income from profession of dr. s.k Kapoor if accounts are maintained on cash receipt system:

	AMT		AMT
To dispensary rent	36000	By visiting fees	45000
To electricity and water charges	6000	By sales of medicines	12000
To Telephone expense	6000	By consultation fees	125000
To Salary to nurse	36000	By dividends	5000
To Dep. On surgical equipment	6000		
To Purchase of medicines	36000		
To Dep. On xray machine	4000		
To Income tax	5500		
To Donation to Ramakrishna mission	4000		
To Motor car expenses	9600		
To Dep. On car	4800		
Net income	93100		
	247000		247000

NOTE:

1. Electricity and water charges include domestic bill of rs.. 2500
2. Half of motor car expense are for professional use
3. Telephone expenses include 40% for personal use
4. Opening stock of medicines was rs., 6000 and closing stock was rs.. 4000

26.Mr. D.D dewan & company are chartered accountants in Delhi they have submitted the following income and expenditure accounts for the year. Compute the income from professing

EXPENSES	AMT	INCOME	AMT
To drawings	48000	By audit fees	224000
To office rent	42000	By financial consultancy service	98000
To telephone installation charges under O.Y.T scheme	15000	By dividends from an Indian company	6000
To electricity bill	4200	By dividends in units of UTI	4000
To salary to staff	66000	By accountancy work	24000

27. Ram Prasad is a registered medical practitioner. He has prepared the following income and expenditure account for the year ending 31st March, 2018. You are required to prepare a statement showing his income from profession

INCOME AND EXPENDITURE ACCOUNT

	AMT		AMT
Household expenses	20000	Consultation fees	10000
Car purchased	30000	Visiting fees	20000
Travelling expenses	4000	Gains on race(gross)	10000
Charity & donation	1000	Share in sale proceed of an ancestral house	34000
Income tax	2000	Profit in sale of securities	6000
Salaries	8000	Dividend on shares	5000
Gift to daughter	7000	Inters. on P.O savings bank	600
Establishment expenses	1000	Gifts from father in law	2000
Surgical equipment's	4000	Bad debts recovered(not allowed in earlier year)	2000
Books	2000	Inters. on fixed deposits	1300
Life insurance premium	2000		
Wealth tax	1000		
Inters. on capital	1000		
Surplus	7900		
	90900		90900

Rate of depreciation allowable on car is 15% and surgical equipment's is at 15%. In case if books for profession the rate of depreciation is 60%

28. Following is the profit and loss account of kesari malya for the previous year 2017-2018

PROFIT AND LOSS ACCOUNT

	AMT		AMT
To salaries	25650	By gross profit	80000
To rent	1000	By bank inters.	450
To commission in sales	100	By bad debts recovered (last year allowed)	2000
To income tax	2600	By rent from house property	4800
To entertainment expenses	600	By inters. on commercial securities	2000
To commission paid to collect inters. on securities	25		
To embezzlement by cashier	1000		
To municipal tax of h.p	600		
To bad debts allowed	450		
To repairs to house	1625		
To office expenses	9180		
To depreciation	5000		
To L.I.C premium	1320		
To net profit	40100		
	89250		89250

Depreciation on the assets is rs. 4500.

Compute the taxable business income for the assessment year 2018-19

29. Dr. Sathish is a medical practitioner. He gives you the following summary of cash book of the year ending 31-3-2018

	AMT		AMT
To balance	10000	By rent of clinic	18000
To consultation fee	60000	By purchase of medicine	38000
To visiting fee	45000	By staff salaries	24000
To gifts and presents	8000	By surgical equipment	40000
To sale of medicine	42000	By motor car expenses	8000
To dividend from U.T.I	6000	By purchase of motor car	140000
To life insurance maturity	100000	By household expenses	7000
Dividend from N.D.S	6000	By closing balance	2000
	277000		277000

OTHER INFORMATION:

- i) 50% of the motor car expenses incurred in connection with profession. Car was purchased in December 2017
- ii) Household expenses include rs. 6800 insurance premiums
- iii) Gifts and presents include rs. 3000 from relatives
- iv) Closing stock of medicine rs. 12000 and opening stock on 1-4-2017 was rs.. 4000

Compute his professional gain for the assessment year 2018-2019

30.Mr. kedambi an advocate furnishes the following receipts and payments for the previous year 2017-18:

RECEIPTS AND PAYMENTS ACCOUNT

	AMT		AMT
To balance b/d	6540	By rent	2400
To legal fees	84400	By telephone	3000
To salary (as a part time law lecturer)	3600	By salaries	2400
	2700	By subscription to law journal	240
To inters. on debentures (not listed)	10000	By travelling	560
	6000	By office expenses	600
To gift from clients	8000	By purchase of a stamp paper and court fees stamp	1600
To rent	2000	By inters. on loan	870
To inters. on foreign securities		By donation to a school	5000
To refund from compulsory deposited		By income tax paid	8420
		By municipal tax	600
		By L.I.C premium	6000
		By wealth tax	1600
		By balance c/d	89950
	123240		123240

- a. The loan was borrowed for constructing his residential house. Its rental value is rs. 300 p.m.
- b. School is recognised for I.T purposes
- c. Gift from clients includes rs. 2000 received from his father

Compute the professional income

PART – C

31. Mr. Gosh sold a house on 1-9-2017 for ₹ 15,00,000. This house was inherited by him during 2001-2002 from his father who had constructed it in 1991-1992 for ₹ 50,000. Mr. Gosh spent ₹ 50,000 on renovation of the house in 2006-2007, fair market value of the house as on 1-4-2001 was ₹ 4,50,000.

This house was under negotiations for sale in May, 2010 and he received ₹ 20,000 as advance money. The contract could not materialise and the advance money was forfeited. Compute the amount of capital gain assuming that he does not qualify for any exemption.

[C.I.I for 2001-2002: 100, 2006-2007: 122, 2010-2011: 167, 2017-2018: 272]

32. Assessee A is the investor in shares and held 1,000 shares of ₹ 10 each in a company. On 31st March, 2012 he was allotted 1,000 bonus shares of the face value of ₹ 10 each. The cost of acquisition of original shares was ₹ 12 each. During the previous year ending 31st March, 2018, assessee sold 500 shares out of his bonus shares @ ₹ 14 per share. Compute the capital gain for the Assessment year 2018-2019 if cost inflation index for 2011-2012 is 184 and 2017-2018 is 272.

33. Compute the taxable capital gain from particulars given below:

- i) Net consideration of a residential house ₹ 10,00,000 (2-6-2017) [C.I.I: 272]
- ii) Cost of acquisition of this house ₹ 2,10,000 (1-5-2007) [C.I.I: 129]
- iii) New house acquired on 1-9-2017 for ₹ 2,00,000.

34. S, an owner of three houses, sells a residential house in Chennai for ₹ 8,00,000 on May 23, 2017. This house was purchased by him on 1-4-2002 for ₹ 2,00,000. On May 30, 2017, he purchased a flat in Mumbai for ₹ 8,70,000 for the purpose of the residence of his son-in-law. On March 1, 2018, S sells the house in Mumbai for ₹ 12,10,000.

Compute the capital gain arising on the two transactions. Is S eligible for exemption u/s 54 in respect of the second sale ?

Cost inflation index for the financial year 2002-2003 and 2017-2018 are 105 and 272.

35. Mr. H submits the following particulars about sale of assets during the year 2017-2018.

	JEWELLERY	PLOT	GOLD
Sale price	5,00,000	20,24,000	2,40,000
Expenses on sale	Nil	24,000	Nil
Cost of acquisition	1,50,000	7,00,000	80,000
Year of acquisition	2007-2008	2004-2005	2009-2010
C.I.I	129	113	148

He has purchased a house for ₹ 12,00,000 on 1-3-2018. Calculate the amount of taxable capital gain if C.I.I for 2017-2018 is 272.

36. Mr. G. Bedi owns horses at Bombay and Bangalore. These horses run for the races at the race course. During the year 2017-18 Mr. Bedi submits the following information

- (i) Expenses on race horses at Bombay - 2,60,000
- (ii) Expenses on race horses at Bangalore - 4,30,000
- (iii) Stake money earned by horses at
 - (a) Bombay - 1,20,000
 - (b) Bangalore - 5,00,000
- (iv) Mr. Bedi received ₹ 1,05,000 on 1-7-2017 on betting during horse races at Bombay.

Compute his taxable income under other sources.

37. M X has the following incomes during the year ending 31-3-2018;

1. Dividend declared by M. Co. on 31-3-2017 [Indian Co] 6,000
2. Dividend declared by Z Co. on 31-3-2018 [Indian Co] 9,000
3. Interim dividend received on 1-5-2017 [Indian Co] 3,000
4. He won gold worth ₹ 10,00,000 from Panjab State Lottery

5. During March 2018 he earned R 1,00,000 as prize money on horse races. These horses are owned by him and expenditure incurred on maintenance of these horses amounted to Rs. 1,60,000.

Compute income from other sources for the assessment year 2018-2019.

38. Harikrishnan, a resident individual, submits the following particulars of income for the previous year ending March 31, 2018:

a) Dividend from REC International Ltd Rs 4,800 Dividend declared on 16-5-2017 by Sundaram Finance Ltd Rs 2,700, interest paid on capital borrowed for the purpose of investment in shares of

Sundaram Finance Ltd Rs 4,200. Collection charges in respect of dividend Rs 50.

b) Winnings from lottery : net amount 70,000, Tax deducted at source Rs 30,000, winning from card games Rs. 23,500. Interest on securities issued by the Government of Singapore Rs 20,570.

c) Determine the income chargeable under the head "Income from other sources" for the assessment year 2018-19.

39. R. Lakshmi has the following investments and incomes in the previous year ended 31-3-2018.

Calculate her income from Other Sources.

	Rs
a. Dividend from an Indian company	7,800
b. Examinership remuneration	2,000
c. Royalty by the publication of a book	48,000
d. Winnings from Lottery (Net) [Received on 1-3-2018]	35,000
e. 40,000, 10% Debentures of company (Unlisted)	
f. 40,000, 12% Panjab Govt. securities	
g. 50,000, 13% Less Tax commercial securities (Unlisted)	
h. 40,000, 10% Tax-free debentures of a company (Unlisted)	

i. 5,400, as interest on Tax-free debentures (listed) [Received on 1-3-2018]

In October 2017 she sold the above 40,000, 10% (Tax free) debentures of a company for Rs 45,000. In December 2017 she inherited Rs 63,000, 10%. (Tax Free) Debentures (Listed) of XY Co. Ltd, from her father. Interest on above securities falls due on December 31st of every year.

She claims the following deductions

- (i) Collection charges for interest and dividend @ 2% of net amount realised.
- (ii) Purchase of lottery tickets ₹ 2,000.

40. From the following particulars of Mr. Edward for the previous year ended 31st March, 2018 compute his Income U/H gther sources for the Assessment year 2018-19

He received:	Rs
(i) Director's fee from a company	10,000
(ii) Interest on Bank Deposits	3,000
(iii) Income from undisclosed sources (unexplained money)	12,000
(iv) Winning from lotteries	24,500
(v) Royalty on a book written by him	8,000
(vi) By giving lectures in functions	5,000
(vii) Interest on loan given to a relative	7,000
(viii) Interest on tax free debentures of a company (listed in recognised stock exchange)	3,600
(ix) Dividend on shares	6,400
(x) Interest on post office savings bank A/c	500
(xi) Interest on Government Securities	2,200

He paid 100 for collection of dividend and 1.000 for typing the manuscript of book written by him.

UNIT-V

41. Write down the procedure of set-off and carry forward and set-off of losses.

42. Elaborate any 10 deduction under section 80.

43. Mr. Atul an Indian resident, furnished the following particulars of his income for the assessment year 2018-2019. You are required to deal with set-off and carry forward of losses.

(a) Income from securities (gross)	10000
(b) Income from residential house (computed)	5000
(c) Profit from rayon business	25000
(d) Income from an agency business	2000
(e) Speculation income	2000
(f) Short term capital gain	4000
(g) Long term capital gain	9500

The carry forward items from the assessment year 2017-2018 are:

(a) Loss from hosiery business (discontinued in 2015-16)	4000
(b) Loss in agency business	3000
(c) Loss from rayon business	3000
(d) Speculation loss	4000
(e) Short term capital loss	6000
(f) Long term capital loss (of previous year 2015-16)	6500

Current year's depreciation for rayon business is Rs 500

44. The following are the particulars of an assessee as determined by the assessing officer for the assessment year 2018-19. Compute his total income.

Assessment year 2017-18

Silver speculation loss (discontinued)	10000
Hosiery business loss	6000
Rolling steel mill profit (before charging of depreciation of Rs 10000)	8000
Profit from another business	5000
Income from house property	200

Assessment year 2018-19

Gold speculation profit	20000
Hosiery business loss	2000
Rolling steel mill profit(before charging depreciation of Rs 10000)	6000
Profit from another business	16000
Income from house proper	2000

45. From the following particulars, determine assessable profit or loss to be carried forward as the case may be for the assessment year 2018-19:

1. loss for 2010-11 carried forward	100000
2. loss for 2011-12 carried forward	15000
Depreciation allowance for 2011-12 carried forward	5000
3. loss for 2012-13 carried forward	10000
Depreciation allowance for 2012-13 carried forward	5000
4. loss for 2013-14 carried forward	5000
Depreciation allowance for 2013-14 carried forward	2500
5. loss for 2014-15 carried forward	5000
Depreciation allowance for 2014-15 carried forward	2500
6. profit for 2015-16	15000
Depreciation due for 2015-2016	5000
7. profit for 2016-17	50000
Depreciation due for 2016-2017	10000
8. profit for 2017-18	120000
Depreciation due for 2017-2018	10000

46. Determine the total income from following particular:

	Previous year 2017-18	previous year 2018-19
House property income(computed)	20000	20000
Salary income(computed)	180000	190000
Business profit before depreciation	40000	120000

Depreciation for the year	120000	140000
Capital gain short term	10000	NIL
Income from other sources	20000	40000

47. from the following particulars, compute the gross total income of Mr . A for the year 2017-18.

Income from house property(computed)		36000
Profit from business(before claiming following deductions)		220000
Current years expenditure on scientific research amount		
Given to a national laboratory		40000
Current years depreciation allowance		50000
B/F Unabsorbed business losses		
2005-06	40000	
2011-12	15000	
2015-16	20000	
B/F unabsorbed depreciation allowance		
2005-06	24000	
2011-12	20000	
2015-16	60000	
Interest on securities		50000

48. Mr Ram Patel submits the following informations of his incomes and losses for the year ending 31-3-2018:

(1) salary income(computed)		24000
(2) income from house property	:	
House A(income)		10000

HouseB(loss)	40000
house C(self-occupied)loss	28000
(3) income from business:	
Cloth business (profit)	10000
Hardware business(loss)	12000
Speculation (profit)	12000
Speculation (loss)	17000
(4) capital gains:	
Short term (gain)	8000
Short term (loss)	24000
Long term (gain)	8000
(5) other sources:	
Income from betting	12000
Loss from card games	6000
Income from card games	9000
Interest on securities (gross)	8000

49. from the following particulars calculate taxable income of Mr. Alfred.

- a. business loss carried forward from assessment year 2014-15 Rs 10000
- b. long term capital loss Rs 20000
- c. net profit from business Rs 50000
- d. loss from house property
 - (i) let out property Rs 3000
 - (ii) self-occupied property Rs 7000

50. From the following particulars of Dr. Narman calculate the taxable income.

(a) Income from salary	450000
(b) Income from house property:	
House 1-	142000
House 2-(self -occupied)	(-)150000
(c) Profit and gains of business:	
Business-X	140000
Business-Y	(-)56000
Business-Z(discontinued)and unabsorbed loss	
C/F from AY 2014-15	(-)85000
(d) Capital gains:	
Short term capital gain	90000
Short term capital loss	(-)40000
Long term capital gain	87000
(e) Other sources:	
Winning from lotteries	100000
Interest income	35000

ANSWERS

UNIT I			
1.	(d) To procure resources	11.	(b)2018-19
2.	(a) Direct tax	12.	(b) 2018-19
3.	(b) whole of india except the state of jamu& Kashmir	13.	(a) one of the two basic condition
4.	(b) IT rules 1962	14.	(a) 182 days in the previous year
5.	(c)5	15.	(a) All assessee
6.	(a) Gross Total Income	16.	(a) Non resident only
7.	(a) An Assessee	17.	(b) Resident and ordinarily resident
8.	(a) Previous year	18.	(c) Non resident
9.	(b) Assessment year	19.	(d) 730 days
10.	(b)Financial year before the assessment year	20.	(b) Atleast one of the basic condition
UNIT II			
21.	(a) Tax is to be paid by employer	31.	(a) 10% of employee's salary
22.	(c) Taxable as income from other sources	32.	(b) 9.5
23.	(a) Fully exempted	33.	(c) Rs. 10,00,000
24.	(a) Govt employees	34.	(a) Annual value
25.	(a) Partly taxable	35.	(d) Standard rent
26.	(b) 40% of salary	36.	(a) Always nil
27.	(b) Two children	37.	(c) 30% of NAV
28.	(c) Rs.100 p.m per child	38.	(b) 5 installments
29.	(b) Sec 17(2)	39.	(d) 30% of arrears
30.	(c) Licence fee fixed by Govt	40.	(a) Payment basis
UNIT III			
41.	(a)Sec 28	51.	(a) Business income
42.	(a)Taxable	52.	(a) Deducted from net profit
43.	(d) 175%	53.	(b) Capital expenditure
44.	(d) Indefinite period	54.	(a) WDV method
45.	(d) It qualifies for depreciation	55.	(c) 10 %
46.	(c) 14 years	56.	(b) 50% of normal rate
47.	(c) 25% P.A	57.	(c) 4
48.	(c) 25% P.A	58.	(a) Blocks
49.	(c) Sec 37	59.	(a) 10%
50.	(a) 5 instalments	60.	(b) 20%

UNIT IV			
61.	(c) Sec 45	71.	(d) Profit on sale of building
62.	(c) Not more than 36 months	72.	(c) Dividend from domestic
63.	(c) 36 months	73.	(c) Fully Taxable
64.	(a) Short term capital asset	74.	(c) After fixed period
65.	(b) Short term capital asset	75.	(a) Interest received after T.D.S
66.	(d) 2(47)	76.	(c) 30%
67.	(a) Acquired prior to 1.4.01	77.	(c) Rs.10,000
68.	(c) 2001-02	78.	(d) Gift from office colleague
69.	(c) on sale of residential house	79.	(a) 10%
70.	(a) 'Residuary head of income	80.	(d) Aggregate exceeds Rs.50,000
UNIT V			
81.	(c) Sec 70	91.	(d) Loss on account of maintaining of race horses
82.	(a) Intra head set-of	92.	(c) House property income
83.	(d) Casual income	93.	(d) Business income
84.	(d) Salary income	94.	(a) Can be done in given order of set off
85.	(a) Salary income	95.	(c) salary income
86.	(d) None of these	96.	(d) 4 years
87.	(b) Sec 71	97.	(d) 4 years
88.	(c) LTCG	98.	(b) 8 years
89.	(c) 6	99.	(d) 8 years
90.	(d) STCG	100.	(d) unlimited periods

SECTION A**1MARKS****UNIT - 1**

1. The Term Market is derived from which word as “MARCATUS”
 - a) Greek
 - b) Latin
 - c) Italy
 - d) French
2. Marketing is a process of
 - a) Economic
 - b) Business
 - c) Traditional
 - d) Management
3. In which of the concept of marketing the distribution of goods and service takes place
 - a) Traditional
 - b) Modern
 - c) Management
 - d) None of the above
4. The first and foremost objective of all marketing activities is.
 - a) Sales Promotion
 - b) Buying and Selling
 - c) Profit Maximisation
 - d) Transportation
5. During this stage the competition became more stiff than it was in the previous stage of business.
 - a) Marketing Oriented
 - b) Production Oriented
 - c) Sales Oriented
 - d) Exchange Oriented
6. To identify the consumer group and to satisfy their wants in a better way is
 - a) Personal Selling
 - b) Product planning
 - c) Branding
 - d) Advertising
7. When the buyers and sellers belongs to same area it is called
 - a) Family Market
 - b) Local Market
 - c) National Market
 - d) World Market

8. In this type of market helps or guides the public to invest their surplus fund in industrial concerns.

- a) Stock Exchange Market
- b) Foreign Exchange Market
- c) Capital Market
- d) Money Market

9. A market in which the goods are exchanged and the physical delivery of goods takes place Immediately.

- a) Future Market
- b) Spot Market
- c) Perfect Market
- d) Regulated Market

10. The goods are exchanged against goods without any other medium of exchange like Money

- a) Sales Promotion
- b) Barter System
- c) Profit Maximisation
- d) Promotion

11. In this type of Markets which are organized and Controlled by statutory measures.

- a) Unregulated Market
- b) Imperfect Market
- c) Perfect Market
- d) Regulated Market

12. The Producers of farm produces and sell their outputs in the markets to the wholesalers or Consumers

- a) Primary Market
- b) Secondary Market
- c) Unregulated Market
- d) Terminal Market

13. The ultimate consumer gets the goods from such markets here the final disposal of goods takes place.

- A) Terminal Market
- B) Wholesale Markets
- C) Retail Markets
- D) Regulated Market

14. A Management is concerned with the directions of purposeful activities towards the achievements of marketing goals.

- a) Marketing Management
- b) Production Management
- c) Financial Management
- d) Sales Management

15. The Acceptance of the modern marketing concept can improve the
- a) Production
 - b) Sales
 - c) Marketing
 - d) Transportation
16. The Marketing concept is a
- a) Producer Oriented
 - b) Competitors Oriented
 - c) Consumer Oriented
 - d) Manufacturer Oriented
17. This involves inducing the people to act in a particular fashion.
- a) Cognitive Change
 - b) Behavioral Change
 - c) Value Change
 - d) Action Change
18. This involves the making of effort to change the ideas of people
- a) Value Change
 - b) Cognitive Change
 - c) Behavioral Change
 - d) Action Change
19. This approach is quite useful in the sense that it gives a very clear picture about the various activities of marketing.
- a) Commodity Approach
 - b) Functional Approach
 - c) Institutional Approach
 - d) Decision Making Approach
20. The Social expression is defined in terms of the regulated aspects involved in the
- a) Legal Approach
 - b) Economic Approach
 - c) Functional Approach
 - d) Commodity Approach

UNIT - II

21. A Policy adopted by the manufacturers to get success in the field of marketing is
- A) Marketing Mix
 - B) Production Mix
 - C) Advertisement
 - D) Promotion

22. The product may be made known to the customers and the firm must undertake is called
- A) Price
 - B) Promotion
 - C) Distribution
 - D) Product
23. It is good to increase the sale and at the same time to know the consumers needs and desire is
- a) Personal selling
 - b) Sales Promotion
 - c) Market research
 - d) Price
24. It must create a particular image in the minds of the consumers is.
- a) Branding
 - b) Product planning
 - c) Physical Distribution
 - d) Personal selling
25. It is concerned with the collection and concentration of goods of the same type from different source is
- a) Buying
 - b) Assembling
 - c) Selling
 - d) Promotion
26. It creates time utility
- a) Transportation
 - b) Storage
 - c) Advertisement
 - d) Buying
27. It is a 'norm', 'grade' or 'category' of a product
- a) Standardisation
 - b) Risk Bearing
 - c) Financing
 - d) Market Information
28. The person who buys the product is called
- a) Seller
 - b) Manufacturer
 - c) Buyer
 - d) Retailer
29. The person who buy large quantities of product is called
- a) Manufacturing
 - b) Wholesaler
 - c) Retailer
 - d) Consumer
-

-
30. Physical movement of persons and goods from one place to another is called
- a) Storage
 - b) Transportation
 - c) Manufacturing
 - d) Advertising
31. The animals serve good purpose for transport of small quantities of goods is called
- a) Head load
 - b) Path ways
 - c) Pack animals
 - d) Bullock cart
32. The transport which is cheapest and quickest means of transport
- a) Railways
 - b) Tramways
 - c) Water ways
 - d) Air ways
33. It is mainly used for transporting people in highly populated cities is called
- a) Water Transport
 - b) Air Transport
 - c) Tramways
 - d) Railways
34. The establishment of certain qualities or the intrinsic physical properties of a commodity is
- a) Standardisation & Grading
 - b) Promotion
 - c) Distribution
 - d) Manufacturing
35. Weights and measures are the standards usually used for the determination of quality
- a) Quality Standard
 - b) Measurement
 - c) Quantity Standard
 - d) General Standard
36. It is a process of separating the goods on the basis of quality is
- a) Grading
 - b) Standardization
 - c) Labeling
 - d) Inspection
37. ISI Stands for
- a) Indian Standard Institution
 - b) Innovative Standard Inspection
 - c) Internal Secured Information
 - d) Indian Secured Inspection
-

38. ISI certification marks Act was passed in the year

- a) 1962 b) 1972 c) 1952 d) 1942

39. It is specially designed for carrying Crude oil, Petrol and other Petroleum products is called

- a) Oil tankers b) Cargo liners c) Tramps d) Canal

40. It is meant for cargos

- a) Liners b) Tramps c) Cargo d) Tankers

UNIT - III

41. It is essentially offered to satisfy a need or wants of a consumer

- a) Product b) Price c) Quality d) Demand

42. Those goods which are used for further production of goods or services

- a) Consumer Goods b) Industrial Goods
c) Shopping Goods d) Speciality Goods

43. A product should have a character to touch, seen or feeling is called

- a) Intangible b) Exchange
c) Tangible d) Associated

44. These goods purchased by the consumers only after making a careful comparison is called

- a) Shopping Goods b) Speciality Goods
c) Convenient Goods d) Consumer Goods

45. It is a general rule set up by the management itself in making product decision is

- a) Product Planning b) Product Line
c) Product policy d) Product Mix

46. In marketing product assortment is also called as

- a) Product Line b) Product mix
c) Tangible d) Potential Product

-
47. A group of product that are closely related is called
- a) Product Mix
 - b) Product Line
 - c) Potential Product
 - d) Expected Product
48. In this stage in product life cycle the sales continue to increase for a while but at a decreasing rate
- a) Introduction
 - b) Growth
 - c) Maturity
 - d) Saturation
49. In this stage of product life cycle the product cannot stand in the market
- a) Decline
 - b) Growth
 - c) Saturation
 - d) Introduction
50. It may be defined as the exchange of goods or service in terms of money is called
- a) Product
 - b) Place
 - c) Price
 - d) Physical Distribution
51. The consumer used to fix the price based on the people is called
- a) Customary Pricing
 - b) Psychological Pricing
 - c) Competition Based
 - d) Geographical Pricing
52. This type of price is very high during the initial stage itself
- a) Skimming Pricing
 - b) Penetration Pricing
 - c) Psychological Pricing
 - d) Administed Pricing
53. In geographical pricing the prices are not uniform all over india is called
- a) F.O.B Pricing
 - b) Zone Pricing
 - c) Base Point Pricing
 - d) Customary Pricing
54. This pricing is also called as Contract Pricing.
- a) Monopoly Pricing
 - b) Negotiated pricing
 - c) Competitive Bidding
 - d) Markup pricing
-

55. In this pricing the producer required compulsory to sell a part of his production to the government is called

- a) Dual Pricing
- b) Trade Discount
- c) Oligopolistic Pricing
- d) Negotiated Pricing

56. This price is also called as variable pricing

- a) Monopoly Pricing
- b) Price lining
- c) Competitive bidding
- d) Negotiated pricing

57. It is a concession or deduction given to the consumer by the seller for remitting the bill within the specified period of time

- a) Trade Discount
- b) Cash Discount
- c) Quantity Discount
- d) Seasonal Discount

58. This discount is given to the wholesaler by the manufacturer is called

- a) Cash Discount
- b) Trade Discount
- c) Quantity Discount
- d) Seasonal Discount

59. Wrapping of goods before they are transported or stored is called

- a) Packing
- b) Labeling
- c) Storing
- d) Selling

60. It is a part of product which carries verbal information about the product

- a) Label
- b) Packing
- c) Branding
- d) Grading

UNIT - IV

61. It is an identification of target markets are an important element of each marketing strategy

- a) Product policy
- b) Market Segmentation
- c) Marketing Mix
- d) Consumer behaviour

62. The marketing is narrowly defined group whose needs are not well served

- a) Segment Marketing
- b) Niche Marketing
- c) Local Marketing
- d) Individual Marketing

-
63. It refers to the buying behavior of final consumers is called
- a) Consumer Behaviour
 - b) Market Segmentation
 - c) Promotion
 - d) Physical Distribution
64. A buyer who choose between sellers on the basis of who will best further his long term Interest
- a) Opportunistic buyers
 - b) Loyal Buyers
 - c) Creative buyers
 - d) Innovative buyers
65. The buyer who concentrates on the best deal available at the time is called
- a) Creative buyer
 - b) Best deal
 - c) Loyal buyers
 - d) Opportunistic buyers
66. The gathering of information necessary for planning and facilitating exchange is called
- a) Matching
 - b) Contact
 - c) Promotion
 - d) Research
67. The transporting and storing of goods is called
- a) Physical Distribution
 - b) Financing
 - c) Risk Taking
 - d) Matching
68. It plays a key role in logistics management
- a) Storage
 - b) Manufacturing
 - c) Transportation
 - d) Physical Distribution
69. The middlemen mostly engaged in wholesale dealing is called
- a) Merchant middlemen
 - b) Agent middlemen
 - c) Brokers
 - d) Commission agent
70. Mercantile middlemen is also called as
- a) Agent Middlemen
 - b) Brokers
 - c) Commission Agents
 - d) Merchant Middlemen
-

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71. He is an independent middlemen he operates on a contractual basis is called
- a) Selling agent
 - b) Manufacturers agent
 - c) Resident buyers
 - d) Auctioneers
72. These middlemen receive goods for storage is known as
- a) Warehousemen
 - b) Export & import agents
 - c) Purchasing agents
 - d) Packing & Forwarding agents
73. They purchase the products and sell them to the retailers in a particular district or state is called
- a) National Wholesalers
 - b) State Wholesalers
 - c) Local Wholesalers
 - d) Area Wholesaler
74. The person who serves in the area of perishable items is known as
- a) Rack Jobber
 - b) Carry Wholesaler
 - c) Truck Jobbers
 - d) Drop Shipment Wholesaler
75. He is a last middleman in the machinery of distribution
- a) Wholesaler
 - b) Manufacturer
 - c) Retailer
 - d) Consumer
76. A primary job of a retailer is to
- a) Assemble goods
 - b) Create place utility
 - c) Create demand
 - d) All the above
77. They purchase the products from the manufacturers located in a place and they distribute the goods to the retailers all over the country is called
- a) National Wholesaler
 - b) Area Wholesaler
 - c) Local Wholesaler
 - d) State Wholesaler
78. The middlemen will assemble the farm products to sell in local markets are called
- a) Producers Co-operates
 - b) Rack jobbers
 - c) Drop Shipment Wholesaler
 - d) Carry Wholesaler
-

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79. The person he act as a manufacturer and wholesaler is called
- a) Converters
 - b) Wholesale Merchants
 - c) Industrial Distributors
 - d) General line Wholesaler
80. The Wholesaler who carry only a part of Merchandise line and they are famous in some products e.g. Coffee, Tea, Spices and Dairy products etc. is called
- a) Speciality Wholesalers
 - b) General Line Wholesalers
 - c) General Merchandise Wholesalers
 - d) Specific Wholesalers

UNIT-V

81. The word promotion originates from the Latin word
- a) Promoter
 - b) Promovere
 - c) Promo
 - d) Pramover
82. It is a demand creator
- a) Sales Promotion
 - b) Advertisement
 - c) Sampling
 - d) Demonstration
83. The other name for dealer promotion is
- a) Sales Promotion
 - b) Sales force Promotion
 - c) Trade Promotion
 - d) Physical Distribution
84. If the purchaser is not satisfied with the product the purchaser money will be refunded is called
- a) Contest
 - b) Premium offer
 - c) Sampling
 - d) Money Refund offer
85. It is also called as Dealer – Aids
- a) Dealer’s Gift
 - b) Dealers Sales Contests
 - c) Point of Purchase
 - d) Price deals
86. It is a mass communication of information intended to persuade buyers as to maximize profit is called
- a) Advertising
 - b) Sales promotion
 - c) Evaluation
 - d) Promotion

87. This type of advertisements are done to build brands and develop unique identity for the firm is called.

- a) Local Advertising
- b) Retail Advertising
- c) Film Advertising
- d) Brand Advertising

88. These advertisement are brought out for a cause like AIDS, Child Labor, Women trafficking etc.,

- a) Social Advertising
- b) Institutional Advertising
- c) Political Advertising
- d) Retail Advertising

89. This headline is used indirectly to attack the competition and redirect the consumer to the advertisers

- a) Bargain Headline
- b) Negative Headline
- c) Emotional Headline
- d) Identification Headline

90. This Headline asks a question to the reader and the answer is contained in the headline itself.

- a) Interrogative Headlines
- b) Emotional Headlines
- c) Humorous Headlines
- d) Bargain Headlines

91. An Example for Indoor Advertising

- a) Vehicular
- b) Travelling Display
- c) Magazine
- d) Exhibitions

92. Advertising is made through newspapers, magazines and radios are called

- a) Indoor Advertising
- b) Outdoor Advertising
- c) Direct Advertising
- d) Promotional Advertising

93. It is a certificate that reduces prices

- a) Sampling
- b) Coupons
- c) Contests
- d) Money Refund Offers

94. It is a payment in cash or gifts given to the dealers or to their sales force to push the manufacturer's product is known as

- a) Price Deals
- b) Dealers Gift
- c) Push Money
- d) Point of Purchase

95. A good advertisement copy must be

- a) Easy to understand
- b) Easy to read it
- c) Easy to Believe
- d) All the above

96. Advertisement must create a good impression on the readers mind is called

- a) Suggestive Value
- b) Instinctive value
- c) Memorizing Value
- d) Attention Value

97. The Statement in the advertisement must be genuine and accurate is called

- a) Conviction Value
- b) Attention Value
- c) Suggestive Value
- d) Memorizing Value

98. Window display is an example for

- a) Direct Advertising
- b) Promotional Advertising
- c) Outdoor Advertising
- d) Indoor Advertising

99. It is a quickest medium of advertising

- a) Television
- b) Radio
- c) Magazine
- d) Film

100. These advertisement is also called as posters

- a) Advertising Boards
- b) Painted Display
- c) Sky Advertising
- d) Travelling Display

SECTION B**5MARKS****UNIT - I**

1. Define Marketing.
2. What is a Market?
3. State the Various Approaches to the study of Marketing.
4. What is the Modern Marketing System?
5. What is meant by Consumer orientation?
6. Distinguish between Market and Marketing
7. Define the Modern concept of Marketing.
8. What do you mean by Social Marketing?
9. Give any two points of advantages of modern concept of marketing.
10. Explain the factors responsible for the adoption of the modern concept.

UNIT - II

11. What is meant by Buying?
12. List out the various elements of Buying.
13. Write short notes on assembling.
14. What do you mean by Open Auction System?
15. What are the various types of Transportation?
16. Write a note on Air Transport.
17. Discuss the merits of Water Transport.
18. Explain the classes of buyers
19. List out the merits of Railways.
20. Write the difference between Liners and Tramps.

UNIT- III

21. What do you mean by Product?
22. What are Industrial goods and Consumer Goods?
23. Define Product Differentiation.
24. What do you mean by Saturation Stage?
25. What do you understand by Brand Name?
26. List out the Kinds of labels.
27. Explain the objectives of pricing.
28. What is Brand Equity?
29. What do you understand by resale price maintenance?
30. List out the various stages of price determination process.

UNIT - IV

31. Define Market Segmentation.
32. State the Various bases for Market Segmentation.
33. What are the basic elements of Segmentation? Explain them briefly.
34. State the major factors influencing Consumer Behaviour.
35. How will you measure Consumer Satisfaction?
36. Who is a Middleman?
37. State the kinds of Agent Middlemen.
38. What are the different Direct Marketing Methods adopted in Practice?
39. Who are called Speciality Wholesalers?
40. What are Super Markets and Hypermarkets?

UNIT - V

41. List out the Kinds of Media used in Indirect Advertising.
42. What is an Advertising Agency?
43. What do you mean by Industrial Advertising?
44. List out the classifications of Advertising Media.
45. Explain the Limitations of Advertising.
46. State the merits of Direct Advertising.
47. Explain the Kinds of Advertisement Copy.
48. What are the benefits of E-Marketing?
49. List out the basic Characteristics of E-Marketing.
50. Distinguish Between Net Marketing and Traditional Marketing

SECTION C**8 MARKS****UNIT - I**

1. What is the essence of Marketing?
2. Bring out the importance of Marketing?
3. What are the objectives of Marketing?
4. Is marketing an art or a science? Discuss
5. Discuss the role of Marketing.
6. Give the points of distinction between “Market” and “selling” – Explain
7. Discuss clearly the modern concept of marketing.
8. Consumer satisfaction leads to better sales – Explain
9. What are the basic aspects of Modern Marketing Concept?
10. What are the benefits of Modern concept of Marketing?

UNIT - II

11. Explain the functions of Transport.
12. Discuss the Various Modes of Transport.
13. List out the merits and demerits of Air Transport.
14. Enumerate the Importance of Storage.
15. Distinguish between Storage and Warehousing.
16. Describe the Advantages and Disadvantages of Standardisation and Grading.
17. Write about the elements of Marketing Mix.
18. Explain the Various forces affecting the Marketing Mix.
19. List out the Types of Buying Policies.
20. Explain the various sub functions of Standardisation.

UNIT - III

21. Explain the various dimensions of Product Mix.
22. Describe the important aspects of Product Planning.
23. Discuss the various Product Mix Strategies.
24. What are the various stages in a Product Life Cycle?
25. What do you understand by product planning? Discuss briefly the problems of introducing new products.
26. Explain the merits and demerits of Branding.
27. Enumerate the various kinds of Pricing.
28. What are the functions of Package?
29. How will you fix the price for a new product?
30. Enumerate the various Pricing Strategies.

UNIT - IV

31. Define Market Segmentation and Describe the Objectives and Importance.
32. What are the requirements for Effective Segmentation?
33. What criteria are used for segmenting a market?
34. Explain the various types of buying behaviour.
35. What are the major factors that influence the Consumer Decision Making?
36. What are the services rendered by the Wholesalers and Retailers.
37. Discuss house to house selling as a Retailing Method.
38. What is the Role of a small independent retailer in a Distribution Channel?
39. Give an account of the different types of wholesalers.
40. What is Internet? How far it is helpful in marketing the goods and services?

UNIT - V

41. Discuss the merits and demerits of various sales promotion methods.
42. Discuss the Objectives of Sales Promotion.
43. Enumerate the Causes for the increase in Sales promotional activities.
44. What measures would you suggest for sales promotion of a consumer product?
45. Explain the various important activities involved in Physical Distribution System.
46. What is meant by Physical Distribution? Why it is needed?
47. What are the purposes of advertising as a Sales tool and as a Communication tool?
48. Mention the functions of an advertising agency.
49. Define advertising? What role should advertising play in Consumer (vs) Industrial Marketing?
50. What is advertising? Discuss its Objectives and point out the problems of advertising in India

ANSWERS

UNIT I			
1	b) Latin	11	d) Regulated Market
2	b) Business	12	a) Primary Market
3	a) Traditional	13	a) Terminal Market
4	c) Profit Maximisation	14	a) Marketing Management
5	a) Marketing Oriented Stage	15	b) Sales
6	b) Product Planning	16	c) Consumer Oriented
7	b) Local Market	17	d) Action Change
8	d) Money Market	18	a) Value Change
9	b) Spot Market	19	b) Functional Approach
10	b) Barter System	20	a) Legal Approach

UNIT II			
21	a) Marketing Mix	31	c) Pack Animals
22	b) Promotion	32	a) Railways
23	a) Personal Selling	33	c) Tramways
24	a) Branding	34	a) Standardisation
25	b) Assembling	35	c) Quantity Standard
26	b) Storage	36	a) Grading
27	a) Standardisation	37	a) Indian Standard Institution
28	c) Buyers	38	c) 1952
29	b) Wholesalers	39	a) Oil Tankers
30	b) Transportation	40	b) Tramps

UNIT III			
41	a) Product	51	b) Psychological pricing
42	b) Industrial goods	52	a) Skimming pricing
43	c) Tangible	53	b) Zone pricing
44	a) Shopping goods	54	c) Competitive bidding
45	c) Product policy	55	a) Dual pricing
46	b) Product mix	56	d) Negotiated pricing
47	b) Product line	57	b) Cash discount
48	c) Maturity	58	b) Trade Discount
49	a) Decline	59	a) Packing
50	c) Price	60	a) Label

UNIT IV			
61	b) Market Segmentation	71	a) Selling agent
62	b) Niche Marketing	72	a) Warehousemen
63	a) Consumer behaviour	73	b) State wholesalers
64	a) Opportunistic Buyers	74	a) Rack jobbers
65	b) Best Deal	75	c) Retailers
66	d) Research	76	d) All the above
67	a) Physical Distribution	77	a) National wholesaler
68	c) Transportation	78	a) Producers
69	b) Agent Middlemen	79	a) Converters
70	a) Agent Middlemen	80	a) Speciality Wholesalers

UNIT V			
81	b) Promovere	91	c) Magazines
82	a) Sales Promotion	92	a) Indoor advertising
83	c) Trade Promotion	93	b) Coupons
84	d) Money Refund Offers	94	c) Push Money
85	c) Point of Purchase	95	d) All The Above
86	a) Advertising	96	c) Memorizing value
87	d) Brand Advertising	97	a) Conviction Value
88	a) Social Advertising	98	b) Promotional Advertising
89	b) Negative headline	99	b) Radio
90	a) Interrogative Headlines	100	a) Advertising boards

SECTION – A**1 Marks****UNIT – I**

1. Which is the software system that allows data access in a database?
A) Database Management System B) Database Task Group
C) Database D) Attributes
2. The set of possible values that a given attributes in a database is called as
A) Attributes B) Domains
C) Tuples D) Entities
3. Which type of the users does not aware about the supporting systems and database systems?
A) Naive users B) Online users
C) Application users D) Database Administrator
4. Which is converting the data definition statements into a set of tables?
A) Data manager B) File manager
C) DDL compiler D) Query processor
5. The smallest piece of meaningful information in a file is called
A) Field B) Data
C) Database D) Attributes
6. The connections between the external and conceptual views are called as
A) Flow B) Mapping
C) Diagram D) View
7. A table can have only one
A) Primary key B) Foreign key
C) Candidate key D) Alternate key
8. Who has the control to create and access the entire database?
A) Online User B) Controller
C) Designer D) Database Administrator
9. The entity contains only one relationship in a database indicated as
A) 1:1 relationship B) 1:N relationship
C) N:1 relationship D) N:M relationship

10. The collection of similar entities are called as
- A) Data
 - B) Set
 - C) Entity Set
 - D) Entities
11. What is the mechanism that provides abstraction for database application?
- A) Data Entity
 - B) Data Structure
 - C) Data Model
 - D) Entities
12. Which is used to represent the entity type in Network data Model?
- A) Entity
 - B) Record type
 - C) Relation type
 - D) Domain type
13. Which view is concern to end users in architecture proposal of DBMS?
- A) Conceptual
 - B) External
 - C) Internal
 - D) Global
14. Which view is containing the stored data in DBMS architecture?
- A) Middle
 - B) External
 - C) Conceptual
 - D) Internal
15. Which is the collection of identical record type occurring in the same table?
- A) File
 - B) Folder
 - C) Record
 - D) Data
16. Which data model is based on mathematical concept of relation?
- A) File based system
 - B) Hierarchical
 - C) Network
 - D) Relational
17. The association among the entities is called as
- A) Linkage
 - B) Connection
 - C) Network
 - D) Relationship
18. Which is the mechanism used to hide the vast data information?
- A) Data Abstraction
 - B) Data Encapsulation
 - C) Data Manipulation
 - D) Data hiding
19. What is the process of compiling information of an object?
- A) Data Aggregation
 - B) Processor
 - C) Compiler
 - D) Data Abstraction

20. The rows of the tables are referred as

- A) Tuple
- B) Domain
- C) Relation
- D) Dongle

UNIT – II

21. The set is commonly represented by the list of elements called as

- A) Members
- B) Parent
- C) Relation
- D) Component

22. The traditional operators of the relational algebra includes

- A) Union
- B) Intersection
- C) Cartesian
- D) All the above

23. The Cartesian product of relational algebra is denoted by

- A) +
- B) -
- C) x
- D) /

24. Which is a query system that expressed as variables and formulas?

- A) Predicate calculus
- B) Relational Calculus
- C) Domain Calculus
- D) Tuple Calculus

25. In relational database, the set of values having homogeneous numbers of the same data type called as

- A) Domain
- B) Tuple
- C) Intersection
- D) Attributes

26. The unstructured domain are also called as

- A) Atomic domain
- B) Automatic domain
- C) Area domain
- D) Access domain

27. Which of the attributes are not considered as non-atomic values in relational database?

- A) Name
- B) Address
- C) Pin code
- D) Real numbers

28. Which type of domain includes the non-atomic values in relational database?

- A) Structured domain
- B) Unstructured domain
- C) Designed domain
- D) Administrator domain

29. The entity type having 'n' attributes can be represented as
- A) 'n' tuple
B) 'n' relationship
C) Numerator
D) Neutral
30. Who is formulated the integrity rules for relational algebra?
- A) E.F.Codd
B) L.F.Zloof
C) E.F. Duke
D) L.M.Paul
31. Which of the integrity rule contain set of entity and cannot accept null values?
- A) Entity integrity
B) Differential integrity
C) Data Integrity
D) Domain integrity
32. Which one is well defined collection of objects?
- A) Set
B) Data
C) Entity
D) Domain
33. Which is the collection of operations to manipulate the relations?
- A) Relational Calculus
B) Relational Data
C) Relational Algebra
D) Algebraic Relation
34. How do you select the horizontal subset of relations in relational algebra?
- A) Selection operation
B) Projection operation
C) Join operation
D) Database operation
35. Which symbol is used to denote difference between two relations?
- A) +
B) -
C) /
D) x
36. Which operator reduces the number of attributes in relational algebra?
- A) Selection
B) Projection
C) Join
D) Set
37. Which will allow combining two relations to form a new relation?
- A) Merge operator
B) Cut operator
C) Join operator
D) Mingle operator
38. What are the operators considered as the special operators in relational algebra?
- A) Selection
B) Division
C) Projection
D) All the above
-

39. The tuple and domain calculus are collectively called as
- A) Multiple Calculus
 - B) Atomic Calculus
 - C) Relational Calculus
 - D) Passive Calculus
40. The union of two relations between A and B denoted by
- A) AUB
 - B) A-B
 - C) A&B
 - D) AxB

UNIT – III

41. The Structured Query Language originated with the system of
- A) R
 - B) D
 - C) M
 - D) S
42. SQL stands for
- A) System query language
 - B) Secured query language
 - C) Simple query language
 - D) Structured query language
43. Which software institution was developed the DBMS for commercial relations?
- A) IBM
 - B) TCS
 - C) BPL
 - D) Windows
44. Which statement is used for data definition in SQL program?
- A) Insert
 - B) Create
 - C) Update
 - D) Drop
45. The existing table can be deleted from the database by the statement called
- A) Delete
 - B) Drop
 - C) Erase
 - D) Crop
46. Which statement is utilized for the basic data retrieval process in SQL program?
- A) Select statement
 - B) Find statement
 - C) Insert statement
 - D) Get statement
47. Which is a relation and can be used as query expression?
- A) Move
 - B) View
 - C) Turn
 - D) Compile

48. Who was the developer of the Query by Example?
- A) M.M.Zloof
 - B) E.F.Codd
 - C) Boyce codd
 - D) Bipin C.Desai
49. The QBE concept is mostly based on
- A) Tuple Calculus
 - B) Domain Calculus
 - C) Relational Calculus
 - D) Datum Calculus
50. The print command in QBE program is denoted by
- A) Print
 - B) P
 - C) Prt
 - D) Pt
51. The grouping of variables in QBE to categorize the variables should be proceeded by the letter
- A) H
 - B) D
 - C) M
 - D) G
52. Why the built-in functions are used by the QBE program?
- A) Aggregation
 - B) Categorization
 - C) Embedding
 - D) Classification
53. Which normal form is partially dependent in normalization?
- A) First
 - B) Second
 - C) Third
 - D) Fourth
54. Boyce codd normal form was developed to overcome the difficulties of
- A) First normal form
 - B) Second normal form
 - C) Third normal form
 - D) Fourth normal form
55. What is the process of converting complex data structure in simple and stable data?
- A) Computerization
 - B) Categorization
 - C) Normalization
 - D) Data Manipulation
56. The transitively dependency features are mostly followed by
- A) 1NF
 - B) 2NF
 - C) 3NF
 - D) 4NF
57. Which is providing the condition box facility to overcome the constraints?
- A) SQL
 - B) QBE
 - C) BRM
 - D) DBMS

58. The update function in QBE program is declared by
- A) I
 - B) K
 - C) D
 - D) U
59. Which includes the multi-value dependencies by relational schemas?
- A) 4NF
 - B) 3NF
 - C) 2NF
 - D) 1NF
60. Which is the relationship that exists when one attribute uniquely determines another attributes?
- A) Functional dependency
 - B) Multi-value dependency
 - C) Relational dependency
 - D) Described dependency

UNIT – IV

61. Which represents the data for an entity set by a logical record type?
- A) Network data model
 - B) Data model
 - C) Hierarchical data model
 - D) Relational data model
62. A number of commercial database management systems were based on the report of
- A) CODASYL
 - B) IBM
 - C) BPO
 - D) ITI
63. Which is the collection of data items repeated in DBTG terminology?
- A) Data item
 - B) Data aggregate
 - C) Vector
 - D) Key
64. The logical description of entire database is called as
- A) Schema
 - B) Sub schema
 - C) Structure
 - D) Array
65. The statement is used to modify one or more records in network data model called
- A) Delete
 - B) Modify
 - C) Update
 - D) Store
66. The DBTG maintains a separate record of the environment for
- A) Currency indicator
 - B) Run unit
 - C) Diagram
 - D) Status registers

67. Which one is indicate the current position of the database execution process?
- A) Run unit
 - B) Status registers
 - C) Candidate function
 - D) Currency indicator
68. The acronym DBTG refers to
- A) Database target group
 - B) Database task group
 - C) Database table group
 - D) Database transfer group
69. The schema is always expressed in simply
- A) COBOL language
 - B) PASCAL language
 - C) C language
 - D) SQL language
70. The DBTG term refers to each process running under the control of DBMS called as
- A) Run unit
 - B) Record place
 - C) Storage device
 - D) Storing data
71. Which is the smallest unit of named data and that represents value?
- A) Datum
 - B) Data item
 - C) Vector
 - D) Key
72. Which is locating the required occurrence of an existing record in network data model?
- A) Get
 - B) Store
 - C) Erase
 - D) Find
73. The DBTG network data model is based on
- A) SQL
 - B) Set constructs
 - C) Views
 - D) Get option
74. Which is the basic unit to represent the data in DBTG data model?
- A) Database
 - B) Record
 - C) File
 - D) Folder
75. The relationship between records of the similar type in DBTG model called as
- A) Set
 - B) Date
 - C) Get
 - D) Mode
76. A set consisting only occurrence of its owner record type is called
- A) Set construct
 - B) Empty set
 - C) File set
 - D) Data set

77. The subdivision of a database in original DBTG proposal is called as
- A) Crop
 - B) Plant
 - C) Network
 - D) Area
78. Which statement is useful to remove or delete more records in network data model?
- A) Delete
 - B) Erase
 - C) Drop
 - D) Data hiding
79. An external view is defined by
- A) Subschema
 - B) Schema
 - C) External schema
 - D) Internal schema
80. Which one is used to store the appropriate database in the status indicators?
- A) DB Status
 - B) DB register
 - C) Relational status
 - D) Data register

UNIT – V

81. The data model uses the tree concept for representing the data called as
- A) Network model
 - B) Hierarchical model
 - C) Relational model
 - D) Entity relationship model
82. What is the procedure of selecting the best plan for database request?
- A) Access plan
 - B) Query Modification
 - C) Query processing
 - D) Query optimization
83. Which cannot be support many to many relationships directly?
- A) Relational model
 - B) Online users
 - C) Network model
 - D) Hierarchical model
84. Which depicts how a sequence of operations can be performed in query processing?
- A) Unary operation
 - B) Access plan
 - C) Operation graph
 - D) Object graph
85. Which statement is used to modify one or more records in a program?
- A) Update
 - B) Select
 - C) Insert
 - D) Alter

86. The records are repeatedly placed in the same table called as
- A) Replication
 - B) Virtual records
 - C) Data
 - D) View
87. The hierarchical data model is also called as
- A) Parent daughter relationship
 - B) Parent child relationship
 - C) Parrot child relationship
 - D) Alternate key
88. In hierarchical data model, the application program is associated with its area of memory called as
- A) User work area
 - B) Storage place
 - C) Physical storage place
 - D) Database memory
89. The child record of hierarchical data cannot exist without the
- A) Father record
 - B) Data record
 - C) Parent record
 - D) Database record
90. The where clause is mostly used in hierarchical data model for providing
- A) Conditions
 - B) Information
 - C) Values
 - D) Entities
91. How many parent records are allowed in this hierarchical model?
- A) 1
 - B) 2
 - C) 3
 - D) 4
92. Which statement is used in hierarchical database to do sequential database processing in preorder?
- A) Get
 - B) Insert
 - C) Get hold
 - D) Get next
93. The hierarchical database consists of a collection of
- A) Hierarchical tree
 - B) Hierarchical node
 - C) Vertical node
 - D) Global view
94. The query processing is also referred to in database literature as
- A) Query optimization
 - B) Query processor
 - C) Query methods
 - D) Query interaction

95. Which is simplifying the query by removing redundant and useless operations?
- A) Query methods B) Query interaction
C) Query optimization D) Query processor
96. The component of the DBMS responsible for generating this strategy is called a
- A) File based system B) Hierarchical
C) Query processor D) Relational
97. The run unit using the statement to avoid the loss of data during the modification called
- A) Get hold B) Connection
C) Network D) Relationship
98. Which is useful to update the new records in the hierarchical model?
- A) Store B) Find
C) Update D) Hide
99. The storage space that can be used as a template for data manipulation
- A) Data Aggregation B) Processor
C) Compiler D) Record template
100. The reorganization of the database is performed by the
- A) DBM B) DBA
C) DRM D) DRT

SECTION – B**5 Marks****UNIT - I**

1. Give a short note on records and files.
2. Write about Data abstraction and integration.
3. What are the different types of DBMS users?
4. Which of the different parts in DBMS structure?
5. Can you explain the different types of the relationships in DBMS?
6. Explain the different kinds of keys in DBMS.
7. Write short notes on records and files.
8. How do you represent the data in DBMS?
9. What are the classifications in the data models?
10. What are the advantages and disadvantages of the DBMS?

UNIT – II

11. How do you utilize the traditional operators in DBMS?
12. What is meant by relational operators?
13. What are the integrity rules in relational model?
14. How do you use selection and join operators in relational algebraic operation?
15. Write a short note on relational database.
16. Explain about the set theory in brief.
17. Can you differentiate the projection and selection in relational algebra?
18. Give a short note on Cartesian product in relational operation.
19. How do you use the schema in relational operation?
20. What are the difference between union and intersection?

UNIT – III

21. Give a short structural query language.
22. Write about relational database manipulation.
23. What is meant by data definition in SQL program?
24. Give a brief note on views in SQL.
25. Write a short note on query by example.
26. Explain about the aggregations in QBE.
27. Give a short note on 4NF and 5NF.
28. Write about Functional dependencies.
29. What is meant by Normalization?
30. Explain about 1NF, 2NF and 3NF.

UNIT – IV

31. Write a short note on network data model.
32. Explain about set membership in network data model.
33. How do you implement the DBTG set construct?
34. What are the data describing elements in the network model?
35. Give a short note on set selection clause in DBTG.
36. What are the restrictions in DBTG set construct?
37. Differentiate between schema and sub-schema.

38. Describe about the data aggregates in the DBTG model.
39. Where will you utilize the network data model?
40. Discuss about the vector and data items in brief.

UNIT – V

41. Write a short note on parent child relationship model.
42. What are the basic data manipulations processes in hierarchical data model?
43. How do you modify and delete the records in HDM?
44. What are the procedures to insert and update the data in hierarchical model?
45. Can you explain the strategies of query processing in hierarchical model?
46. Explain the different steps of query processing in hierarchical model.
47. Write a note on replication and virtual record.
48. Write a note on Data insertion in hierarchical model.
49. Explain about user work area in hierarchical model.
50. Write a note on query processing in brief.

SECTION – C**8 Marks****UNIT – I**

1. Describe about the three level architecture proposals of DBMS.
2. Explain about the entity relationship model in DBMS with example.
3. What are the major components used in the DBMS?
4. Examine the generalization and aggregation in DBMS.
5. What are the merits and demerits of the DBMS?
6. Explain about entity relationship model in detail.
7. Write about network data model with example.
8. Discuss about the data association and data models in DBMS.
9. Differentiate the network and hierarchical data model in detail.
10. How do you differentiate the data models in DBMS?

UNIT – II

11. What are the components of relational model in DBMS?
12. Classify the relational algebraic operations in database management.

13. Explain the special relational operators in relational algebra.
14. Elucidate about the different kinds of domain in relational database.
15. Describe the different methods of defining a set.
16. Discuss about the traditional set operations with example.
17. What are the elements of the relational model in DBMS?
18. Differentiate the traditional and special relational algebraic operation in detail.
19. Clarify about the union and intersection operators with example program.
20. Explain about the set theory and its components in detail.

UNIT – III

21. Explain about the relational manipulation process in SQL program.
22. How do you define the data in SQL program? Give example.
23. What are statements used to manipulate the data from the database in SQL?
24. How do you retrieve the data from database in QBE program?
25. Explain in detail about query by example.
26. Discuss about the views in SQL program with some query expressions.
27. How do you update and drop the table in QBE program? Give example.
28. Explain about the data aggregation and categorization in QBE.
29. Discuss about the normalization process in DBMS.
30. Describe about the functional dependencies in DBMS.

UNIT – IV

31. Elucidate about the network data model with example.
32. Differentiate the various types of set constructs in DBTG.
33. Discuss about the major restrictions in DBTG set construct.
34. What are the components of data description in network model?
35. Describe about the data description process in network model.
36. How do you manipulate the data in DBTG network model?
37. Explain about the DML commands and give example program.
38. Discuss about the data association and data models in DBMS.
39. Describe about the implementation of the DBTG set construct.
40. List out the components of database status registers in DBMS.

UNIT – V

41. Write about the hierarchical data model with example.
42. Describe about the constraints of hierarchical data model.
43. Explain about the data definition in hierarchical data model.
44. How do you update the virtual records in the hierarchical model?
45. Discuss about the DBTG data manipulation with example.
46. How will you express many to many relationships in hierarchical data model?
47. Discuss about the updates in hierarchical data model with example.
48. What are the steps involved in query processing?
49. Explain about general processing strategies in hierarchical data model.
50. Discuss about query representation in hierarchical data model.

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ANSWERS

UNIT – I			
1	A) DBMS	11	C) Data Model
2	B) Domains	12	B) Record type
3	A) Naive users	13	B) External
4	C) DDL compiler	14	D) Internal
5	A) Field	15	A) File
6	B) Mapping	16	D) Relational
7	A) Primary key	17	D) Relationship
8	D) Database Administrator	18	A) Data Abstraction
9	A) 1:1 relationship	19	A) Data Aggregation
10	C) Entity Set	20	A) Tuple
UNIT – II			
21	A) Members	31	A) Entity integrity
22	D) All the above	32	A) Set
23	C) x	33	C) Relational Algebra
24	B) Relational Calculus	34	A) Selection operation
25	A) Domain	35	B) -
26	A) Atomic domain	36	B) Projection
27	D) Real numbers	37	C) Join operator
28	A) Structured domain	38	D) All the above
29	A) 'n' tuple	39	C) Relational Calculus
30	A) E.F.Codd	40	A) AUB
UNIT – III			
41	A) R	51	D) G
42	D) Structured query language	52	A) Aggregation
43	A) IBM	53	A) First
44	B) Create	54	C) Third normal form
45	B) Drop	55	C) Normalization
46	A) Select statement	56	B) 2NF

47	B) View	57	B) QBE
48	A) M.M.Zloof	58	D) U
49	B) Domain Calculus	59	A) 4NF
50	B) P	60	A) Functional dependency
UNIT – IV			
61	A) Network data model	71	B) Data item
62	A) CODASYL	72	D) Find
63	C) Vector	73	B) Set constructs
64	A) Schema	74	B) Record
65	C) Update	75	A) Set
66	B) Run unit	76	B) Empty set
67	D) Currency indicator	77	D) Area
68	B) Database task group	78	B) Erase
69	B) PASCAL language	79	A) Subschema
70	A) Run unit	80	A) DB Status
UNIT – V			
81	B) Hierarchical model	91	A) 1
82	C) Query processing	92	D) Get next
83	D) Hierarchical model	93	A) Hierarchical tree
84	C) Operation graph	94	A) Query optimization
85	A) Update	95	D) Query processor
86	A) Replication	96	C) Query processor
87	B) Parent child relationship	97	A) Get hold
88	A) User work area	98	C) Update
89	C) Parent record	99	D) Record template
90	A) Conditions	100	B) DBA

SECTION -A

UNIT-I

CHOOSE THE CORRECT ANSWER:

1. Which helps in ensuring the receipt of communication in right form and in right sense?
- a. feed back
 - b. timely reach
 - c. prompt response
 - d. delayed response
- 2) communication is a
- a. static process
 - b. dynamic process
 - c. neither static nor dynamic
 - d. either static dynamic
- 3) which one of the following principle stipulate that the message should be understood in the same sense in which it is sent
- a. principles of credibility
 - b. principles of brevity
 - c. principles of clarity
 - d. principles of specificity
- 4) spoken communication is called
- a. verbal communication
 - b. non-verbal communication
 - c. gestural communication
 - d. lateral communication
- 5) Which type of communication serves more as documentary evidence
- a. verbal communication
 - b. non-verbal communication
 - c. gestual communication
 - d. lateral communication

- 6) Telephonic conversation is
- a. verbal communication
 - b. non-verbal
 - c. body language
 - d. straight communication
- 7) interview is an example of
- a. verbal communication
 - b. grapevine communication
 - c. non-verbal communication
 - d. outward communication
- 8) body language comes under
- a. verbal communication
 - b. non-verbal communication
 - c. both verbal and non-verbal communication
 - d. grapevine communication
- 9) Study of body movement is
- a. kinesics
 - b. paralanguage
 - c. proxemics
 - d. semantic barrier
- 10) production manager telephonically directing the lift operator to attend lift repair of production department is an example of
- a. downward communication
 - b. upward communication
 - c. horizontal communication
 - d. diagonal communication

11) marketing manager is informed of a fact during his chat with the production manager in a cafeteria is

- a. grapevine communication
- b. horizontal communication
- c. upward communication
- d. diagonal communication

12. kinesics is

- a. verbal communication
- b. non-verbal communication
- c. indirect communication
- d. gestural communication

13. modulation of voice comes under

- a. kinesics
- b. proxemics
- c. paralanguage
- d. incantation

14. the space one shares conveys information to other it is called

- a. proxemics
- b. kinesics
- c. signals
- d. visuals

15. Casually watching TV or listening to music radio is

- a. active listening
- b. passive listening
- c. attending
- d. intuitive listening

16. Trainees listening to instructions given at a training seminar is an example of
- appreciative listening
 - active listening
 - fake listening
 - relationship listening
17. a message sent from Bombay at Chennai very belatedly is an example of
- physical barrier
 - mechanical barrier
 - psychological barrier
 - organizational barrier
18. Using idiomatic expression technical jargon and poorly organized speeches are
- semantic barrier
 - psychological
 - organization barrier
 - encoding
19. The process of ensuring that the receiver has understood the message is
- decoding
 - sending
 - feedback
 - encoding
20. Barriers springing from inattention, poor memory, prejudice, mental block is
- language barrier
 - sociological barrier
 - psychological barrier
 - mechanistic barrier

UNIT-II

21. Letter written to number of people conveying message
- Collection letters
 - Circular letters
 - Status enquiry letters
 - Dunning letters
22. What words given below means representatives
- Esquire
 - Per pro
 - Salutation
 - Post script
23. The word that is inviting the attention of the reader to the previous correspondence
- Enclosure
 - Reference
 - Esquire
 - Salutation
24. Abbreviation pointing to the status of professionals
- Reference
 - Esquire
 - Subject matter
 - Salutation
25. The appropriate word used to add message after a letter is closed is
- Per pro
 - Postscript
 - Esquire
 - Enclosure
26. When the writer of a letter is attaching something with the mail, what word is used
- Post script
 - Attachment
 - Enclosure
 - Annexure

27. To order goods is written
- Solicited letter
 - Unsolicited letter
 - Collection letter
 - Status enquiry letter
28. Tender when accepted becomes
- Contract
 - Agreement
 - Contract for agreement
 - Contract and agreement
29. Delay in execution of an order is communicated by
- Buyer
 - Seller
 - Official
 - Executor
30. Letter written to confirm the order placed is
- Defective letter
 - Cancellation letter
 - Acknowledgement letter
 - Execution letter
31. A letter intimating the dispatch of supply of goods
- Defective goods
 - Confirmation letter
 - Execution letter
 - Cancellation letter
32. Complaint letter is drafted by
- Customer
 - Seller
 - Both
 - Competitors

33. Which letter requires more tact
- Letter refusing adjustments
 - Letter granting adjustments
 - Both
 - Adjustments
34. With which letter is it difficult to unlock the amount locked with debtors
- Circular letters
 - Collection letters
 - Complaint letters
 - Cancellation letters
35. With whom should a threat of legal action be insisted
- Slow payers
 - Defaulters
 - Fraudulent customers
 - Sending warning
36. Letters written to include the potential buyer is
- Collection letter
 - Sales letter
 - Circular letter
 - Brokers
37. A letter addressed to a large number of customers conveying the same message is
- Collection letters
 - Circular letters
 - Agency letters
 - Sales letters
38. To announce the change in the location of business which of the following letter is drawn
- Circular letter
 - Sales letter
 - Agency letter
 - Insurance letter

39. To announce the establishment of a new business which letter is suitable
- Circular letter
 - Sales letter
 - Collection letter
 - Agency letter
40. To announce a clearness sale which letter is to be drafted
- Sales letter
 - Circular letter
 - Agency letter
 - Dunning letter

UNIT -III

41. Account held by business people is
- Savings account
 - Recurring account
 - Current account
 - Fixed deposit account
42. Loan given on the basis of c's is
- Clean loan
 - Secured loan
 - Mortgage
 - None of the above
43. Office order indicates
- Upward communication
 - Downward communication
 - Lateral communication
 - Communication
44. Document issued warning an employee
- Circular letter
 - Office notes
 - Memorandum
 - Office circular

45. Letter information change in the location of office premises to customer
- Office memorandum
 - Office circular
 - Circular letter
 - Office notes
46. A list of items to be transacted at a meeting is
- Memorandum
 - Articles
 - Agenda
 - Minutes
47. Written record of the processing of a meeting is
- | | |
|------------------------|-------------|
| a. Agenda | b) Minutes |
| c) Information booklet | d) Articles |
48. Meeting arranged by the company with the media
- Conference
 - Press conference
 - Meeting
 - Press release
49. Medium through which the public is kept informed of a company activities or point of view
- Minutes
 - Press release
 - Agenda
 - Advertisement
50. Medium through which the internal public is informed of the company activities
- Advertisement
 - In-house journal
 - Brochure
 - Meeting

51. Who is the external public in the following?
- Director
 - CEO
 - Tax authorities
 - Media
52. Who is the internal public in the following?
- Employee
 - Government institutions
 - Media
 - Meetings
53. Forum or platform to discuss and deliberate the issues confronting a particular field is
- Meeting
 - Conference
 - Press meets
 - Media
54. A person employed to do an act for another is
- Principal
 - Agent
 - Consignor
 - Broker
55. A person employed to sell goods by inviting bids at a public sale
- Broker
 - Auctioneer
 - Consignees
 - Principal
56. A person appointed to take up shares not subscribed to by the investing public
- Del credere agent
 - Factor
 - Underwriter
 - Agent

57. A person possessing goods and selling it in his own name without the principle's name is
- Factor
 - Commission agent
 - Warehouse keeper
 - Agent
58. Document through which an employee makes a proposal or suggestions
- Memorandum
 - Office circular
 - Office note
 - Circular letter
59. Document issued when an employee is intimated of his deputation
- Circular
 - Memo
 - Office order
 - Office notes
60. Document through which all employees are intimated of withdrawal of privilege
- Memorandum
 - Office circular
 - Office notes
 - Memo

UNIT -IV

61. The following section introduces the report
- preface
 - appendix
 - acknowledgement
 - foot note
62. Which of the following helps the reader to locate a particular topic?
- foot note
 - table of contents
 - acknowledgement
 - preface
63. Illustrations are provided after
- acknowledgement
 - table of contents
 - bibliography
 - abstract
64. Which provides the whole information in the report
- abstract
 - table of contents
 - main body of the report
 - appendix

65. Several sections grouped under heads and subheads comes under
- discussions
 - recommendations
 - conclusion
 - bibliography
66. Overall view of the report is given in
- table of contents
 - recommendations
 - appendix
 - abstract
67. The various materials that have helped in the report making are included in
- appendices
 - conclusions
 - references
 - front piece
68. The list of works cited in an alphabetical order is accommodated in
- references
 - index
 - abstract
 - copyright notice
69. Which one of the following is a routine report?
- confidential
 - technical report
 - statutory report
 - both a & b
70. Which one of the following is a technical report?
- press report
 - report by an engineer on machinery installation
 - confidential report
 - statistical report
71. Report on investigation of fraud committed by the cashier which is Submitted by HR manager is
- Committee report
 - individual report
 - confidential report
 - press report
72. Which one of the following is a statutory report?
- auditors report
 - director 's report
 - both
 - none of these
73. Report submitted after a thorough investigation is
- informative report
 - analytical report
 - confidential report
 - investigative report
74. Report submitted by a people appointed to investigate a problem is
- individual report
 - committee report
 - special report
 - technical report
75. Report prepared after analysis the figures presented is
- investigative report
 - statistical report
 - commodity report
 - auditors report
76. Confidential report comes under which category
- routine report
 - special report
 - market report
 - all the above

77. Auditors, directors and annual report are examples of
a. statutory report b. technical report c. analytical report d. none
78. Report submitted by an expert of technical person is
a. technical report b. routine report c. auditors report d. all of these
79. Report revealing the workability of a project envisaged is
a. feasibility report b. special report c. business report d. progress report
80. Report prepared by a correspondent or reporter is
a. press report b. inspection report c. press report d. special report

UNIT-V

81. Which accommodates the main means
a. Body b. subject line c. closing of mail d. cc
82. Which gives central idea about the manager sent
a. Opening b. subject line c. cc d. salutation
83. Dear, Hai, greetings etc..... represent
a. Body of email b. cc c. salutation d. body
84. Guidelines observed in writing e-mail are accommodation in
a. E-mail adequate b. E-mail ethics c. E-mail practices d. none
85. Unwanted messages are stored in
a. Body b. spam c. address d. all of these
86. The information that allows to be sent between computer and people on the net
a. E-mail b. cc c. both a & b d. none of these
87. Which one of the following helps organizations functioning in multiple locations keep disparate teams together?
a. Instant messaging b. CD – Rom c. laptop d. all of these
88. A mass of information can be stored in
a. Cell phone b. Zucker c. CD-ROM d. voice net
89. Workflow at different locations is monitored through
a. Website b. video conferencing c. groupware d. fax
90. Mass of information can be passed in a fraction of second through
a. E-mail b. telephone c. fax d. laptop

-
91. A large number of computers spanning the globe connecting a number of computers is
- Voice net
 - internet
 - cell phone
 - scanner
92. The instrument that creates a digital image which can be stored in a computer is
- LAN
 - WAN
 - scanner
 - zocker
93. Network of studios in different locating is
- Teleconference
 - video conference
 - audio conference
 - none
94. The system which allow numerous users to connect via a network is
- Audio conference
 - del net
 - computer conference
 - CRM
95. Chief advantage of a mobile is
- Used as advertisement media
 - cheaper call charges
 - accessibility
 - both a&b
96. Which of the following helps in locating of an item on earth?
- global information system
 - global positioning system
 - CRM
 - CD-ROM
97. Which keeps track of the movement of materials, money and Information in the process of supply of goods from suppliers to manufactures?
- CRM
 - supply chain management
 - geographic positioning system
 - e-mail
98. Which is useful as an integrated management of business as a whole?
- enterprises resources planning
 - data warehouse
 - both a&b
 - global positioning system
99. Name the application that allows interactive analysis of data
- online analytical processing
 - data mining
 - data warehousing
 - accessibility
100. Which software facilitates deep research of client behavior?
- supply chain management
 - enterprises resources planning
 - customer relationship management
 - all of these
-

SECTION- B

UNIT –I

1. Why do we need communication? Give few reasons
2. List five points on the importance of business communication.
3. What are the components of the communication process?
4. Briefly mention the objectives of downward communication.
5. What is meant by body language?
6. Distinguish between hearing and listening.
7. What are the stages in listening process?
8. What is non verbal communication?
9. What are the physical barriers in communication?
10. What are the organizational barriers in communication?

UNIT-II

11. What are the functions of business correspondence?
12. State the physical aspects of a business letter.
13. Specify the functions of business correspondence.
14. What is the significance of writing reference in a business letter?
15. Distinguish between offer and quotation.
16. What are the points to be borne in mind while writing a complaint letter?
17. What are the purposes of a sales letter?
18. State the advantages of sales letter. What are the points to be noted while drafting a sales letter?
19. What is circular letter? State the occasions when circular letter are drafted
20. Point out the objectives of a circular letter.

UNIT –III

21. Highlight the characteristics of bank correspondence.
22. What are the various types of insurance?
23. What points should a letter offering agency contain?

24. State the characteristics of an office memorandum
25. What are the points should be kept in while writing good minutes?
26. What is an appointment letter?
27. What factors make the interview effective?
28. What are the types of interview?
29. What points should be looked into the time of an interview?
30. What are the steps an interviewer has to take in pre-interview stage?

UNIT –IV

31. Distinguish between bibliography and reference.
32. What points are to be remembered while preparing bibliography?
33. State the contents of introduction.
34. What are the three methods of presenting the reports?
35. Write short notes on press report and market report.
36. Enumerate the advantages of market report.
37. What is statistical data report?
38. How would plan the business reports?
39. What is long and short report?
40. What is table of contents?

UNIT –V

41. What is an E-Mail?
42. Mention the advantages of teleconferencing.
43. Specify the benefits of a website to a business.
44. Point out the uses of mobile phones.
45. Write a short note on Customer Relationship Management.
46. What is Artificial Intelligence?
47. What is Geographic Information system?
48. What is Internet and website?

49. Write a short note on Video conferencing.
50. What is Hypermedia?

SECTION- C

UNIT - I

1. Bring out the significance of effective business communication
2. Elaborate on the principles of communication or the seven C's of communication.
3. Discuss the merits and demerits of formal communication.
4. What do you mean by downward communication and elaborate on its merits and demerits
5. Discuss the advantages and disadvantages of paralanguage.
6. Suggest the measures to improve listening.
7. Discuss the barriers to effective listening.
8. Elaborate on the various types of communication barriers.
9. Write down the measures to address communication barriers.
10. Explain in detail the types of listening?

UNIT - II

11. What are the different kinds of business letters?
12. Explain the different types of layout or structure of a business letter.
13. Highlight the features of a good business letter.
14. As a dealer of footwear, Draft a letter of enquiry for larger number of pairs of chappals of different size.
15. Write a letter cancelling the order on the ground that the customer has become insolvent.
16. Explain in detail the stages involved in writing a collection letter.
17. What is the structure of a sales letter?
18. Draft a sales letter introducing a mixer grinder.
19. What characteristics must a circular letter announcing the starting of a new business contain?
20. What are the points to be highlighted while explaining the delay in execution of an order?

UNIT - III

21. As a customer, draft a letter to your banker giving standing instruction for paying your life insurance premium periodically.
22. Draft a letter from insurance company accepting the claim.
23. What are the different types of meetings conducted in a company?
24. What are the points to be covered in an application for a situation?
25. Draft an invitation of application for various categories of jobs.
26. Write a letter of appointment to a selected candidate, incorporating important terms of service.
27. Draft an application for the post of assistant professor of commerce to the management committee, ABC College, Bangalore.
28. List out the various stages involved in an interview.
29. Analyse the merits and demerits of interview as a selection tool.
30. Suggest the measures to make an interview effective.

UNIT - IV

31. Discuss the layout of the report.
32. Highlight the features of a good report.
33. How would you organize the report?
34. Explain in detail about various types of reports.
35. What points are to be kept in mind while writing a recommendation in reports?
36. Illustrate the table of contents.
37. What are the characteristics of a good report?
38. Explain in detail the purpose of preparing the reports.
39. Draft a commodity market report for cotton and jute.
40. Write short notes on reference and appendix.

UNIT - V

41. Discuss the implication of modern communication technology to the business world.
42. Briefly state the uses of internet to business world.

- 43. Elaborate on the various types of conferences.
- 44. Examine the advantages of SMS.
- 45. How would you use multimedia for business, Education and entertainment?
- 46. Elucidate the recent trends in communication technology.
- 47. Write down the steps involved in composing an E-Mail.
- 48. What are the advantages of Customer Relationship Management?
- 49. Write down the ethics followed in sending messages by Email.
- 50. Bring out the smart e-mail practices.

SECTION -A
KEY ANSWERS

UNIT - I			
Sl. No.	Answer	Sl. No.	Answer
1	a, feed back	11	a, grapevine communication
2	b, dynamic process	12	b, non-verbal communication
3	c, principles of clarity	13	c, paralanguage
4	A, verbal communication	14	a, proxemics
5	B, Non-verbal communication	15	b, passive listening
6	A, verbal communication	16	a, physical barrier
7	A, verbal communication	17	a, physical barrier
8	A, verbal communication	18	a, semantic barrier
9	A, kinesics	19	c, feedback
10	D, diagonal communication	20	c, psychological barrier

UNIT - II			
Sl. No.	Answer	Sl. No.	Answer
21	A , Collection letters	31	C, Execution letter
22	B, Per pro	32	a, Customer
23	B, Reference	33	a , Letter refusing adjustments
24	B, Esquire	34	b , Collection letters
25	B, Postscript	35	c ,Fraudulent customers
26	C, Enclosure	36	b ,Sales letter
27	A, Solicited letter	37	B,Circular letters
28	c , Contract for agreement	38	A,Circular letter
29	B, Seller	39	A,Circular letter
30	C, Acknowledgement letter	40	B,Circular letter

UNIT - III			
Sl. No.	Answer	Sl. No.	Answer
41	C, Current account	51	C , Tax authorities
42	A, Clean loan	52	A ,Director
43	B, Downward communication	53	B, Conference
44	C, Memorandum	54	B, Agent
45	C, Circular letter	55	B, Auctioneer
46	C, Agenda	56	C, Underwriter
47	B, Minutes	57	B, Commission agent
48	B, Press conference	58	B, Office circular
49	B, Press release	59	A, Circular
50	B, In-house journal	60	C , Tax authorities

UNIT - IV			
Sl. No.	Answer	Sl. No.	Answer
61	A, preface	71	b, individual report
62	B, table of contents	72	c, both
63	B, table of contents	73	b, analytical report
64	C, main body of the report	74	b, committee report
65	A, discussions	75	b, statistical report
66	A, table of contents	76	a, routine report
67	A, appendices	77	a, statutory report
68	A, references	78	.a, technical report
69	A, confidential	79	a, feasibility report
70	B, report by an engineer on machinery installation	80	a, press report

UNIT - V			
Sl. No.	Answer	Sl. No.	Answer
81	A, Body	91	B, internet
82	B, subject line	92	C, scanner
83	C, salutation	93	B, video conference
84	B, E-mail ethics	94	C, computer conference
85	B, spam	95	C, accessibility
86	A, E-mail	96	B, global positioning system
87	A, Instant messaging	97	B, supply chain management
88	C, CD-ROM	98	A, enterprises resources planning
89	C, groupware	99	A, online analytical processing
90	A, E-mail	100	c, customer relationship management

SECTION – A**1 MARKS****Unit I**

1. The father of Managerial economics
 - (a) Joel Dean
 - (b) Adam Smith
 - (c) Marshall
 - (d) Ragnar Frisch
2. Long run Survival is a objective of
 - (a) National
 - (b) Economic
 - (c) Organization
 - (d) Social
3. Managerial Economics is the _____ of business management
 - (a) Science
 - (b) Method
 - (c) Profession
 - (d) technique
4. The process of choosing one action from two or more alternative available is
 - (a) Decision Making
 - (b) Sales maximization
 - (c) Profit maximization
 - (d) Service motive
5. Observe the rules and regulations of the government is
 - (a) Corporate citizenship
 - (b) Sales maximization
 - (c) Provide employment
 - (d) Service motive
6. The managerial economics is a
 - (a) Normative science
 - (b) activist science
 - (c) Positive science
 - (d) both (a) & (b)
7. Which means the largest absolute amount of profit over a time period?
 - (a) Sales maximization
 - (b) Profit maximization
 - (c) Production maximization
 - (d) Price maximization
8. Managerial Economics is
 - (a) Dealing only micro aspects
 - (b) Only a normative science
 - (c) Deals with practical aspects
 - (d) All of the above
9. Which is not include in the welfare goals to the society by the firm
 - (a) Buildings of roads
 - (b) Charitable hospitals
 - (c) Living Wages
 - (d) Maintaining Parks
10. Which one is not a characteristics of managerial economics?
 - (a) Micro economics
 - (b) Normative science
 - (c) Positive science
 - (d) Pragmatic
11. Which is the characteristics of managerial economics
 - (a) Deals with both micro and macro aspects
 - (b) Both positive and normative science
 - (c) Deals with theoretical aspects
 - (d) Deals with practical aspects.
12. Managerial economics is also called
 - (a) Micro economics
 - (b) Theory of the firm
 - (c) Economics of the firm
 - (d) All of the above.

13. Which of the following are not included in functions of managerial economists
- (a) Sales forecasting
 - (b) Industrial market research
 - (c) Advice on foreign exchange
 - (d) Service motive
14. Which of the following is included in specific functions of managerial economists
- (a) Economic analysis of competing companies
 - (b) Advice on pricing problems of industry
 - (c) Environmental forecasting
 - (d) All of the above
15. Which is foremost Characteristics of managerial economics
- (a) Choice and allocation
 - (b) Goal Oriented
 - (c) Pragmatic
 - (d) Micro economics
16. Character of managerial economics is
- (a) Micro
 - (b) Macro
 - (c) Both a & b
 - (d) wider
17. Sales Maximization Concept is given by
- (a) Adam Smith
 - (b) Marshall
 - (c) Samuelson
 - (d) Baumol
18. Nature of managerial economics is
- (a) Normative
 - (b) Goal Oriented
 - (c) Pragmatic
 - (d) All the above
19. Which is an Economic Objective
- (a) Cost minimization
 - (b) service motive
 - (c) Social justice
 - (d) All the above
20. Job satisfaction is objectives of
- (a) Social Goals
 - (b) Economic Goals
 - (c) Organization Goals
 - (d) Human Goals

UNIT II

21. Which will cause a change in the demand for commodity X?
- (a) A Change in Tastes.
 - (b) A Change in Income.
 - (c) A Change in the Price of X
 - (d) A Change in Price of Complementary Product
22. Changes in quantity demanded occur
- (a) Only when price changes
 - (b) due to change of taste
 - (c) Both
 - (d) None of the above
23. Demand is the desire for a good backed by
- (a) The consumer's income
 - (b) The consumer's preference
 - (c) The ability to pay for the commodity
 - (d) The willingness and ability to pay

24. Which type of relationship exists between the price and quantity demanded?
(a) Activist (b) Positive
(c) Inverse (d) Normative
25. Giffen Paradox are those goods
(a) Which are in short supplies
(b) Which have a high elasticity of demand
(c) Which have low elasticity of demand
(d) For which demand increases as price increases
26. When demand curve is vertical, it represents
(a) Unitary elastic demand (b) perfectly elastic demand
(c) Perfectly inelastic demand (d) Elastic demand
27. When the income of the consumer is high their purchasing power will be
(a) Low (b) high
(c) Poor (d) Nil
28. If the prices are anticipated to rise in future, then the demands for such goods will
(a) Be increase (b) Be decrease
(c) Be nil (d) Be ignorable
29. People demand more of product X when the price of product Y decreases. This means X and Y are
(a) Complements. (b) Substitutes.
(c) Not related (d) both inexpensive.
30. If two goods are close substitutes,
(a) An increase in the price of one will decrease the demand for the other.
(b) An increase in the price of one will increase the demand for the other.
(c) A decrease in the price of one will increase the demand for the other.
(d) A decrease in the price of one will have no effect on the demand for the other.
31. Demand is a function of
(a) Income. (b) Advertisement
(c) Consumers (d) Price
32. Determinants of Price elasticity of demand
(a) Availability of substitute of goods
(b) Percentage of Income
(c) Necessity and duration
(d) All the above
33. In the law of demand, when price decrease the quantity demand will
(a) Equal (b) Increase
(c) Decrease (d) Zero
34. When the price of the related goods remains the same are the assumptions of
(a) Law of demand (b) Elasticity of demand
(c) Law of supply (d) Elasticity of supply

35. The rate of changes in price and quantity are explain clearly in
(a) Elasticity of demand (b) Competition
(c) supply (d) Law of demand
36. The degree of change of demand by change in price is _____ of demand
(a) Income elasticity (b) Inelasticity
(c) Price Elasticity (d) Cross Elasticity
37. Which Demand curve stated horizontal straight line?
(a) Perfectly elastic (b) Perfectly inelastic
(c) Unitary elastic (d) Relative elastic
38. The demand curve always slopes
(a) Upwards (b) Downwards
(c) Vertical (d) horizontal
39. A positive cross elasticity of demand coefficient indicates that
(a) A product is an inferior good
(b) A product is a normal good
(c) Two products are substitute goods
(d) Two products are complementary goods
40. The demand for a good is highly inelastic if
(a) The price elasticity of the good is close to zero.
(b) The income elasticity of the good is close to one
(c) If it is a necessity
(d) Both (a) & (c)

UNIT III

41. Implicit costs are
(a) Equal to total fixed costs.
(b) Comprised entirely of variable costs.
(c) Payments for self-employed resources.
(d) Always greater in the short run than in the long run.
42. Incremental cost is closely related to
(a) Average cost (b) Marginal cost
(c) Total cost (d) Fixed cost.
43. Opportunity cost is a term which describes
(a) a bargain price for a factor of production
(b) Costs related to an optimum level of production.
(c) Variable costs.
(d) Cost of one product in terms of production of others forgone.
44. In economics – land means
(a) Agricultural Land (b) Manmade wealth
(c) Mineral wealth of a nation (d) Free gifts Nature

45. The other name of opportunity cost
(a) Money cost (b) Alternative cost
(c) Real Cost (d) Short run cost
46. Which of the following are not related with factors of production (FOP)
(a) Land (b) Capital
(c) Raw material (d) Labour
47. The cost with which the concept of marginal cost is closely related
(a) Variable cost (b) Fixed cost
(c) Opportunity cost (d) Economic Cost
48. Which factor of production is considered as fixed input?
(a) Labour (b) Technology
(c) Capital (d) Land
49. A successful entrepreneur is one who ready to accepts
(a) Innovation (b) Risks
(c) Profits (d) long run survival
50. The opportunity cost is otherwise called as
(a) Overhead cost (b) Money cost
(c) Outlay cost (d) Direct cost
51. Production function relates to transform
(a) Cost to input (b) Wages to profit
(c) Cost to output (d) Input to output
52. The cost which is incurred for disposing the fixed asset is
(a) Historical cost (b) Social cost
(c) Abandonment cost (d) Book cost
53. Which of the following is an active factor
(a) Land (b) Labour
(c) Capital (d) Organisation
54. The out-of-pocket cost is otherwise called as
(a) Cash cost (b) Direct cost
(c) Overhead cost (d) Outlay cost
55. The function of combining the other factors of production is done by
(a) Land (b) Labour
(c) Capital (d) Entrepreneurship
56. Off all the factors of production given below, which one is perishable in nature
(a) Labour. (b) Land
(c) Capital. (d) Entrepreneurship.
57. Incremental cost is also called
(a) Additional cost (b) Variable cost
(c) Total cost . (d) Fixed cost.

58. The factors used in the production
- (a) Land and labour
 - (b) Capital & entrepreneurship
 - (c) Both (a) & (b)
 - (d) Only capital
59. The opportunity cost of a given activity is
- (a) The value of next best alternative
 - (b) The value of material used
 - (c) The cost of input used
 - (d) The cost of production
60. Traceable cost is called as
- (a) Additional cost
 - (b) Direct cost
 - (c) Total cost .
 - (d) Fixed cost.

UNIT IV

61. Selling cost is the feature of the market form
- (a) Monopoly
 - (b) Monopolistic competition
 - (c) Oligopoly
 - (d) Perfect competition
62. In a perfect market both buyers and sellers are
- (a) Price maker
 - (b) Price giver
 - (c) Price taker
 - (d) Price hacker
63. In the oligopoly market there are
- (a) Large no. of firms
 - (b) A few firms
 - (c) A single firm
 - (d) An infinite no. of firms
64. The movement of goods across the national border is.
- (a) Regional market
 - (b) National market
 - (c) Local market
 - (d) International Market
65. Perfect competition assumes that there are
- (a) Homogeneous goods
 - (b) Consumer goods
 - (c) Advertised goods
 - (d) Luxury goods
66. Product differentiation is a special feature of
- (a) Perfect competition
 - (b) Monopoly
 - (c) Advertising
 - (d) Monopolistic competition
67. Automobile industry and cement industry is an example of -----
- (a) Monopoly
 - (b) Oligopoly
 - (c) Duopoly
 - (d) Monopolistic competition
68. Which is the feature of perfect competition?
- (a) Large number of buyers and sellers
 - (b) Freedom of entry and exit
 - (c) Normal profit in the long run
 - (d) All of these
69. Which is/are the salient features of monopolistic competition?
- (a) Large number of sellers
 - (b) Normal profit
 - (c) Free entry and exit of firms in industry
 - (d) All of these

70. The monopoly can be controlled by:
- (a) Social boycott
 - (b) Antimonopoly legislation
 - (c) Public ownership
 - (d) All of these
71. Profit Maximization goal is suitable for ----- and ----- markets .
- (a) Monopolistic and Oligopoly
 - (b) Monopolistic and Duopoly
 - (c) Monopoly and Duopoly
 - (d) Perfect competition and monopoly
72. Monopoly leads to
- (a) Choice of consumer
 - (b) choice of supplier
 - (c) Consumer sovereignty
 - (d) Less efficient economy
73. Sales Maximization is suitable for ----- market
- (a) Oligopoly
 - (b) Duopoly
 - (c) Monopoly
 - (d) Monopoly
74. In case of perfect competition, no of selling firm would be -----
- (a) Large
 - (b) Single
 - (c) Varied but too many
 - (d) Few
75. A distinguishing characteristic of monopolistic competition is -----
- (a) Large number of firms
 - (b) Low entry barriers
 - (c) Product standardization
 - (d) Product differentiation
76. The product under monopolistic competition are
- a) Differentiated with close substitute
 - b) Perfect substitute
 - c) Differentiated without close substitute
 - d) Homogeneous
77. The monopoly can be controlled by:
- (a) Social boycott
 - (b) Antimonopoly legislation
 - (c) Public ownership
 - (d) All of these
78. Few sellers is a feature
- (a) Monopoly
 - (b) Oligopoly
 - (c) Perfect competition
 - (d) Monopolistic competition
79. In Duopoly, No of sellers are
- (a) Few sellers
 - (b) Two sellers
 - (c) Single seller
 - (d) Large sellers
80. Perfect competition has the features except
- (a) Homogenous Products
 - (b) Perfect knowledge
 - (c) Selling and transport cost
 - (d) Free entry and Free exit

UNIT V

81. Which factors is/are influencing price policy?
- (a) Cost of product
 - (b) Time factor
 - (c) Government policy
 - (d) All of these
82. Leadership pricing is the method of
- (a) Going rate pricing
 - (b) Follow up pricing
 - (c) Barometric pricing
 - (d) Parity pricing

83. Information for pricing decisions involves:
- (a) Product information
 - (b) Market information
 - (c) Information at the micro level
 - (d) All of these
84. Cost plus pricing is:
- (a) Charging the highest possible price.
 - (b) Ensuring you are the lowest cost producer.
 - (c) Pricing by calculating the cost of production and adding on a margin.
 - (d) Charging marginally more than the competition.
85. _____ provide guidelines to carry out _____
- (a) Pricing strategies, pricing policies
 - (b) Pricing policies, pricing strategies
 - (c) Pricing rules, pricing policies
 - (d) Pricing rules, pricing strategies
86. Psychological pricing is also called as
- (a) Penetration pricing
 - (b) Skimming pricing
 - (c) Odd pricing
 - (d) None of these
87. Prices of Bata shoe as Rs.99.99, this pricing is
- (a) Mark up pricing
 - (b) Odd pricing
 - (c) Marginal cost pricing
 - (d) Follow up pricing
88. The first and foremost objective of pricing policy is of course
- (a) Profit maximization
 - (b) Price stabilization
 - (c) Liquidity
 - (d) Maintenance of Market share.
89. The high price is fixed for a new product initially and later the price is reduced gradually refers to
- (a) Customary pricing
 - (b) Odd pricing
 - (c) Price lining
 - (d) Skimming pricing
90. Which pricing method is adopted based on locality
- (a) Cost plus pricing
 - (b) Dual pricing
 - (c) Sealed bid pricing
 - (d) Geographical pricing
91. Target pricing is also called as
- (a) Cost plus pricing
 - (b) Rate of return pricing
 - (c) Mark up pricing
 - (d) Dual pricing
92. Under the Marginal cost pricing, the price is determined on the basis of;
- (a) Fixed cost
 - (b) Variable cost
 - (c) Total cost
 - (d) Average cost
93. Cinema Theater, telephone bills et(c).are following
- (a) Full cost pricing
 - (b) Marginal cost pricing
 - (c) Differential pricing
 - (d) Mark up pricing

94. Fixing high price during the introduction is called
(a) Skimming (b) Penetrating
(c) Full cost pricing (d) Target pricing
95. The firm charges price in tune with the industry's price is called
(a) Competitive pricing (b) Going rate pricing
(c) Tune pricing (d) Target pricing
96. Method of charging low price initially called.....
(a) Skimming (b) Penetrating
(c) Full cost pricing (d) Target pricing
97. Pricing is done on the basis of managerial decisions, not on the basis of cost, demand etc...
(a) Managerial pricing (b) Administered pricing
(c) Full cost pricing (d) Competitive pricing
98. Which of the following method of pricing is popular in wholesale and retail trades
(a) Skimming (b) Penetrating
(c) Full cost pricing (d) Target pricing
99. Which one of the following is an internal factor influencing pricing
(a) Demand (b) Competition
(c) Distribution channel (d) Product life cycle
100. Average cost pricing is also called as
(a) Cost plus pricing (b) Marginal cost pricing
(c) Margin pricing (d) Both (a) & (c)

SECTION – B**5 marks****UNIT I**

1. Brief out the nature of Managerial Economics?
2. Highlights the characteristics Managerial Economics?
3. State the role of Managerial economist.
4. List out the objectives of managerial economics?
5. How does the managerial economics help a business manager in decision making?
6. Define managerial economics. Discuss its scope?
7. Discuss the nature of managerial economics?
8. "Managerial economics is a normative science"- Elucidate and comment.
9. Discuss the importance of managerial economics in the process of decision making.
10. What are difference between managerial economics and economics?

UNIT II

11. Point out the Reasons behind the downward slope of the demand curve
12. Define the Demand. Say its exceptions to law of demand?
13. Mention the assumptions of the Law of Demand?
14. Write any 5 factor determining the Elasticity of Demand?
15. List out the Importance of Elasticity of demand?
16. Explain the cross elasticity of demand?
17. Brief out the perfectly elastic and perfect inelastic of demand?
18. Describe about Income elasticity of demand?
19. Say the types of Income elasticity of demand?
20. Give outlines for relatively elastic and relatively inelastic of demand?

UNIT III

21. Point out the Past cost and Future cost?
22. Give a note on any 4 types of cost?
23. What are the advantages of division of labour?
24. List out the characteristics of land?
25. What are Assumptions of the production function?
26. List out the features of labour?
27. Differentiate direct cost and indirect cost.
28. Write about the characteristics of capital?
29. Bring out the types of capital?
30. Clarify the short run and long run cost?

UNIT IV

31. List out the features of market.
32. Define oligopoly and explain the types of oligopoly.
33. Explain the features of monopoly.
34. State the characteristics of market
35. Write short note on Spot market and Future market
36. Bring out the peculiarities of perfect competition?
37. Discuss the market on the basis of size.
38. What do you mean by duopoly?

39. Say Regulated market and Unregulated market in brief.
40. Make clear about the market on the basis of time.

UNIT V

41. Give any 5 objectives of pricing policy?
42. Write short notes on Skimming price and Administrated pricing.
43. Point out the principles of pricing policy?
44. Say Competitive Bidding & Differential pricing in brief
45. Mention the factor affecting the pricing policy?
46. Examine the merits of cost plus pricing?
47. State the disadvantages of marginal cost pricing?
48. Gist out any 5 pricing methods?
49. Inscribe the pricy policy in brief.
50. Bring out the competition oriented pricing methods?

SECTION – C

8 marks

UNIT I

1. Elaborate the Goals of a Business firm?
2. Say the Concepts of Managerial economics in detail?
4. Illuminate the economic objectives of the firm?
5. Define Managerial economics and say the nature of managerial economics in detail.
6. Emurenate the responsibility of managerial economist in decision making?
7. Describe the social and organizational goals of the firm
8. Discuss the relationship of managerial economics with other disciplines.
9. What is the importance of the managerial economics?
10. Elucidate the human and social goals of the firm?

UNIT II

11. Elucidate the factors influencing of the demand?
12. Delineate the different types of Elasticity of demand?
13. Explain the types of Price elasticity of demand?

14. Portray the Law of Demand with diagram?
16. Describe the types of income elasticity of demand?
17. Express the reasons for downward slopes of demand?
18. What are exceptions for law of demand?
19. Enumerate the significance of elasticity of demand?
20. Depict the Elasticity of demand with example.

UNIT III

21. Illuminate features of the Production Function?
22. Discuss the Types of Cost of production?
23. What are the Functions of Entrepreneur?
24. Examine the various factor of production function?
25. Give a detail explanation of the factors of production.
26. Clarify the “short run and long run cost” & “past and future cost” in detail.
27. Describe the role of managerial economist in production function
28. What are the Peculiarities of Land?
29. Could you say about the Peculiarities of Labour?
30. Enumerate the “explicit and implicit cost” & “Fixed cost and Variable cost”

UNIT IV

31. Explain duopoly and say its features in detail.
32. Make a distinction between the perfect competition and monopoly?
33. Enumerate the perfect competition in detail.
34. What you mean by monopolistic competition and explain its features.
35. Discuss about the various market structures with example.
36. Portray the monopoly in detail.
37. Give a detail explanation of Monopoly?
38. Illumine the peculiarities of oligopoly?
39. Elucidate the features of Perfect competition?
40. Describe the market on the basis of competition?

UNIT V

41. Portray the principles of pricing policy in detail.
42. Illuminate the objectives of pricing policy?
43. Describe the different pricing methods.
44. What is pricing policy and say its objectives in detail.
45. Explain the factors influencing pricing decisions?
46. Clarify the cost oriented pricing method in detail.
47. Give a clear explanation of cost - plus pricing with its merits and demerits?
48. Explain pricing in life - cycle of a product with diagram?
49. Depict the target pricing methods in detail.
50. Explicate the skimming price and penetration price policy

ANSWERS

UNIT I			
1.	(a) Joel Dean	11.	(d) Deals with practical aspects.
2.	(b) Economic	12.	(d) All of the above
3.	(d) technique	13.	(d) Service motive
4.	(a) Decision Making	14.	(d) All of the above
5.	(a) Corporate citizenship	15.	(d) Micro economics
6.	(a) Normative science	16.	(a) Micro
7.	(b) Profit maximization	17.	(d) All the above
8.	(d) All of the above	18.	(d) Baumol
9.	(c) Living Wages	19.	(a) Cost minimization
10.	(c) Positive science	20.	(d) Human Goals

UNIT II			
21.	(c) A Change In The Price of X	31.	(d) Price
22.	(c) Both	32.	(d) All the above
23.	(d) The willingness and ability to pay	33.	(b) Increase
24.	(c) Inverse	34.	(a) Law of demand
25.	(d) For which demand increases as price increases	35.	(a) Elasticity of demand
26.	(c) Perfectly inelastic demand	36.	(c) Price Elasticity
27.	(b) high	37.	(a) Perfectly elastic
28.	(b) Be decrease	38.	(b) Downwards
29.	(c) Not related	39.	(c) Two products are substitute goods
30.	(b) An increase in the price of one will increase the demand for the other.	40.	(d) Both (a) & (c)
UNIT III			
41.	(c) Payments for self-employed resources.	51.	(d) Input to output
42.	(b) Marginal cost	52.	(a) Historical cost
43.	(d) Cost of one product in terms of production of others forgone.	53.	(b) Labour
44.	(d) Free gifts Nature	54.	(a) Cash cost
45.	(b) Alternative cost	55.	(d) Entrepreneurship
46.	(c) Raw material	56.	(a) labour.
47.	(a) Variable cost	57.	(a) Additional cost
48.	(d) Land	58.	(c) both (a) & (b)
49.	(b) Risks	59.	(a) The value of next best alternative
50.	(c) Outlay cost	60.	(b) Direct cost

UNIT IV			
61.	(b) Monopolistic competition	71.	(d) Perfect competition and monopoly
62.	(c) Price taker	72.	(d) Less efficient economy
63.	(b) A few firms	73.	(a) Oligopoly
64.	(b) National market	74.	(a) Large
65.	(a) Homogeneous goods	75.	(d) Product differentiation
66.	(c) Monopolistic competition	76.	a) Differentiated with close substitute
67.	(b) Oligopoly	77.	(d) All of these
68.	(d) All of these	78.	(b) Oligopoly
69.	(d) All of these	79.	(b) Two sellers
70.	(d) All of these	80.	(c) Selling and transport cost
UNIT V			
81.	(d) All of these	91.	(b) Rate of return pricing
82.	(c) Barometric	92.	(b) Variable cost
83.	(d) All of these	93.	(c) Differential pricing
84.	(c) Pricing by calculating the cost of production and adding on a margin.	94.	(a) Skimming
85.	(b) Pricing policies, pricing strategies	95.	(b) Going rate pricing
86.	(c) Odd pricing	96.	(b) Penetrating
87.	(b) Odd pricing	97.	(b) Administered pricing
88.	(a) Profit maximization	98.	(c) Full cost pricing
89.	(d) Skimming pricing	99.	(d) Product life cycle
90.	(d) Geographical pricing	100.	(d) Both (a) & (c)

SECTION – A**1 MARKS****Unit-I**

1. Primary object of auditing is.
 - a) Investigating conformity recognized accounting policies and practice
 - b) Detecting fraud
 - c) Preventing fraud
 - d) Verifying the financial statements.
2. Transposition of figure is an error of.
 - a) principle
 - b) Omission
 - c) Commission
 - d) Compensation
3. Error that counterbalances each other and does not affect trial balance is
 - a) Principle
 - b) Commission
 - c) Omission
 - d) Compensation
4. The motive behind the manipulation of accounts may be.
 - a) Window dressing
 - b) Creation of secret reserve
 - c) Either
 - d) Neither
5. The effect of window dressing results in
 - a) Deflating profit
 - b) Inflating profit
 - c) Controlling expenses
 - d) Containing the loss
6. under which of the technique, auditor explores the causes of variance between two accounts
 - a) Ratio
 - b) Reconciliation
 - c) Variance analysis
 - d) Marginal costing
7. Manipulation of accounts in such a way as to hide the true financial status is called.
 - a) Intensive checking
 - b) Window dressing
 - c) Teeming and lading
 - d) Fraud

8. Reserve created by management to depress the true profit is generally known as
- a) Depreciation
 - b) Reserve for bad debit
 - c) Divident equalisation
 - d) Secret reserve
9. Auditing and assurance standards at the international level
- a) Icwa
 - b) Cfa
 - c) Icai
 - d) Iasb
10. Any item that influences the investment decision of an investor is called in auditing
- a) Significant
 - b) Important
 - c) Material
 - d) indispensable
11. The chartered accountants act came into force in
- A) 1949
 - b) 1951
 - C) 1953
 - d) 1955
12. Which of the following requires an independent financial audit statutorily
- a) Hindu undivided family
 - b) Registered firms
 - c) Partnership firms
 - d) Companies
13. "an auditor is a watchdog but not a blood hound."it was ruled in
- a) Kingston cotton mills co(1896)
 - b) Derry vs. Peek(1889)
 - c) Crabtree thomas vs crabtree(1912)
 - d) Candler vs crane(1951)
- 14.the terms "audire" literally means
- a) To hear
 - b) To check
 - c) To prevent
 - d)To inform
15. The wrong allocation of amount between capital and revenue is an error of
- a) Trial balance
 - b) Compensation
 - c) Commission
 - d) Principle
16. The auditor evaluates the effectiveness of the internal control by applying
- a) Compliance procedures
 - b) Substantive procedures
 - c) Sampling procedures
 - d) Accounting procedures

17. accounts seem to indicate much better and sound financial position of the business enterprise.

- a) Amortization
- b) Teeming and lading
- c) Secret reserves
- d) Window dressing

18. which one of the following best describes the primary objectives of an independent financial audit.

- a) Expression of expert opinion
- b) Detection and prevention of errors
- c) Detection and prevention of frauds
- d) prevention of both errors and frauds

19. If financial statements are prepared with minor deviations and if the effect of such deviation is minor in nature the auditor may give is

- a) Clean report
- b) Unqualified report
- c) Qualified report
- d) Adverse report

20. "an auditor must be honest, that is, he must not certify what he does not believe to be true". this decision was ruled in

- a) Kingston cotten mills co. ltd
- b) Re london and general bank
- c) Westminster road construction co.
- d) Allen craig and co

UNIT-II

21. Administrative control does not comprise of

- (a) Self-balancing ledgers
- (b) Statistical analysis
- (c) Quality control
- (d) Time studies

22. Full notes are taken during discussions governing evaluation of internal controls.

- (a) Oral approach
- (b) Internal control questionnaire
- (c) Flow charts
- (d) Memorandum approach

23. An arrangement in which the accounting work of each individual is checked by other members is called

- (a) Internal check
- (b) Internal audit
- (c) External audit
- (d) Test checking

24. management letter or weakness letter is concerned with the evaluation of

- (a) Internal control system
- (b) Test checking
- (c) Budgetary control
- (d) Performance appraisal

25. It is an independent appraisal within an organisation to review the operations and records as to service for management

- (a) Internal audit
- (b) Internal check
- (c) Internal control
- (d) Administrative control

26. Compliance of statutory requirements is the major concern of

- (a) Internal audit
- (b) Internal control
- (c) Internal check
- (d) External audit

27. Internal auditors are appointed by

- (a) Shareholders
- (b) Management
- (c) Board of directors
- (d) Company's statutory auditor

28. The most important objectives of internal audit is

- (a) Early deduction of errors and frauds
- (b) Early finalisation of accounts
- (c) Facilitating final audit
- (d) Ensuring systematic accounting

29. Internal auditor reports to the

- (a) Management
- (b) Shareholders
- (c) Government
- (d) All stakeholders of the company

30. Internal audit is a

- (a) Line function
- (b) Staff function
- (c) Both line and staff function
- (d) Neither a line function nor a staff function

31. The audit examines the use of unit resources to evaluate whether those resources are being used in the most effective and efficient manner

- (a) Operational audit
- (b) Compliance audit
- (c) IIS audit
- (d) Investigation audit

32. It reviews adherence to laws, regulation, policies and procedures

- (a) Management audit
- (b) Financial audit
- (c) System audit
- (d) Compliance audit

33. What is the correct sequence of the following aspects in auditing

- (a) Special audits, internal check, internal audit, annual audit

- (b) Internal check, annual audit, special audit, internal audit
(c) Internal check, internal audit, special audit, internal audit
(d) Special audit, internal audit, internal check, annual audit
34. Internal control is a system of control including
- (a) Financial and non financial (b) Internal
(c) Financial (d) Internal and financial
35. Controlling check in and check out of employees comes under
- (a) Administrative control (b) Financial control
(c) External control (d) Internal control
36. Inventory control deployed in an organisation is of
- (a) Accounting control (b) Internal control
(c) External control (d) Administrative control
37. _____ control technique intends to contain the cost to pre-determined level
- (a) Accounting control (b) Not a control device
(c) Flow chart method (d) All
38. PERT and CPM come under
- (a) Administrative control (b) Accounting control
(c) Both types of control (d) Not a control device at all
39. Internal control is
- (a) Part of internal check
(b) A part of internal audit
(c) Whole system of control employed by management
(d) Examination of reliability of transaction
40. Responsibility accounting is
- (a) Accounting control (b) Not a control device
(c) Partly accounting and administrative control (d) Administrative control

UNIT-III

41. Inventory of a manufacturing enterprises includes
- a)Raw materials
 - b) Work in progress
 - c)Finished goods
 - d)All the above
- 42.The installation expenses of machinery wil be debited to
- a).Installation expenses account
 - b)Cash account
 - c)Machinery account
 - d)P&Laccount
- 43.Which one of the following is not a ficitious asseT
- a)Preliminary expenses
 - b)P&L account debit i.e loss
 - c)Debenture discount
 - d)Goodwill
- 44.Which method of valuation of inventory is suited to petrol bunk
- a).LIFO
 - b).average cost methode
 - c).FIFO
 - d)base stock method
- 45.Verification refers to
- a).Examination of journal and ledger
 - b.)Examination of voucher related to asset
 - c)Examining physical existence and valuation
 - d)Calculation of value of an asset
- 46.Object of verification is
- a).Physical verification of asset
 - b)Checking the value of asset
 - c)Examining the authority of acquisition
 - d).All the above
- 47.Which is the following statement is correct?
- a)Valuation is a part of verification
 - b).Verification is a part of valuation
 - c).Valuation has nothing to do with verification
 - d)Auditor
- 48.Stock should be valued at
- a)Cost price
 - b)Market price
 - c)Cost or market price which ever is lower
 - d)Cost less depreciation

49. Valuation means

- a) Calculating the value of asset
- b) Checking the value of the asset
- c) Checking the physical existence of asset
- d) Examining the authenticity of asset

50. That an auditor is not a valuer was stated in

- a) Kingston cotton mills case
- b) London general bank case
- c) Les. V Neuchatal co ltd case
- d) London oil storage co. Case

51. Motorcar should be valued on the basis of

- a) Cost
- b) Market Price
- c) Cost Or Market Price Whichever Is Lower
- d) Cost Less Depreciation

52. Fixed assets are valued at

- a) Cost
- b) Market price
- c) Cost or market price whichever is lower
- d) Cost less depreciation

53. Goods on consignment is valued at

- a) Cost price
- b) Market price
- c) Cost or market price whichever is lower
- d) Cost less depreciation

54. Goods sold on sale or return should

- a) Be included in the stock
- b) Not included in the stock
- c) Not be checked by auditor
- d) None of the above

55. Book debits should be verified by

- a) Balance sheet
- b) Amount received from debtor
- c) Debtors schedule
- d) Certificate from manager

56. Loose tools should be valued at

- a) Cost
- b) Market price
- c) Cost or market price whichever is lower
- d) Cost less depreciation

57. Loans give should be verified by

- a) Statement of loan
- b) Schedule of book debt
- c) Certificate from board
- d) Inspection of agreement

58.To verify goodwill the auditor should check

- | | |
|-----------------|-------------------------------|
| a)Sales deed | b).Purchase agreement |
| c)Balance sheet | d)Certificate from management |

59.Investment in hand should be verified by

- | | |
|----------------------------|--------------------------|
| a).Schedule of investment | b)Balance sheet |
| c)Inspection of securities | d).Certificate from bank |

60.The price at which the existing asset can be purchased now is called

- | | |
|---------------------|--------------------|
| a). Cost price | b)Market value |
| (c)Replacement cost | (d)Break-up values |

UNIT-IV

61.It is that part of the issued capital which is taken up by the public

- | | |
|-----------------------|-----------------------|
| (a)Authorized capital | (b)Issued capital |
| (c)Subscribed capital | (d) Called up capital |

62.Equity shares issued by the company to employees or directors at discount for consideration other than cash

- | | |
|---------------------|------------------------|
| (a)Esops | (b)Buy-back |
| (c)Share forfeiture | (d)Sweat equity shares |

63.In the winding up of a company,call-in-advance along with interest accrued thereon are repaid before any part of the share capital is returned to shareholders.

- | | |
|-----------------------------------|---------------------------------|
| (a)Re wakefield rolling stock co. | (b)Well blundel vs.stephens |
| (c)Kingston cotton mills co.ltd | (d)Rex vs.bishirgian and others |

64.Where a company decides not to issue the forfeited shares,it would lead to:

- | | |
|--------------------------------|-----------------------|
| (a)Reduction of shares capital | (b)Overcapitalization |
| (c)Increase in capital | (d)All the above |

65.Every buy-back has to be completed within a period of

- | | |
|--------------|--------------|
| (a)12 months | (b)13 months |
| (c)14 months | (d)15 months |

66. To examine the issue of shares at premium the auditor should examine
- (a) Articles of association
 - (b) Director's minute book
 - (c) Eithers of two
 - (d) Both
67. amount of discount on issue of shares should be written off over a period of
- (a) 3 to 5 years
 - (b) 4 to 5 years
 - (c) 5 to 10 years
 - (d) 10 to 15 years
68. Amount payable on application should be not less than % nominal value of shares
- (a) 5%
 - (b) 6%
 - (c) 7%
 - (d) 8%
69. A share holder is entitled to receive interest at the rate of or at any other rate as per clause 18(b) of table a
- (a) 5%
 - (b) 4%
 - (c) 6%
 - (d) 7%
70. Identify non-statutory register from the following
- (a) Register of transfer
 - (b) Register of share warrenty
 - (c) Share application and allotment book
 - (d) All the above register
71. Rate of underwriting commissions payable on shares or debentures
- (a) 5% and 2%
 - (b) 3% and 4%
 - (c) 2% and 3%
 - (d) 5% and 7%
72. Which of the formalities should be fulfilled by a limited company to reduce its share capital
- (a) Passing special resolution at agm
 - (b) Obtaining court confirmation
 - (c) Both
 - (d) No formality is insisted
73. Specify the formalities to be examined by the auditor in connection with audit of transmission os shares
- (a) Ensuring relevant provision in the article
 - (b) Verifying document testifying authority of legal heir
 - (c) Verifying the court order and minute book
 - (d) All the above

74. Any changes in the direction or managing director should be notified to the registrar within

- (a) 40 days
- (b) 33 days
- (c) 30 days
- (d) 35 days

75. For which purpose, share premium should not be used?

- (a) Writing off debit balance of p&l
- (b) Writing off preliminary expenses
- (c) Paying premium on redemption of preference share
- (d) Paying dividend

76. Which document an auditor should refer to know the internal working of an organization

- (a) Articles
- (b) Memorandum
- (c) Annual report
- (d) Prospectus

77. Whose permission is to be obtained for loans made to directors

- (a) Registrar of companies
- (b) Central government
- (c) Both
- (d) Either of the two

78. Company has a right to buy its own shares out of

- (a) Free reserve
- (b) Restricted reserve
- (c) Both
- (d) Capital reserve

79. The debt-equity ratio of the company after they buy-back is not more than

- (a) 2:1
- (b) 3:1
- (c) 3:2
- (d) 2:2

80. For capital reduction, there should be provision in

- (a) Memorandum of association
- (b) Articles of association
- (c) Both
- (d) Either a or b

UNIT-V

81. Fraud can be committed by way of

- (a) Defalcation of cash
- (b) Misappropriation of goods
- (c) Manipulation of account
- (d) All of these

82. How many shareholders holding at least 1/50 of total voting right in case of company having charge capital and apply for investigation?

- (a) 100
- (b) 200
- (c) 150
- (d) 250

83. In the case of company not having share capital on the application of not less than of total number of members can apply for investigation.

- (a) 1/5
- (b) 1/6
- (c) 1/7
- (d) 1/4

84. Under section 210 of companies act, 2013 investigators are appointed by

- (a) Central government
- (b) Registrar of companies
- (c) Court
- (d) Tribunal

85. SPIO is a multi-disciplinary organisation under the

- (a) SEBI
- (b) Financial ministry
- (c) Ministry of corporate affairs
- (d) State government

86. SPIO shall be headed by

- (a) A director
- (b) Special officer
- (c) Central government
- (d) State government

87. The central government may appoint experts in the field of investigations in the SPIO in terms of

- (a) Rule 3 of the companies (inspection, investigation and inquiry) rules, 2014
- (b) Government of India resolution no 45011/16/2013
- (c) Schedule IV to the companies act, 2013
- (d) Section 139 of companies act, 2013

88. On completion of investigation, the SPIO shall submit the investigation report to

- (a) Central government
- (b) Shareholders of the company
- (c) Board of directors of the company
- (d) Registrar of companies

89. Is undertaken for a

- (a) Normal purpose
- (b) Special purpose
- (c) Different purpose
- (d) Following purpose

90. The report of the investigator should be

- (a) Analytical
- (b) Descriptive
- (c) Exhaustive
- (d) Geometrical

91. Investigation may be required due to

- (a) Suspect fraud
- (b) Deflation of cash
- (c) Manipulation
- (d) Misappropriation

92. Investigation under the company act

- (a) 2013
- (b) 2015
- (c) 2011
- (d) 2010

93. The investigator should get in writing

- (a) Clear instructions
- (b) Wrong instruction
- (c) Right instruction
- (d) Duplicate instructions

94. The investigator should approach the work

- (a) Independently
- (b) Dependently
- (c) Interdependent
- (d) Interdependent

95. SFO abbreviations

- (a) Serious fraud investigation office
- (b) Service fraud investigation office
- (c) Several fraud investigation office
- (d) Secret fraud investigation office

96. SFO under section

- (a) 211
- (b) 213
- (c) 212
- (d) 210

97. Power of investigator

- (a) section 217
- (b) section 213
- (c) section 214
- (d) section 215

98. SFO under the provisions of the company act

- (a) 1956
- (b) 1957
- (c) 1958
- (d) 1959

99. Power of a civil court under the code of civil procedure

- (a) 1908 (b) 1909
(c) 1910 (d) 1911

100. Central government shall order an investigation into the affairs of that

- (a) Company (b) Private company
(c) Public company (d) Multinational company

SECTION –B

UNIT-I

1. Define the term auditing and distinguish it from accountancy?
2. Distinguish between auditing and investigation ?
3. Discuss briefly the scope of auditing?
4. What are the duties of an auditor of prevent fraud?
5. what are the advantages of audit?
6. what are the limitations of audit?
7. What are the primary objectives of the audit?
8. "auditors are a watchdog and not a bloodhound"-discuss?
9. describe briefly the basic principles governing an audit?
10. "audit begins where accountancy ends "discuss?

UNIT-II

11. Define internal control .what are the objectives?
12. Describe briefly the characteristics of internal control?
13. Define internal control. Why it should be evaluated?
14. Define internal check system. Distinguish it from internal control?

15. Define internal audit. What are the objectives?
16. Is internal audit complementary to external audit?
17. What are the common areas of interest between internal auditors and external auditors?
18. Suggest a suitable scheme of internal check as regards cash receipts in big departmental stores?
19. Explain briefly the organizational independence of internal auditors?
20. Explain procedure of internal audit?

UNIT-III

21. Distinguish between verification and vouching?
22. What are the objectives of verification of assets and liabilities?
23. Briefly explain as to how an auditor verifies cash in hand?
24. How would you verify trade markets?
25. Briefly explain the different methods of valuation of stocks ?
26. How would you verify trade creditors?
27. Discuss the auditor's duty regarding verification and valuation of assets?
28. Briefly explain the valuation of different kinds of assets?
29. Write down the process of verification?
30. State the objectives of verification?

UNIT-IV

31. Mention the forms of capital reduction?
32. State the classification of capital?
33. Point out the forms of capital?

34. what is auditor's duty in connection with transmission of shares?
35. What is audit procedure relating to share warrant?
36. How would you audit calls in advance?
37. Highlights the conditions for issue of sweat equity?
38. How would you examine the sweat equity?
39. How would you audit issue of shares at a discount?
40. point out the conditions stipulated for issue of shares at premium?

UNIT-V

41. Highlight the characteristics of investigation?
42. Distinguish investigation and audit?
4. Enumerate the purpose for which investigation is undertaken?
44. Point out the duties of an investigator?
45. state the power of the inspector appointed to investigate the affairs of the company?
46. The investigation implies an examination of accounts and records for some special purpose. Explain
47. Discuss the establishment of SFIO under section 211 of companies Act ,2013.
48. What are the types of investigation?
49. Explain the investigation by the central government?
50. what are the content of reports in investigation and explain it types?

SECTION-C

UNIT-I

1. Discuss the objectives of auditing.
2. Discuss the scope of auditing.
3. Give the advantages and disadvantages of audit.
4. Present your arguments in favour of audit.
5. Why is auditing considered useful for all types of business.
6. Discuss elaborately the objectives of auditing.
7. Write in details the various principles of auditing.
8. Distinguish 'accounting' and 'auditing'.
9. Describe the techniques of auditing.
10. Bring out the importance of efficiency of audit.

UNIT-II

11. Discuss the objectives and essentials of good internal check system.
12. What is meant by internal check? Suggest a suitable system of internal check for
(a) Receipts (b) Payments
13. Explain the terms internal check, internal audit and internal control. State the objectives of internal check.
14. Outline the procedure of internal check for stores.
15. Explain the nature, scope and objectives of internal audit.
16. Discuss the merits and demerits of internal control system.
17. Explain the process of implementing accounting control.
18. Draw internal control for sales and debtors.

19. How would you appraise internal control system?

20. Briefly explain the various accounting control devices.

UNIT-III

21. As an auditor of a company how will you verify the following assets?

(a) Goodwill (b) Patent rights (c) Future and fixtures

22. An auditor is not a valuer though he is intimately concerned with values. Bring out the importance of this quotation.

23. How would you verify the following?

(a) cash at bank (b) plant and machinery (c) goodwill (d) patents

24. How will you verify the following?

(a) cash in hand and cash at bank (b) bills receivable

(c) freehold property (d) patents

25. What do you mean by verification of assets? How would you verify the following?

(a) debtors (b) goodwill (c) inventories

26. What do you mean by verification? Distinguish between verification and valuation.

27. State the process of verifying loans and advances.

28. How would you verify cash at bank.

29. Discuss briefly the procedure of verification.

30. Explain clearly the duties of an auditor regarding the valuation of various assets appearing in the Balance Sheet of a manufacturing company.

UNIT-IV

31. How would you audit the following?

- (a) forfeiture of shares (b) sweat equity shares
(c) shares issued at a discount (d) shares issued at premium.

32. Discuss briefly the audit of share capital.

33. Discuss the procedure to be followed in the share transfer audit.

34. Explain the audit procedure for the following:

- 1) Share certificate 2) Share Transfer 3) Blank Transfer 4) Buy-back.

35. Define the term share capital. What are the different kinds of share capital? Describe the procedure for issuing shares.

36. Bring out the role of auditor in alternation of capital.

37. What is share transfer audit? Explain the procedure.

38. As an auditor what are your duties in respect of issuing bonus shares.

39. What is buy-back of securities? State the duties of a company auditor in relation to buy-back of equity shares.

40. State and explain the matters which an auditor should consider before commencing the financial audit of the company.

UNIT-V

41. List out the importance areas in respect of which investigations are usually undertaken by professional accountants.

42. Discuss the provisions of companies act, 2013 relating to investigation by SFIO into the affairs of a company.

43. Indicate what points would you pay special attention to for a client who wants to join a firm as a partner.

44. Outline the steps you would take as an investigator into a suspected fraud of cash.

45. Explain the process of conducting an investigation.
46. Elaborate on the duties of investigator.
47. Discuss how you would proceed to investigate on behalf of a lender who wants to give a large loan to a company.
48. State the circumstances under which an investigation of a company may be ordered by the central government.
49. Indicate what points would you pay special attention to for a client who wants to join a firm as a partner.
50. What steps, as an investigator, will you take for investigation of fall in the trading profits of a manufacturing company.

ANSWER

UNIT-I			
1	D) Verifying the financial statements.	11	A) 1949
2	C) Commission	12	D) Companies
3	D) compensation	13	A) Kingston cotton mills co(1896)
4	C) Either	14	A) To hear
5	B) Inflating profit	15	D) Principle
6	B) Reconciliation	16	A) Compliance procedures
7	B) Window dressing	17	D) Window dressing
8	D) Secret reserve	18	A) Expression of expert opinion
9	D) Iasb	19	C) Qualified report
10	B) Important	20	B) Re london and general bank

UNIT-II			
21	(a)Self-balancing ledgers	31	(a)Operational audit
22	(d)Memorandum approach	32	(d)Complainece audit
23	(a)Internal check	33	(c)Internalcheck,internalaudit,special audit,internal audit
24	(a)Internal control system	34	(a)Financial and non financial
25	(a)Internal audit	35	(a)Administrative control
26	(d)External audit	36	(a)Accounting control
27	(b)Management	37	(a)Accounting control
28	(a)Early deduction of errors and frauds	38	(b)Accounting control
29	(a)Management	39	(c)Whole system of control employed by management
30	(b)Staff function	40	(d)Administrative control
UNIT-III			
41	d)All the above	51	d).Cost Less Depreciation
42	c)Machinery account	52	c)Cost or market price whichever is lower
43	d)Goodwill	53	a)Cost price
44	b).average cost method	54	b).Not included in the stock
45	c)Examining physical existence and valuation	55	C)Debtors schedule
46	d).All the above	56	d).Cost less depreciation
47	a)Valuation is a part of verification	57	d).Inspection of agreement
48	c)Cost or market price which ever is lower	58	b).Purchase agreement
49	b)Cheking the value of the asset	59	a).Schedule of investment
50	a).Kingston cotton mills case	60	a). Cost price

UNIT-IV			
61	(c)Subscribed capital	71	(a) 5% and 2%
62	(d)Sweat equity shares	72	(c)Both
63	(a)Re wakefield rolling stock co	73	(d) All the above
64	(a)Reduction of shares capital	74	(c)30 days
65	(a)12 months	75	(d) Paying dividend
66	(d)Both	76	(a)Articles
67	(c) 5 to 10 years	77	(b) Central government
68	(a) 5%	78	(a) Free reserve
69	(a) 5%	79	(a)2:1
70	(d)All the above register	80	(b) Articles of association
UNIT-V			
81	(d)All of these	91	(a)Suspect fraud
82	(b)200	92	(a)2013
83	(a)1/5	93	(a)Clear instructions
84	(a)Central government	94	(a)Independently
85	(c)Ministry of corporate affairs	95	(a)Serious fraud investigation office
86	(a)Adirector	96	(a)211
87	(a)Rule3ofthecompanies(inspection,investigation and inquiry)rules,2014	97	(a)section 217
88	(a)Central government	98	(a)1956
89	(b)Special purpose	99	(a)1908
90	(a)Analytical	100	(a)Company

SECTION – B**1 MARKS****UNIT - I**

- 1) The basic function of accounting is to
 - a) attain non-economic goals
 - b) record economic data
 - c) classify and record business transaction
 - d) all the above
- 2) Financial accounting records only
 - a) Standard figures
 - b) Estimated figure
 - c) Actual figures
 - d) Both a and b
- 3) The branch of accounting which primarily deals with processing and presenting accounting data for internal use in a concern is
 - a) Inflation accounting
 - b) Cost accounting
 - c) Financial accounting
 - d) Management accounting
- 4) The term 'Management accountancy' was first used in
 - a) 1950
 - b) 1939
 - c) 1910
 - d) 1947
- 5) Management accounting is also known as
 - a) Price level accounting
 - b) Historical cost accounting
 - c) Financial accounting
 - d) Decision accounting
- 6) The prime function of management accounting is to
 - a) Assist tax authorities
 - b) Assist the management in performing its functions effectively
 - c) Interpret the financial data
 - d) Record business transactions
- 7) Management accounting provides valuable services to management in performing
 - a) Coordinating function
 - b) Controlling function
 - c) Planning functions
 - d) all managerial functions
- 8) Management accounting is an offshoot of
 - a) Financial accounting
 - b) Cost accounting
 - c) Cost accounting and inflation accounting
 - d) Cost accounting and financial accounting

- 9) Management accounting is basically concerned with
- a) Recording of transactions
 - b) the problem of choice
 - c) Causative relationship
 - d) only b and c
10. Management accounting analyses data with the help of
- a) Auditors
 - b) Statutory forms
 - c) Tools and techniques
 - d) Both a and b
11. Management accounting is suitable for
- a) Large industrial and trading concerns
 - b) Co-operative societies
 - c) Small businesses
 - d) Non-profit organizations
12. Management accounting and cost accounting functions are
- a) Neutral in effect
 - b) Complementary in nature
 - c) Contradictory in nature
 - d) To know profit or loss
13. Management accounting helps management in
- a) Preparation in Financial accounts
 - b) Raising finance
 - c) Filing tax returns
 - d) Decision making
14. Basic objectives of Management accounts is
- a) To ascertain profit or loss
 - b) To settle disputes between management and workers
 - c) To report to different levels of Management on reforms
 - d) To control cost
15. Management Accounting relates to
- a) Recording of accounting data
 - b) Recording of costing data
 - c) Presentation of accounting data
 - d) interpretation only
16. The use of management accounting is
- a) Compulsory
 - b) Optional
 - c) Obligatory
 - d) all the three
17. The function of management accounting is
- a) Modification of data
 - b) Planning
 - c) Financial Analysis
 - d) All the above
18. The role of management accounting information in assisting management is a
- a) Problem solving role
 - b) Organisational Role
 - c) Attention-directing role
 - d) cost control

19. The concept of management accounting was first coined and used by
- a) British Team of Accountants
 - b) Anglo American Productivity Council
 - c) The American Accounting Council
 - d) The Institute of Chartered Accountants of India
20. The scope of management accounting includes
- a) Financial accounting
 - b) Cost accounting
 - c) Budgeting and forecasting
 - d) All the three

UNIT – II

21. Financial statements provide a summary of
- a) Accounts
 - b) Assets
 - c) Liabilities
 - d) P & L
22. Financial statements are
- a) Anticipated facts
 - b) Recorded facts
 - c) Estimates of facts
 - d) All the above
23. When financial statements for a number of years are reviewed and analyzed, the analysis is known as
- a) Vertical analysis
 - b) Internal analysis
 - c) Horizontal analysis
 - d) Dynamic analysis
- 24) When ratios are calculated from the financial statements of one year, it is termed as
- a) Vertical analysis
 - b) Internal analysis
 - c) Horizontal analysis
 - d) Dynamic analysis
25. Horizontal Analysis is also known as
- a) Vertical analysis
 - b) Internal analysis
 - c) Horizontal analysis
 - d) Dynamic analysis
26. Interpretation broadly include
- a) Drawing conclusions
 - b) comparison and trendy study
 - c) Criticism and analysis
 - d) all of the above
27. The short term analysis of financial statements is mainly concerned with
- a) Stability of the concern
 - b) earning potential of the concern
 - c) Working capital analysis
 - d) Ratio analysis

28. Trend analysis is significant for
- a) Forecasting and budgeting
 - b) Profit planning
 - c) Capital rationing
 - d) Working capital management
29. In the long run analysis of financial statements, the stress is on the
- a) Stability and accounting potential of the concern
 - b) Earning potential of the concern
 - c) Working capital analysis
 - d) Capital rationing
30. The analysis by a banker for the purpose of granting cash credit to a concern is an example of
- a) Critical analysis
 - b) External analysis
 - c) Internal analysis
 - d) Dynamic analysis
31. Return on investments is a
- a) P& L A/C ratio
 - b) Balance Sheet Ratio
 - c) Combined ratio
 - d) Current ratio
32. The safe level for proprietary ratio is
- a) 0.50
 - b) 2
 - c) 1
 - d) 3
33. Solvency ratio indicates
- a) Credit worthiness
 - b) Activity
 - c) Profitability
 - d) Profit
34. The current assets to the current liabilities ratio is said to be satisfactory if it is
- a) 1:2
 - b) 2:1
 - c) 1:1
 - d) 3:2
35. Ratio of net profit before interest and tax to sales is
- a) Solvency ratio
 - b) Capital gearing
 - c) Operating profit ratio
 - d) Current Ratio
36. Low turnover of stock ratio indicates
- a) Solvency position
 - b) Monopoly situation
 - c) Overinvestment in industry
 - d) Liquidity position

37. Debt ratio is a
- a) Profitability ratio
 - b) Turnover ratio
 - c) Short term solvency ratio
 - d) Long term solvency ratio
38. Ratio analysis involves the process of
- a) Computation
 - b) Recording
 - c) Relationship between two items
 - d) Operating profit
39. A 'Ratio' is expressed in
- a) Weights
 - b) Rupees
 - c) Proportion
 - d) All the above
40. Market price per share divided by earnings per share is
- a) Earnings per share
 - b) Price Earnings ratio
 - c) Book value per share
 - d) Return on equity

UNIT – III

41. In the funds flow statement, depreciation is
- a) Deducted from net profit
 - b) Added to net profit
 - c) A source of working capital
 - d) ignored
42. Current assets include
- a) Land
 - b) Machinery
 - c) Furniture
 - d) Sundry Debtors
43. State which of the following is non-current asset?
- a) Goodwill
 - b) Debtors
 - c) Stock
 - d) Prepaid rent
44. State which of the following is non-current liability?
- a) Sundry creditors
 - b) Outstanding Expenses
 - c) Bank overdraft
 - d) Debentures
45. In broader sense, funds refer to
- a) Cash
 - b) All financial resources
 - c) Gross working capital
 - d) Net working capital

46. As per the popular sense, funds refer to
- a) Gross working capital
 - b) Cash
 - c) Net working capital
 - d) All financial resources
47. Transactions involving only current accounts cause
- a) Flow of funds
 - b) No flow of funds
 - c) Inflow of funds
 - d) Outflow of funds
48. Transactions involving only non-current accounts cause
- a) Flow of funds
 - b) No flow of funds
 - c) Inflow of funds
 - d) Outflow of funds
49. Transactions involving both current and non-current accounts cause
- a) Flow of funds
 - b) No flow of funds
 - c) Neither inflow nor outflow of funds
 - d) Net working capital
50. Depreciation on fixed assets causes
- a) A source of funds
 - b) An use of funds
 - c) No flow of funds
 - d) An outflow of funds.
51. Depreciation is
- a) An expense
 - b) A Non-operating expense
 - c) A non-cash expense
 - d) Preliminary Expenses
52. A decrease in current assets leads to
- a) No change in cash position
 - b) Inflow of cash
 - c) Outflow of cash
 - d) Profit and loss Account
53. An increase in current liabilities results in
- a) No movement
 - b) inflow of cash
 - c) Outflow of cash
 - d) Profit and loss account
54. Depreciation is
- a) Non –Cash expense
 - b) Non – Operating expense
 - c) cash expense
 - d) Pre-paid expense
55. While computing cash from operations, non-operating incomes are to be
- a) Add with the given net profit
 - b) ignored
 - c) Subtracted
 - d) All the above

56. Cash flow statement is useful for

- a) Long-term planning
- b) Medium –term planning
- c) Short-term planning
- d) All the above

57. The activities like goodwill written off, amortization of preliminary expenses and transfer of profit to general reserve are called

- a) Non- cash activities
- b) Non – trading activities
- c) Cash activities
- d) Operating activities

58. Cash from operation is an

- a) Application of cash
- b) internal source of cash
- c) External sources of cash
- d) Profit and loss account

59. Which of the following is internal source of cash?

- a) Issue of shares
- b) Borrowings from banks
- c) Sale of investment
- d) cash from operations

60. Which of the following is not an application of cash?

- a) Purchase of fixed assets
- b) Payment of Tax
- c) Redemption of debentures
- d) Cash from operations

UNIT - IV

61. One of the primary differences between marginal costing and absorption costing is regarding the treatment of

- a) Prime cost
- b) Fixed overheads
- c) Variable overheads
- d) Direct materials

62. Absorption costing differs from marginal costing is the

a) Fact the standard cost can be used with absorption costing but not with marginal costing

- b) Amount of cost assigned to individual units of products
- c) Kind of activities for which each can be used
- d) Amount of fixed cost that will be incurred

63. Contribution margin is also known as

- a) Marginal profit
- b) Gross profit
- c) Net profit
- d) Current profit

64. Period costs are

- a) Overhead costs
- b) Prime costs
- c) Variable cost
- d) Fixed costs

65. Contribution margin is equal to
- a) Fixed cost - Loss
 - b) Profit – Variable cost
 - c) Sales – Fixed cost - Profit
 - d) Sales - Contribution
66. P/V ratio is an indicator of
- a) The rate at which goods are sold
 - b) The volume of sales
 - c) The volume of profit
 - d) The rate of profit
67. Margin of safety is the difference between
- a) Planned sales and planned profit
 - b) Actual sales and Break-even sales
 - c) Planned sales and actual sales
 - d) All the above
68. An increase in variable cost leads to
- a) Increased P/V ratio
 - b) Increased net profit
 - c) Reduction of contribution
 - d) All the above
69. An increase in selling price
- a) Increases the Break-even point
 - b) Decreases the Break-even point
 - c) Does not affect the Break-even point
 - d) All the above
70. Selling price per unit Rs. 10, Variable cost Rs. 8 per unit, Fixed cost Rs. 20,000, Break even production in units
- a) 10,000
 - b) 16,300
 - c) 2,000
 - d) 2,500
71. Sales Rs. 25,000. Variable cost Rs. 8,000, Fixed cost Rs. 5,000, Break even sales in value
- a) Rs. 7,936
 - b) Rs. 7,353
 - c) Rs. 8,333
 - d) Rs. 9,090
72. Sales Rs. 25,000, Variable cost Rs. 15,000, Fixed cost Rs. 4,000, P/V ratio is
- a) 40%
 - b) 80 %
 - c) 15%
 - d) 30%
73. Sales Rs. 50,000, Variable cost Rs. 30,000, Net profit Rs. 6,000, Fixed cost is
- a) Rs. 10,000
 - b) 14,000
 - c) Rs. 12,000
 - d) Rs. 8,000
74. Break even point occurs at 40% of total capacity, margin of safety will be
- a) 40%
 - b) 60%
 - c) 80 %
 - d)85%
75. P/V ratio 50%, variable cost of the produce Rs. 25, selling price is
- a) Rs. 50
 - b) Rs. 40
 - c) Rs.30
 - d) Rs. 55
76. Fixed cost Rs. 2,00,000, Sales Rs 8,00,000, P/V Ratio 30%, the amount of profit is
- a) Rs. 50,000
 - b) Rs. 40,000
 - c) Rs. 35,000
 - d) Rs. 45,000

77. P/V ratio is 25% and margin of safety is Rs. 3,00,000 the amount of profit is
a) Rs. 1,00,000 b) Rs. 80,000 c) Rs. 75,000 d) Rs.60,000
78. Total sales Rs. 20,00,000, Fixed expenses Rs. 4,00,000, P/V ratio 40%, Break even capacity in percentage is
a) 40% b) 60% c)50% d) 45%
79. A Large Margin of safety indicates
a) Over production b) Over capitalization
c) The soundness of the business d) All the above
80. if the P/V ratio of the product is 30% and selling price is Rs. 25 per unit, the marginal cost of the product would be
a) Rs. 18.75 b) Rs. 16 c) Rs 15 d) Rs. 20

UNIT – V

81. The budget that is prepared first of all is
a) Cash budget b) sales budget c) Master budget d) flexible budget
82. Sales budget is a
a) Master budget b) fixed budget c) Functional budget d) expenditure budget
83. A summary budget for the entire enterprise is
a) Cash budget b) Master budget c) Flexible budget d) production budget
84. A budget which changes with the levels of activity is
a) Fixed budget b) flexible budget c) Cash budget d) All the above
85. Which one of the following is usually a long-term budget?
a) Cash budget b) sales budget
c) Capital expenditure budget d) fixed budget.
86. In the case of plant, the principal budget factor may be
a) Insufficient capacity b) shortage of skilled salesmen
c) Shortage of power d) All the above
87. Rolling budget is otherwise known as
a) Current budget b) Sales budget
c) Progressive budget d) flexible budget

88. A budget which presents the operation of an organization in terms of functions and activities is called.
- a) Sales budget
 - b) flexible budget
 - c) Performance budget
 - d) production budget.
89. The budget which commonly takes the form of budgeted Profit and Loss Account and Balance sheet is
- a) Cash budget
 - b) Master budget
 - c) Flexible budget
 - d) Production budget
90. In case of materials, the key factor may be
- a) Insufficient advertising
 - b) Restrictions imposed by quota
 - c) Poor salesmanship
 - d) Low market demand
91. The budget is
- a) a post-mortem analysis
 - b) a substitute of management
 - c) an aid to management
 - d) All the above
92. One of the most important tools of cost planning is
- a) Budget
 - b) Direct cost
 - c) Unit cost
 - d) Cost sheet
93. The fixed-variable cost classification has a special significance in the preparation of
- a) Capital budget
 - b) Cash Budget
 - c) Master budget
 - d) Flexible budget
94. The budget, which is prepared first of all is
- a) Master budget
 - b) Cash budget
 - c) Budget for key factor
 - d) All the above
95. Preparing budget figures for different levels of activity within range under flexible budgeting is
- a) Formula method
 - b) Multi activity method
 - c) Budget cost allowance method
 - d) Progressive method
96. What type of budget designed to take into account forecast change in costs, prices, etc.?
- a) Master budget
 - b) Rolling budget
 - c) Flexible budget
 - d) Functional budget

12. Discuss the importance of financial statements?
 13. From the following profit and loss A/C of x LTD., for the year ended 1988 and 1989. Prepare a comparative income statement for the year 1988 and 1989.

	1988	1989		1988	1989
To cost of goods sold	600	750	By Net sales	800	1000
To Administrative Exp	20	20			
To selling Expenses	30	40			
To Net Profit	150	190			
	800	1000		800	1000

14. Calculate Capital gearing ratio from the following information's:
 Equity share capital Rs 40,00,000
 6% Debentures Rs 10,00,000
 12% preference Share capital Rs 16,00,000
 Loan Rs 4,00,000
15. from the following particulars calculate Gross profit Ratio, Net profit Ratio and Operating ratio:
 Sales Rs. 5,00,000 Cost of goods sold Rs. 3,00,000
 Operating Exp Rs.1,00,000 Non operating Exp Rs. 20,000
16. Find out sales, closing stock, sundry debtors and sundry creditors
 Gross profit ratio 15% Stock velocity 6 months
 Debtors Velocity 3 months Creditors velocity 3 months
 Gross profit for the year amounts to Rs. 6,00,000. Closing stock is equal to opening stock
17. Describe various characteristics of ideal financial statements.
 18. Name the basic financial statements.
 19. Explain - Why common-size statements are also called 100 percentage statements
 20. Compute the Trend Percentages from the following data taking 2002 as the base year.

Year	Sales Rs.	Stock Rs.
2002	20,000	2,000
2003	26,000	2,500
2004	32,000	3,000
2005	31,000	2,800
2006	32,000	2,700
2007	30,000	2,900
2008	24,000	2,600

UNIT - III

21. List out any five sources of funds.
22. State any five uses of funds flow statement.
23. What are the limitations of funds flow statement?
24. Name three transactions that cause flow of funds.
25. Find out the changes in the working capital from the Balance sheet data given below:

	Dec, 31 2008	Dec. 31, 2009
Capital and Liabilities		
Share Capital	3,00,000	3,75,000
Trade Creditors	1,06,000	70,000
Profits and loss A/c	18,000	35,000
	4,24,000	4,80,000
Assets:		
Machinery	74,000	1,04,000
Stock in trade	1,21,000	1,36,000
Debtors	1,81,000	1,70,000
Cash	48,000	70,000
	4,24,000	4,80,000

26. From the following Balance sheet X co Ltd., you are required to prepare a schedule of changes in working capital and statement of flow of funds.

	Dec, 31, 2009	Dec, 31 , 2010
Assets:		
Land and Building	50,000	50,000
Plant	24,000	34,000
Stock	9,000	7,000
Debtors	16,500	19,500
Cash at Bank	4,000	9,000
Capital and Liabilities:		
Capital	80,000	85,000
Profit and Loss Application A/c	14,500	24,500
Creditors	9,000	5,000
Mortgage	—	5,000

36. Calculate the Break-even Point from the following figures:

	Rs.
Sales	30,000
Fixed expenses	75,000
Direct materials	1,00,000
Direct labour	60,000
Direct expenses	40,000

37. Calculate B.E.P in units and value for the following:

	Rs.
Total cost	50,000
Total variable cost	30,000
Sales (5,000 units)	50,000

38. Prepare marginal cost statement

Material	Rs. 70,000
Labour	Rs. 20,000
Variable overhead	Rs. 10,000
Sales	Rs. 4,00,000
Fixed cost	Rs. 2,50,000

39. Prepare marginal cost statement

Variable cost	Rs. 8,500
Fixed cost	Rs. 1,250
Sales	Rs. 15,000

40. Calculate BEP:

P/V ratio	40%
Total cost	Rs. 1,00,000
Variable cost	Rs. 60,000

UNIT - V

- 41. Define budgetary control?
- 42. What are the characteristics of a budget?
- 43. List the factors which you will take into account while preparing a sales budget?
- 44. What is the difference between forecasts and budget?
- 45. What are the main steps in budgetary control?
- 46. What is the difference between fixed and flexible budget?
- 47. Prepare a flexible budget for production at 80 per cent and 100 per cent activity on the basis of the following information:

Production at 50% capacity	5000 units
Raw materials	Rs. 80 per unit
Direct labour	Rs. 50 per unit
Direct Expenses	Rs. 15 per unit
Factory Expenses	Rs. 50,000 (50% fixed)
Administration expenses	Rs. 60,000 (60% variable)

- 48. The expenses budget for production of 10,000 units in a factory are furnished below:

	Rs. Per unit
Material	70
Labour	25
Variable overheads	20
Fixed overheads (Rs. 10,000)	10
Variable expenses (direct)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administration expenses (Rs. 50,000)	5
Total	155

Prepare a budget for the production of (a) 8,000 units, and (b) 6,000 units.

Hint: Assume that administration expenses are rigid for all levels of production.

49. Draw up a flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70%, 80%, and 90% plant capacity.

	At 80% capacity
	Rs.
Variable overheads:	
Indirect labour	12,000
Stores including spares	4,000
Semi- Variable overheads:	
Power (30% fixed, 70% variable)	20,000
Repairs and maintenance (60% fixed, 40% variable)	2,000
Fixed overheads:	
Depreciation	11,000
Insurance	3,000
Salaries	10,000
Total overheads	62,000
Estimated direct labour hours	1,24,000

50. From the following data, prepare a flexible budget for a production of 40,000 units and 75,000 units, distinctly showing variable cost and fixed cost as well as total cost. Also indicate elements-wise cost per unit. Budgeted output is 1,00,000 units and budgeted cost per unit is as follows:

	Rs.
Direct material	95
Direct labour	50
Production overhead (variable)	40
Production overhead (fixed)	5
Administration overhead (fixed)	5
Selling overhead (10% fixed)	10
Distribution overhead (20% fixed)	15

SECTION – C

8 MARKS

UNIT – I

1. Mention the various Tools and Techniques used in management accounting system.
2. “Management accounting provides immense help in managerial decision making” Discuss.
3. “Management Accounting is the best tool for the management to achieve higher profits and efficient operations”. Discuss.
4. In the light of the above statement, discuss the functions of financial accounting and management accounting.
5. “While financial accounting is external management accounting is internal to business” Discuss.
6. Distinguish between Cost Accounting and Management Accounting
7. Distinguish between Financial Accounting and Cost Accounting
8. Briefly explain the functions of management accounting.
9. Explain the functions and duties of management accountant.
10. Explain the system of installation of management accounting in an organization.

UNIT – II

11. You are required to prepare common Size balance sheet and interpret the results

Liabilities	1988	1989	Assets	1988	1989
Equity share Capital	3,20,000	4,80,000	Land and buildings	2,64,000	6,52,800
Capital reserve	80,000	1,28,000	Furniture	7,200	14,400
Revenue Reserve	1,77,600	1,67,200	Machinery	44,800	59,200
6% Debentures	1,60,000	2,60,000	Investments	2,16,000	1,36,000
Sundry creditors	2,04,000	93,600	Stock	1,28,000	1,04,000
Bills payable	5,600	8,000	Book Debts	1,67,200	1,52,000
			Bills receivables	25,600	10,400
			Cash at bank	94,400	8,000
	9,47,200	11,36,800		9,47,200.	11,36,800

12. Briefly discuss the technique used in the financial analysis and interpretation.
13. Explain the limitations of Ratio Analysis.
14. what is ratio analysis? Explain its various types?
15. From the following information calculate a) Fixed Assets b) Debtors c) Stock d) Creditors.

Stock Velocity

6

23. Discuss in detail the procedure of preparing a fund flow statement.
24. List out the transactions which do not result in flow of funds with examples.
25. Following are the summarized Balance Sheets of X Ltd. as on 31st December 2007 and 2008:-

Liabilities	2007 Rs.	2008 Rs.	Assets	2007 Rs.	2008 Rs.
Share capital	4,50,000	4,50,000	Fixed	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Assets	50,000	60,000
Profit & Loss A/c	56,000	68,000	Investments	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Stock	2,10,000	4,55,000
Provision for Taxation	75,000	10,000	Debtors	1,49,000	1,97,000
Loan (Short-term)	-	2,70,000	Bank		
	10,49,000	12,42,000		10,49,000	12,42,000

Additional Information:

1. Investment costing Rs. 8,000 were sold during the year 2008 for Rs. 8,500
2. Provision for taxation made during the year 2008 was Rs.9000
3. During the year 2008, part of fixed assets costing Rs. 10,000 were sold for Rs. 12,000
4. Dividend paid during the year 2008 for the year ended, 2008.

Hint.

- a. Investment are considered as trade investments
- b. Provision for taxation has been considered as a current liability.
- c. Loan appearing in 2008 is assumed to be a temporary loan, i.e., a current liability.
- d. If provision for taxation is not taken as a current liability, Net Increase in W.C is Rs. 27,000 Funds from operations Rs. 1,38,500.

26. From the given balance sheets of A Ltd, make out:

- a. Statement of changes in the working capital.
- b. Funds flow statement.

Following is the additional information available:

1. Depreciation of Rs. 10,000 and Rs.20,000 has been charged on Plant and Land Building respectively in 2006.

2. An interim dividend of Rs. 20,000 has been paid in 2006.
3. Income tax of Rs. 35,000 has been paid in 2006.

Liabilities	2005 Rs.	2006 Rs.	Assets	2005 Rs.	2006 Rs.
Equity Share Capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
12% Redeemable Pref.			Land and	2,00,000	1,70,000
Share capital	1,50,000	1,00,000	Building	80,000	2,00,000
General Reserve	40,000	70,000	Plant	1,60,000	2,00,000
Profit and Loss A/c	30,000	48,000	Debtors	77,000	1,09,000
Proposed Dividends	42,000	50,000	Stock	20,000	30,000
Creditors	55,000	83,000	B.R	15,000	10,000
Bills Payable	20,000	16,000	Cash	10,000	8,000
Provision for Taxation	40,000	50,000			
	6,77,000	8,17,000		6,77,000	8,17,000

(Hint: provision for tax has been taken as a non- current liability presuming that last year's dividend must have been paid during the current year.)

27. You are given the following estimates and are instructed to add 10% to your computed figure to allow for contingencies:

- 1) Average amount locked up for stocks:
 - Stock of finished goods Rs 5,000
 - Stock of stores and materials Rs 8,000
- 2) Average credit given:
 - Inland sales – 6 weeks credit Rs. 3,12,000
 - Export sales – 1 1/2 weeks credit Rs. 78,000
- 3) Lag in payment of wages and other outgoings:
 - Wages – 1 1/2 weeks Rs 2,60,000
 - Stores, materials – 1 1/2 months Rs. 48,000
 - Rent and royalties 6 months Rs. 10,000
 - Clerical staff – 1/2 month Rs. 62,400
 - Manager – 1/2 month Rs. 4,800
 - Miscellaneous Expenses – 1 1/2 months Rs. 48,000
- 4) Payments in advance:
 - Sundry expenses (Paid quarterly in advance) Rs 8,000
- 5) undrawn profits on the average throughout the year Rs. 11,000

Set up your calculation for the average amount of working capital required.

28. The following are the ratios relating to the activities of Modern Traders Limited:

- Stock velocity : 6 Months
- Creditor's velocity : 2 months
- Debtors Velocity : 3 months
- Gross profit Ratio : 25%

Gross profit for the year ended 31st Dec. 2004 amounts to Rs. 4,00,000. Closing stock of the year is Rs. 10,000 above the opening stock . Bills receivable amounts to Rs. 25,000 and bills payable to Rs. 10,000.

Find out:

- i. Sales
- ii. Purchases
- iii. Sundry Creditors
- iv. Sundry Debtors
- v. Closing stock.

29. Discuss the managerial uses of funds flow statement. What are its limitations?

30. The following were the balance sheets of Anand & Blau as on 1.1.2009 and 31.12.2009

Liabilities	1.1.2009 Rs.	31.12.2009 Rs.	Assets	1.1.2009 Rs.	31.12.2009 Rs.
Creditors	45000	49000	Cash	10,000	7,000
Mrs. Anand's loan	20000	–	Debtors	30,000	50,000
SBI Loan	40000	50,000	Stock	40,000	35,000
Capital	1,25,000	1,53,000	Machinery	1,00,000	90,000
Provision for depreciation	25000	40,000	Land	40,000	50,000
			Building	35,000	60,000
	2,55,000	2,92,000		2,55,000	2,92,000

Additional information

During the year a machine Rs.10000 was sold without any loss . Net profit for the year 2009 amounted to Rs.45,000. Prepare a cash flow statement.

UNIT -IV

- 31. Explain the concept of marginal costing. What are the characteristics and assumptions of marginal costing?
- 32. Give a comparative description of absorption costing and marginal costing.
- 33. What is contribution? How does it help management in solving various problems?
- 34. Explain the term 'break-even point'. How it determined and what is its use?
- 35. Discuss the importance of following terms in relation to marginal costing:
 - (a) Break-even point
 - (b) P/V Ratio
 - (c) Angle of incidence
 - (d) Margin of safety

36. "The technique of marginal costing can be a valuable aid to management". Discuss.

37. from the following data, ascertain a) P/V ratio b) BEP and c) Margin of safety at the current sales level

Sales Rs.20,000

Variable Cost Ra. 10,000

Fixed cost Rs. 6,000

38. Calculate a) P/V ratio b) BEP c) Sales to earn a profit of Rs. 1, 00,000

d) Profit when sales are Rs. 7,50,000 e) Revised BEP when fixed cost is Rs. 2,50,000

Sales Rs. 5,00,000

Variable cost Rs.4,00,000

Fixed cost Rs. 2,00,000

39. you are given the following data

Fixed cost Rs. 40,000

Variable cost Rs. 2 per unit

Selling price Rs. 10 per unit

Calculate a) BEP in units and rupees

b) Profits when sales are Rs. 1,00,000 and

Rs. 80,000 c) Sales when it desired profit of Rs. 30,000.

40. Following information is obtained from Nathan & co for the year 2004.

Sales Rs. 20,000

Variable cost Rs. 10,000

Fixed cost Rs. 6,000

1) Find the P/V ratio, BEP and Margin of safety

2) Calculate the effect of

a) 20% decrease in fixed cost

b) 10% decrease in variable cost

c) 10% increase in selling price

UNIT - V

41. A department of AXY company attains sales of Rs. 6,00,000 at 80% of its normal capacity. Its expenses are given below:

Rs. Selling Costs:		
Office salaries	90,000 salaries	8% of sales
General expenses	2% of sales	Travelling expenses 1% of sales
Depreciation	7,500	Sales office 1% of sales
Rent and rates	8,750	general expenses 1% of sales
Distribution costs:		
Wages	15,000	
Rent	1% of sales	
Other expense	4% of sales	

Draw up flexible administration, Selling and Distribution Costs Budget, operating at 90 per cent, 100 per cent and 110 per cent of normal capacity.

42. PK & Co. produce 4,000 units per month of a certain product at 100% capacity. The following information is obtained:

	Aug	Sep
Units produced	2,800	3,600
	Rs.	Rs.
Repairs and maintenance	500	560
Power	1,800	2,000
Shop labour	700	900
Consume stores	1,400	1,800
Salaries	1,000	1,000
Inspection	200	240
Depreciation	1,400	1,400

Rate of production per hour is 10 units. Direct material cost per units is Re 1 and direct wages per hour is Rs 4. You are required to: (i) Compute the cost of production at 100%, 80% and 60% capacity showing the variable, fixed and semi-variable items under the flexible budget. (ii) Find out the overhead absorption rate per unit at 80% capacity.

43. What is budgetary control system? State advantages of budgetary system in an organization.
44. Define ‘budget’ and ‘budgetary control’. State the advantages control in an organization.
45. Discuss the advantages and limitations of budgetary control.
46. Describe the types of budgets.
47. What do you understand by budgetary control? What are the essentials for the success of a budgetary control system?
48. What are the different kinds of budgets? What is master budget?
49. The expenses budgeted for production of 5000 units in a factory are furnished below:

Particulars	Per Unit Rs.
Materials	40
Labour	30
Direct Expenses	20
Factory Expenses (30% fixed)	30
Selling and distribution expenses (15% fixed)	20
Administrative Expenses (100% Fixed)	5

Prepare a flexible budget for production of 1) 4,000 units and 2)7,000 units and also calculate the cost per unit at those levels of production

50. From the following particulars, prepare a production budget of Arun sales co operation for the year ended June 30, 1987.

Product	Sales(Units) (as per sales budget)	Estimated stock (Units)	
		July 1, 1986	June 30, 1987
A	1,50,000	14,000	15,000
B	1,00,000	5,000	4,500
C	70,000	8,000	8,000

UNIT - I			
1	c) classify and record business transaction	11	a) Large industrial and trading concerns
2	c) Actual figures	12	b) Complementary in nature
3	d) Management accounting	13	d) Decision making
4	a) 1950	14	c) To report to different levels of Management on reforms
5	d) Decision accounting	15	c) Presentation of accounting data
6	b) Assist the management in performing its functions effectively	16	b) Optional
7	d) all managerial functions	17	d) All the above
8	d) Cost accounting and financial accounting	18	c) Attention-directing role
9	d) only b and c	19	b) Anglo American Productivity Council
10	c) Tools and techniques	20	d) All the three

UNIT - II			
21	a) Accounts	31	c) Combined ratio
22	b) Recorded facts	32	a) 0.50
23	c) Horizontal analysis	33	a) Credit worthiness
24	a) Vertical analysis	34	b) 2:1
25	d) Dynamic analysis	35	c) Operating profit ratio
26	d) all of the above	36	c) Overinvestment in industry
27	c) Working capital analysis	37	d) Long term solvency ratio
28	a) Forecasting and budgeting	38	a) Computation
29	a) Stability and accounting potential of the concern	39	c) Proportion
30	c) Internal analysis	40	b) Price Earnings ratio

UNIT - III			
41	b) Added to net profit	51	(c) A non-cash expense
42	d) Sundry Debtors	52	b) Inflow of cash
43	a) Goodwill	53	b) inflow of cash
44	d) Debentures	54	a) Non –Cash expense
45	b) All financial resources	55	c) subtracted
46	c) Net working capital	56	c) Short-term planning
47	b) No flow of funds	57	a) Non- cash activities
48	b) No flow of funds	58	b) internal source of cash
49	a) Flow of funds	59	d) cash from operations
50	a) A source of funds	60	d) cash from operations

UNIT - IV			
61	b) Fixed overheads	71	b) Rs. 7,353
62	b) Amount of cost assigned to individual units of products	72	a) 40%
63	a) Marginal profit	73	b) 14,000
64	d) Fixed costs	74	b) 60%
65	a) Fixed cost - Loss	75	a) Rs. 50
66	d) The rate of profit	76	b) Rs. 40,000
67	b) Actual sales and Break-even sales	77	c) Rs. 75,000
68	c) Reduction of contribution	78	c)50%
69	b) Decreases the Break-even point	79	c) The soundness of the business
70	a) 10,000	80	a) Rs. 18.75

UNIT - IV			
81	b) sales budget	91	c) an aid to management
82	c) Functional budget	92	a) Budget
83	b) Master budget	93	d) Flexible budget
84	b) flexible budget	94	c) Budget for key factor
85	c) Capital expenditure budget	95	b) Multi activity method
86	a) Insufficient capacity	96	b) Rolling budget
87	c) Progressive budget	97	d) one year or less
88	c) Performance budget	98	b) U.S.A
89	b) Master budget	99	b) Function
90	b) Restrictions imposed by quota	100	a) Mr. Jimmy Carter

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SECTION A

1 MARKS

UNIT I

1. Basic objective of Financial Management is
 - a) Maximization of profit
 - b) Maximization of Shareholders Wealth
 - c) Maximization of goodwill
 - d) Ensuring financial discipline
2. The job of a finance manager is confined to
 - a) Raising of funds
 - b) Management of Cash
 - c) Increase profitability
 - d) Raising of funds & their effective utilization.
3. Financial decisions involve
 - a) Investment, Financing, & dividend
 - b) Investment, Financing, & Sales
 - c) Financing, dividend & Cash
 - d) Financing, dividend & Purchases
4. To financial analyst, "net working capital" means
 - a) Total assets
 - b) Fixed assets
 - c) Current assets
 - d) Current assets minus current liabilities
5. Financial management is mainly concerned with
 - a) Acquiring and utilizing resources
 - b) Arrangement of funds
 - c) Efficient management
 - d) Profit maximization
6. The finance manager is mainly responsible for
 - a) Proper utilization of funds
 - b) Arrangement of financial resources
 - c) Acquiring capital assets
 - d) Efficient management of capital
7. Market value of shares are decided by
 - a) The respective companies
 - b) The investment market
 - c) The government
 - d) Shareholders
8. The financial assets are
 - a) Bonds
 - b) Machines
 - c) Stocks
 - d) Bonds and Stocks
9. Which of the following would be considered a risk free investment?
 - a) Gold
 - b) Equity in a house
 - c) High grade corporate bonds
 - d) Treasury bills
10. The decision to invest a substantial sum in any business venture expecting to earn a minimum return is called
 - a) Working capital decision
 - b) Investment decision
 - c) A production decision
 - d) A sale decision

11. Treasury bills are traded in
- a) Money market
 - b) Capital market
 - c) Government market
 - d) Regulated market
12. Shares having no face value are known as
- a) No par stock
 - b) At par stock
 - c) Equal stock
 - d) Debt equity stock
13. Which of the following is not an objective of financial management?
- a) Maximization of wealth
 - b) Maximization of profit
 - c) Mobilization of funds
 - d) Ensuring discipline in the organization
14. The long run objective of financial management is
- a) Maximize EPS
 - b) Maximize value of firm's common stock
 - c) Maximize return on investment
 - d) Maximize market share
15. Which of the following is concerned with maximization of firm's stock price?
- a) Profit maximization
 - b) Maximization of shareholders wealth
 - c) Stakeholders welfare maximization
 - d) EPS maximization
16. The distribution of profits of a company among its shareholders is
- a) Shares
 - b) Interest
 - c) Dividend
 - d) Commission
17. Stockholders that do not get benefits even if the company's earnings grow are
- a) Preferred stockholders
 - b) Common stockholders
 - c) Hybrid stockholders
 - d) Debt holders
18. Financial management is
- a) Net addition to capital stock
 - b) Employment of funds to earn returns
 - c) Commitment to buy a flat
 - d) Employment of funds on goods and services
19. A finance manager's concern must be to maintain
- a) Solvency
 - b) Maturity
 - c) Profitability
 - d) Liquidity
20. In the real world, corporate finance managers have the following goals in mind while declaring dividends:
- a) Projects with positive NPV
 - b) Resort to dividend cuts as and when needed
 - c) Maintain a long term target
 - d) Avoid the need to raise fresh equity

UNIT II

21. Capital Budgeting is related to
- a) Long term assets
 - b) Short term assets & Long term assets
 - c) Short term assets
 - d) Fixed assets
22. Present value takes
- a) Discounting rate
 - b) Compounding rate
 - c) Inflation rate
 - d) Deflation rate
23. The company's cost of capital is called
- a) Leverage
 - b) Hurdle rate
 - c) Risk rate
 - d) Return rate
24. Cost of retained earnings is equal to
- a) Cost of equity
 - b) Cost of debt
 - c) Cost of Bank loans
 - d) Cost of term loans
25. The approach under which the investor arrives at the market price of an equity shares by capitalising the set of expected dividend payment
- a) Dividend price
 - b) Earnings price
 - c) Dividend price plus growth
 - d) Realised yield
26. The available capital funds are to be carefully allocated among competing projects by careful prioritization. This is called
- a) Capital positioning
 - b) Capital structuring
 - c) Capital rationing
 - d) Capital budgeting
27. The cost of capital of a long term debt is generally
- a) Lower than the owned funds
 - b) Equal to that of owned funds
 - c) More or less than owned funds
 - d) Higher than that of owned funds
28. Short term sources are
- a) Bank credit
 - b) Public deposit
 - c) Commercial paper
 - d) Equity share
29. Cost of each component of capital is termed as
- a) Explicit cost
 - b) Implicit cost
 - c) Specific cost
 - d) Historical cost
30. The approach under which the cost of equity capital is determined on the basis of the expected dividend rate plus the rate of growth in dividend
- a) Dividend price plus growth
 - b) Earnings price
 - c) Dividend price
 - d) Realised yield

31. The approach under which the cost of capital is affected by debt- equity mix is
- a) Historical approach
 - b) Traditional approach
 - c) MM approach
 - d) Modern approach
32. The cash inflows on account of operations are presumed to have reinvested at the cut off rate in case of
- a) Pay back method
 - b) Discounted cash flow method
 - c) Accounting rate of return
 - d) Internal rate of return
33. Debentures are paid a fixed rate of
- a) Dividend
 - b) Brokerage
 - c) Commission
 - d) Interest
34. Ownership securities are represented by
- a) Stock
 - b) Loan
 - c) Debt
 - d) Debentures
35. The minimum rate of return a firm must earn on its investments to keep the investors satisfied is termed as
- a) Capital structure
 - b) Capital rationing
 - c) Capital budgeting
 - d) Cost of capital
36. While evaluating capital investment proposals, the time value of money is considered in case of
- a) Pay back method
 - b) Discounted cash flow method
 - c) Internal rate of return
 - d) Accounting rate of return
37. The return after the pay off period is not considered in case of
- a) Pay back method
 - b) Discounted cash flow method
 - c) Internal rate of return
 - d) Accounting rate of return
38. The formula for cost of debt is
- a) $f+p$
 - b) $f*p$
 - c) $f-p$
 - d) $kd = (1/2+f-p) / f+p$
39. Net Present Value is a popular method which falls
- a) With in discount cash flow method
 - b) With in non discount cash flow method
 - c) No discount cash flow
 - d) Equal Within non discount cash flow
40. In proper capital budgeting analysis we evaluate incremental
- a) Accounting income
 - b) Cash flow
 - c) Earnings
 - d) Operating profit

UNIT III

41. Operating leverage measures
- a) Business risk
 - b) Financial risk
 - c) Production risk
 - d) Business and Production risk
42. Financial leverage helps one to estimate
- a) Business risk
 - b) Financial risk
 - c) Production risk
 - d) Business and Production risk
43. Operating leverage * financial leverage=
- a) Combined leverage
 - b) Operating combined leverage
 - c) Financial combined leverage
 - d) Fixed leverage
44. EBIT is usually the same thing as
- a) Funds provided by operations
 - b) Earnings before taxes
 - c) Net income
 - d) Operating profit
45. When a company uses increased fixed cost for production, this is an example of what type of leverage.
- a) Operating leverage
 - b) Variable cost leverage
 - c) Financial leverage
 - d) Combined leverage
46. The mix of different sources of long term funds
- a) Capital budgeting
 - b) Capital structure
 - c) Capital reasoning
 - d) Cost of capital
47. The arbitrary process is the behavioral foundation for the
- a) MM approach
 - b) Gorder approach
 - c) XX approach
 - d) Miller approach
48. Financial leverage is also known as
- a) Trading on equity
 - b) Interest on equity
 - c) Trading on debt
 - d) Interest on debt
49. A firm will have favourable leverage if its earnings are more than the
- a) Debt cost
 - b) Earnings
 - c) Interest
 - d) Equity
50. Operating leverage is=
- a) Contribution/ EBIT
 - b) Contribution/EBT
 - c) Contribution/operating EBT
 - d) Contribution/Total Expenses

51. The formula for EBIT is
- a) Sales – Variable cost
 - b) Sales-Fixed cost
 - c) Contribution-Fixed cost
 - d) Sales + Fixed cost
52. Altering the leverage ratio does not influence the market value of the firm. This is the basic premise of
- a) Net income approach
 - b) MM approach
 - c) Traditional approach
 - d) Net operating income approach
53. Financial risk is most associated with
- a) The use of equity financing
 - b) The use of debt financing by corporations
 - c) Equity investments held
 - d) Debt investments held by corporations
54. Which of the following factors does not affect the capital structure of a company?
- a) Cost of capital
 - b) Composition of the current assets
 - c) Size of the company
 - d) Expected nature of cash flows
55. Which of the following is not related to overall market variability?
- a) Financial risk
 - b) Interest rate risk
 - c) Purchasing power risk
 - d) Market risk
56. If interest rates rise, the risk which also rise is
- a) Business risk
 - b) Liquidity risk
 - c) Financial risk
 - d) Inflation risk
57. This type of risk is avoidable through proper diversification
- a) Portfolio risk
 - b) Unsystematic risk
 - c) Systematic risk
 - d) Total risk
58. The approach under which the market value of the firm is affected by capital structure changes
- a) Net income approach
 - b) MM approach
 - c) XX approach
 - d) Net operating income approach
59. The risk that arises due to change in the purchasing power is called
- a) Financial risk
 - b) Business risk
 - c) Interest rate risk
 - d) Inflation risk
60. M.M Approach is similar to
- a) Net Income approach
 - b) Net Operating Income approach
 - c) Traditional theory approach
 - d) MM approach

UNIT IV

61. Dividend is paid out of
- a) Profit
 - b) Reserve
 - c) Appropriation
 - d) Interest
62. A usual method of paying dividend is
- a) Cash
 - b) Scrip
 - c) Property
 - d) Stock
63. A firm having ' $r < k$ ' can be termed as
- a) Growth firm
 - b) Declining firm
 - c) Normal firm
 - d) Liquidity firm
64. A firm having ' $r > k$ ' can be termed as
- a) Liquidity firm
 - b) Declining firm
 - c) Normal firm
 - d) Growth firm
65. The policy concerning quantum of profits to be distributed as dividend is termed as
- a) Investment policy
 - b) Profit policy
 - c) Dividend policy
 - d) Reserve policy
66. Dividends are paid
- a) Monthly
 - b) Quarterly
 - c) Semi-annually
 - d) Yearly
67. If preferred stock issue is cumulative, this means
- a) Dividends are paid at the end
 - b) Unpaid dividends are never paid
 - c) Dividends are legally binding
 - d) Unpaid dividends will be paid in future
68. A company having easy access to the capital markets can follow the type of dividend policy
- a) Liberal
 - b) Formal
 - c) Strict
 - d) Varying
69. Which of the following is the assumption of the MM model on dividend policy?
- a) The firm is an all equity firm
 - b) The firm has an infinite life
 - c) The investments are financed by retained earnings
 - d) Capital markets are not perfect
70. Which of the following methods does a firm resort to avoid dividend payments?
- a) Share splitting
 - b) Declaring bonus shares
 - c) Rights issue
 - d) New issue

71. The method of raising equity capital from existing members by offering securities on pro rata basis is referred to as
- a) Public issue
 - b) Rights issue
 - c) Private placement
 - d) Bought- Out- Deal
72. High price to earning ratio shows company's
- a) Low dividends paid
 - b) High risk prospect
 - c) High growth prospect
 - d) High marginal rate
73. Irrelevance concept of dividend is associated with
- a) Modigliani and Miller
 - b) James Walter
 - c) Myron Gordon
 - d) Richardson
74. When the dividend is paid in the form of assets, it is referred as
- a) Cash dividend
 - b) Property dividend
 - c) Stock dividend
 - d) Bond dividend
75. An extra dividend to the shareholders in a joint stock company from surplus profit is
- a) Rights shares
 - b) Dividend
 - c) Extra Shares
 - d) Bonus shares
76. The model which is based on relationship between 'r' and 'k'
- a) Linter model
 - b) Miller model
 - c) Bosch model
 - d) Walter model
77. The most appropriate dividend policy is the payment of
- a) Varying dividend per share
 - b) Constant dividend per share
 - c) Proportionate dividend per share
 - d) Disproportionate dividend per share
78. A firm should have 100 % dividend payout ratio when
- a) $r=k$
 - b) $r+k$
 - c) $r<k$
 - d) $r>k$
79. Which of the following results in dilution of the market price of the company's equity shares?
- a) Rights shares
 - b) Bonus shares
 - c) Private placement
 - d) Debt
80. The another name for bonus shares is
- a) Cash dividend
 - b) Stock dividend
 - c) Bond dividend
 - d) Cash dividend

UNIT V

81. Equity shareholders are called
- a) Owners of the company
 - b) Partners of the company
 - c) Executives of the company
 - d) Creditors of the company
82. The large single institutional owner of common stocks is
- a) Insurance companies
 - b) Mutual funds
 - c) Pension funds
 - d) Commercial banks
83. Treasury bills are traded in
- a) Money market
 - b) Capital market
 - c) Government market
 - d) Regulated market
84. Which of the following would not be considered as capital market security?
- a) A corporate bond
 - b) A common stock
 - c) A 6-month treasury bill
 - d) A mutual fund share
85. Trade credit is a source of
- a) Long term finance
 - b) Very long term finance
 - c) Short term finance
 - d) Medium term finance
86. Interest payable on debenture is
- a) A charge against profits
 - b) An appropriation of profits
 - c) Disproportionate to profits
 - d) More than the profits earned
87. Stock invest facility is not available to
- a) An individual investor
 - b) A limited company
 - c) A government company
 - d) A mutual fund
88. CDs cannot be issued by
- a) State Bank of India
 - b) Scheduled Commercial Banks
 - c) Regional Rural Banks
 - d) IFCI
89. The Physical possession of equity shares in case of a GDR is with
- a) Depositor
 - b) Custodian
 - c) Foreign investor
 - d) Foreign bank
90. Zero coupon bonds carry
- a) Coupons for payment of interest
 - b) Heavy interest
 - c) No maturity value
 - d) No interest
91. The unsecured money market instrument issued in the form of promissory note is
- a) Certificate of deposit
 - b) Commercial Paper
 - c) Deep Discount bonds
 - d) Zero coupon bonds

92. An act of buying an asset in one market and selling it in another market for higher price.
- a) Lock box system
 - b) Speculation
 - c) Black market
 - d) Arbitrage
93. _____ means using and controlling over the assets without buying and owning the same.
- a) Hire Purchase
 - b) Factoring
 - c) Leveraging
 - d) Leasing
94. The other name for Service lease.
- a) Financial lease
 - b) Operating lease
 - c) Direct lease
 - d) Leveraged lease
95. In leasing, the owner of the asset is called _____
- a) Lessor
 - b) Lessee
 - c) Lender
 - d) Borrower
96. A lease agreement grants lessee the right to
- a) Own the asset
 - b) Use the asset
 - c) Own and use the asset
 - d) Sale the asset
97. The capital lease is the another name of
- a) Operating lease
 - b) Finance lease
 - c) Leveraged lease
 - d) Sale and lease back
98. The lease under which a firm sells an asset to another person who in turn leases it back to the firm is
- a) Operating lease
 - b) Finance lease
 - c) Leveraged lease
 - d) Sale and lease back
99. A long term arrangement which is irrevocable during its primary lease period is termed as
- a) Capital lease
 - b) Leveraged lease
 - c) Finance lease
 - d) Sale and lease back
100. The lessor should record an asset given under a finance lease as
- a) Property, plant and equipment
 - b) Receivable
 - c) Current liability
 - d) Current asset

SECTION B

5 MARKS

UNIT - I

1. Define Financial Management.
2. What are the financial decisions?
3. State the features of financing and investment decisions
4. Explain in detail about Investment decision
5. Discuss about nature of financial management.
6. Narrate any 5 scope of financial management.
7. "The wealth maximization objective provides an operationally appropriate decision criterion". Give your views on the above statement.
8. Distinguish between Profit maximization vs. Wealth maximization objective of the firm.
9. What are the objectives of financial management?
10. What is wealth maximization goal? How is it superior to profit maximization goal?

UNIT - II

11. Define cost of capital. Explain its significance
12. Write a short note on
 - a) Internal Rate of Return
 - b) Capital Rationing
13. What is capital budgeting? Examine its needs and importance.
14. X Ltd issues Rs.100000 9% debentures at a premium of 10%. The costs of flotation are 2%. The tax rate applicable to the company is 60%. Compute the cost of debt capital.
15. A company issues 10,000 10% preference share of Rs100 each. Cost of issue is Rs.2 per Share. Calculate the cost of preference capital when they are issued at (a) at par (b) 10% Premium and (c) 5% discount.
16. A project requires an initial investment of Rs.20000. Annual cash inflow for 5 years are Rs. 6000, Rs. 8000, Rs, 5000, Rs. 4000 and Rs.4000 respectively. Compute the Pay-back Period.
17. A firm K_e (cost of equity share), available to the shareholders is 15%. the average tax rate of the share holders is 40% and it is expected that 2% is the brokerage cost, that shareholders will have to pay while investing their dividends in alternative securities. What is the cost of Retained earnings?
18. Calculate discounted payback period from the following information given below

Cost of the project	Rs 8,00,000
Life of the project	6 years
Annual cash Inflow	2,00,000
Cut off rate @10% are(1yr-0.909,2yr-0.826,3yr-0.751,4yr-0.683,5yr-0.621)	

19. Explain in detail about the computation of various cost of capital.
20. Distinguish between 'Net Income to capital structure' and 'Net operating income to capital structure'

UNIT - III

21. Write a short note on Composite Leverage.
22. Calculate the Operating, Financial and Combined leverage from the following:
Interest Rs.5000 Sales Rs.50000 Variable Cost Rs.25000 Fixed Cost Rs.15000
23. List out the formulas to compute different leverages.
24. What are the limitations of financial leverage?
25. Write a short note on 1) Net Income Approach 2) Net Operating Income Approach
26. The capital structure of a company consists of the following securities. 10% preference share capital Rs.100000. Equity share capital (rs.10 shares) Rs.100000. the amount of EBIT is Rs.60000. the company is in 50% tax bracket. Calculate financial leverage of the company. What would be the new financial leverage if EBIT is Rs.90,000.
27. A company expects a net income of Rs 80,000. It has Rs 2,00,000 8% debentures. The equity capitalization rate is 10%.calculate the value of the firm under Net income approach
28. Give a short note on
 - i) Capital structure
 - ii) Financial structure
 - iii) Arbitrage
 - iv) Optimal capital structure
29. Write about planning the capital structure in IT organization
30. State the limitations of MM approach of capital structure

UNIT - IV

31. What are the forms of dividends?
32. Write a short note on MM Approach

33. Shanu & co earns Rs 6 per share capitalization rate of 10% and has a return on investment at the rate of 20%. According to Walters's model what should be the price per share @ 30% dividend payout ratio? Is this the optimum payout ratio as per Walter s approach?
34. Give the assumptions under Walter's Approach in dividend policy.
35. What are the two irrelevant concepts of dividend?
36. What are the types of dividend policy?
37. What are the assumptions of Walter and Gordon's model?
38. The current price of the company's share is rs.75 and dividend per share is rs.5. Calculate the dividend growth rate, if its capitalization rate is 12%.
39. What is a bonus issue/stock dividend? What are its advantages and disadvantages?
40. Give a brief outline of the Securities and Exchange Board of India (SEBI) guidelines on right issues.

UNIT - V

41. Explain the concept of leasing
42. Distinguish between Leveraged lease and Lease back lease
43. Write a note on operating lease.
44. What are the advantages of leasing to the lessee?
45. What are the disadvantages of leasing to lesser?
46. Differentiate between shares and Debentures.
47. Discuss the functions of stock market
48. Why preference share is called a hybrid source of finance. Explain its types.
49. Explain the Characteristics of equity shares
50. Distinguish between forwards and futures.

SECTION C

8 MARKS

UNIT - I

1. What is financial management? Explain its scope in detail
2. Explain the role of Finance manager in the changing scenario of financial management in India
3. What are the important functions performed by financial manager?
4. What are the major finance functions? Explain the three major decisions taken by finance functions.

5. Financial Management is something more than an art of accounting and book keeping.” Explain
6. “Finance function is closely related to some other functions”- Discuss
7. Discuss in detail about the functions and evolution of financial management.
8. What are the new challenges faced by finance managers in recent years?
9. Explain the stages & steps involved in the modern approaches to Financial Management.
10. Discuss the broad areas of financial decision making.

UNIT - II

11. Define cost of capital. How will you determine the cost of capital from different sources.
12. What is Modigliani- Miller approach to the problem of capital structure? Under what assumptions do their conclusions hold good?
13. A choice is to be made between two projects which requires an equal investment of Rs.50000 and are expected to generate net cash flow as under

Year	Project 1	Project 2	Pv Factor@10%
1	25000	10000	0.909
2	15000	12000	0.826
3	10000	18000	0.751
4	----	25000	0.683
5	12000	8000	0.621
6	6000	4000	0.564

Which project proposal should be chosen and why? Evaluate the project proposal under (a) payback period and (b) discount cash flow method.

14. A company issues 10,00,000 10 % redeemable debentures at a discount of 5%.the cost of flotation amount is 30,000.the debentures are redeemed after 5 years. Calculate before and after tax, cost debt assuming tax rate is 50%.

15. From the following capital structure of a company, calculate the overall cost of capital, using (a) book value weights and (b) market value weights

Sources	Book Value	Market Value	After Tax Cost
Equity share capital	45000	90000	14%
Retained earnings	15000	-----	13%
Preference share capital	10000	10000	10%
Debentures	30000	30000	5%

16. From the following capital structure of a company, calculate weighted average cost of Capital.

Sources	Value	Proportion	After Tax Cost
Equity share capital	720000	0.30	15%
Retained earnings	600000	0.25	14%
Preference share capital	4800000	0.20	10%
Debentures	600000	0.25	8%

17. Excel ltd pays a dividend of Rs 4 per share and its shares are quoted at Rs 40 presently and investors expect a growth rate of 10% per annum. Calculate
- cost of equity capital
 - Expected MP per share if anticipated growth rate is 11%
 - Calculate MP if dividend is Rs 4, Cost of capital is 16% and growth rate is 10%.
18. A firm has the following capital structure and after tax cost for the different funds used:

Sources of funds	Amount	Proportion (%)	After tax cost (%)
Debt	15,00,000	25	5
Preference shares	20,00,000	20	10
Equity shares	18,00,000	30	12
Retained earnings	15,00,000	25	11
Total	60,00,000	100	

You are required to compute weighted average cost of capital.

19. A choice is to be made between two projects which requires an equal investment of Rs.50000 and are expected to generate net cash flow under

Year	Project1	Project2
1	25000	10000
2	15000	12000
3	10000	18000
4	-	25000
5	12000	8000
6	6000	4000

Which project proposal should be chosen and why? Evaluate the project proposal under (a) payback period and (b) discount cash flow method.

20. For each of the following projects compute (1) Payback period (2) Post payback profitability (3) Post Payback Profitability index

(a)	Initial outlay	Rs.50000
	Annual cash inflow(after tax before depreciation)	Rs.10000
	Estimated life	8years
(b)	Initial outlay	Rs.50000
	Annual cash inflow(after tax before depreciation)	
	First 3years	Rs.15000
	Next 5years	Rs.5000
	Estimated life	8years
	Salvage	Rs.8000

UNIT - III

21. What do you mean by capital structure? Discuss the factors influencing the capital structure of a company
22. Explain the relevance of capital structure
23. Explain the types of Leverages. State their significance
24. Following information is taken from the records of a company

Installed capacity 1000 units Operating capacity 800 units
Selling price per unit Rs.10 Variable cost per unit Rs.7

Calculate Operating, Financial and Combined leverage under the following situations:

Fixed cost: Situation A Rs.800 Situation B Rs.1200 Situation C Rs.1800
Interest : Situation A Rs.600 Situation B Rs. 400 Situation C Rs. 200

Also give your comments on these leverages.

25. A company has sales of Rs.5,00,000, Variable cost Rs.3,00,000,
Fixed cost of Rs.1, 00,000 and Long term loans Rs.4, 00,000 @10% rate of interest.
Calculate Composite leverage.
26. Discuss in detail about the three types of leverages.
27. Explain the factors that determine the capital structure of a firm.
28. A company expects a net income of Rs 80,000. It has Rs 2,00,000 8% debentures. The equity capitalization rate is 10%.calculate the value of the firm and overall capitalization rate under Net income approach. And also calculate the value of the firm and overall capitalization rate if the debenture debt is increased to Rs.3,00,000.(ignore tax)
29. XY ltd has an EBIT of Rs 1, 00,000. It has Rs 4, 00,000, 10% debenture. The overall capitalization rate is 12.5%.The company decides to raise a sum of Rs1,00,000 through 10% debenture and uses the proceed to pay off the equity share holders. Calculate the total value of the firm and equity capitalization rate under Net Operating Income approach.
30. X Ltd. Is expecting annual EBIT of Rs. 1.00 lakh. The company has Rs.4 lakhs in 10% debentures. The equity capitalization rate is 12.5%. The company desires to redeem debentures of Rs. 1 lakh by issuing additional equity shares of Rs. 1 lakh.
You are required to calculate the value of the firm and the overall cost of capital.

UNIT - IV

31. What are the factors determining dividend policy?
32. What is Modigliani Miller dividend irrelevance hypothesis? Critically evaluate its assumptions
33. What are the determinants of dividend policy?
34. The following information is available in respect of a firm
Capitalization rate=10%,earnings per share= Rs 50, Rate of return on investment (i) 12% (ii) 8% (iii)10%, show the effect of dividend policy on market price of shares applying Walters formula when dividend payout ratio (a) 0% (b) 20% (c)40%
35. The following information is available in respect of r, k and E of ABC ltd.
Rate of return on investment(r) = (i) 15% (ii) 12% (iii) 10%
Cost of capital (K) = 12%
Earnings per share (E) = Rs.10
Determine the value of its shares using Gordon's model assuming the following:

	D/p ratio(i-b)	Retention ratio (b)
A	100	0
B	80	20
C	40	60

36. Enumerate the Irrelevance theory of dividend?
37. What are the considerations to be kept in mind when a company issues a) Rights shares and bonus shares
38. Critically examine the relevance of dividend policy
39. Discuss Walter model and Gordon model of share valuation vis-a-vis dividend policy.
40. From the following regarding three companies:

A Ltd	B Ltd	C Ltd
r= 15%	r= 10%	r= 8%
K=10%	K=10%	K=10%
E=Rs.10	E=Rs.10	E=Rs.10

You are required to calculate the effect of dividend payment on the profits of each of the above companies under the following different situations.

- When no dividend is paid
- When dividend is paid at Rs. 4 per share
- When dividend is paid at Rs. 8 per share
- When dividend is paid at Rs. 10 per share

UNIT - V

- Explain the concept of leasing. Explain its nature
- State the advantages and disadvantages of leasing
- Explain about the types of leasing.
- What factors would you, as a lessee, keep in mind while selecting the lessor
- Differentiate between Finance lease and Operating lease
- Explain the advantages & disadvantages of Debentures/Bonds
- Discuss the methods for evaluating the leasing proposal
- What is a finance lease? How is it different from other types of leases?
- Explain in brief about various sources of finance?
- State the functions of primary market. Differentiate between IPO and private placement and book building.

ANSWER KEYS

UNIT I			
1.	b) Maximization of shareholder's wealth	11	a) Money market
2.	d) Raising of funds & their effective utilization	12	a) No par stock
3	a) Investment, financing and dividend	13	d) Ensuring discipline in the organization
4	d) Current assets minus current liabilities	14	b) Maximize value of common stock
5	a) Acquiring and utilizing resources	15	b) Maximization of wealth
6	b) Efficient management of capital	16	c) Dividend
7	b) The investment market	17	a) Preferred stock holders
8	d) Bonds & stocks	18	b) Employment of funds to earn returns
9	d) Treasury Bills	19	d) Liquidity
10	b) Investment decisions	20	b) Resort to dividend cuts
UNIT II			
21	a) Long term assets	31	b) Traditional approach
22	a) Discounting rate	32	b) Discounted cash flow
23	b) Hurdle rate	33	a) Dividend
24	a) Cost of equity	34	a) Stock
25	a) Dividend price	35	d) Cost of capital
26	d) Capital Budgeting	36	d) Discounted cash flow method
27	d) Higher than that of owned funds	37	a) Pay back method
28	c) commercial papers	38	d) $k_d = (1/2 + f - p) / f + p$
29	c) Specific cost	39	a) Within discount cash flow
30	a) Dividend price plus growth approach	40	b) Cash flow
UNIT III			
41	a) Business risk	51	c) Contribution-Fixed cost
42	b) Financial risk	52	d) Net operating income approach
43	b) Operating combined leverage	53	b) The use of debt financing by corporations
44	d) Operating profit	54	b) Composition of the current assets
45	a) Operating leverage	55	a) Financial risk

46	b) Capital structure	56	b) Liquidity risk
47	a) MM approach	57	b) Unsystematic risk
48	a) Trading on equity	58	a) Net income approach
49	a) Debt cost	59	d) Inflation risk
50	a) Contribution/EBIT	60	b) Net operating income approach
UNIT IV			
61	a) Profit	71.	b) Rights issue
62	a) Cash	72	c) High growth prospect
63	b) Declining firm	73	a) Modigliani and Miller
64	d) Growth firm	74	b) Property dividend
65	c) Dividend policy	75	d) Bonus shares
66	d) Yearly	76	d) Walter model
67	d) Unpaid dividends will be paid in future	77	b) Constant dividend per share
68	a) Liberal	78	c) $r < k$
69	b) The firm has an infinite life	79	a) Rights shares
70	b) Declaring bonus shares	80	b) Stock dividend
UNIT V			
81	a) Owners of the company	91	b) Commercial Paper
82	b) Mutual funds	92	d) Arbitrage
83	a) Money market	93	d) Leasing
84	c) A 6-month treasury bill	94	b) Operating lease
85	c) Short term finance	95	a) Lessor
86	a) Charge against profit	96	b) Use of the asset
87	b) A Limited company	97	b) Finance lease
88	c) Regional rural bank	98	d) Sale and lease back
89	b) Custodian	99	a) Capital lease
90	d) No interest	100	b) Receivable

SECTION-A

UNIT I

1. GUI stands for
 - a) Graphical User Interface
 - b) Graphical User Interchange
 - c) Global User Interface
 - d) Global User Interchange
2. What is the expansion for IDE?
 - a) Internet Development Environment
 - b) Integrated Development Environment
 - c) Interface Development Environment
 - d) Interactive Development Environment
3. What will appear in the title bar of the form in VB?
 - a) Name
 - b) Property
 - c) Caption
 - d) Text
4. What is extension for project file in VB?
 - a) .vpb
 - b) .frm
 - c) .vbp
 - d) .mac
5. Name of the horizontal bar located at the top of the VB screen.
 - a) Tool bar
 - b) Title bar
 - c) Menu bar
 - d) Status bar
6. What is the shortcut key to open code window?
 - a) F6
 - b) F7
 - c) F8
 - d) F9
7. What is the name of the left drop-down list box in the code window?
 - a) Object List Box
 - b) Split Box
 - c) Procedure List Box
 - d) Combo Box
8. What is the name of the right drop-down list box in the code window?
 - a) Object List Box
 - b) Split Box
 - c) Procedure List Box
 - d) Combo Box
9. Select the symbol used to combine statements on one line.
 - a) ;
 - b) ,
 - c) :
 - d) <
10. Choose the statement used to explain the coding to the user.
 - a) Comment
 - b) End
 - c) If
 - d) Else
11. Select the statement used to stop program in VB.
 - a) Delete
 - b) Erase
 - c) End
 - d) Stop
12. Which window will show the preview of form window?
 - a) Form
 - b) Properties
 - c) Project Explorer
 - d) Form Layout
13. What data type is used to hold Monetary values?
 - a) Integer
 - b) String
 - c) Currency
 - d) double
14. Which of the following holds less than the values of 255?
 - a) Boolean
 - b) Byte
 - c) Date
 - d) String
15. The keyword used to declare the variables as global is
 - a) Private
 - b) Public
 - c) Visibility
 - d) Global
16. A variable is declared and used inside the procedure is called
 - a) Local Scope
 - b) Module Scope
 - c) Global Scope
 - d) Public Scope
17. How many bytes of memory will the long data types occupy?
 - a) 2 Bytes
 - b) 4 Bytes
 - c) 8 Bytes
 - d) 16 Bytes
18. Which key is used to run the project?
 - a) F4
 - b) F5
 - c) F6
 - d) F7
19. The string data type holds
 - a) Numbers
 - b) Data
 - c) Character
 - d) Constants

20. The remainder after dividing two numbers is called
- a) Remainder
 - b) Mod
 - c) Exponentiation
 - d) Int Division

UNIT II

21. Which control is used to group the controls?
- a) Label
 - b) Text Box
 - c) Check Box
 - d) Frames
22. Select the control which has “caption” as its default property.
- a) Command Button
 - b) Text Box
 - c) Combo Box
 - d) Scroll Bar
23. What is the default property of Text Box?
- a) Caption
 - b) Text
 - c) Name
 - d) Enabled
24. Which control is used to select only one option from the multiple choices?
- a) Check Box
 - b) Radio Button
 - c) Combo Box
 - d) Text Box
25. Select the control used to set intervals for the action to be performed.
- a) Timer Control
 - b) Drive Control
 - c) File Control
 - d) Date Control
26. Choose the control used to place images as background for your form.
- a) Picture Box
 - b) Bitmap
 - c) Image Control
 - d) Image List
27. What will be listed for selected controls only?
- a) Project
 - b) Tool Box
 - c) Properties
 - d) Layout
28. Which symbol is used to make an Access Key?
- a) *
 - b) &
 - c) \$
 - d) #
29. What is the default value of centre alignment in properties box?
- a) 0
 - b) 1
 - c) 2
 - d) 3
30. How many characters can a message box hold for maximum?
- a) 1022
 - b) 1023
 - c) 1024
 - d) 1025
31. What control has the row and column heading, which can be filled with text, numbers and Pictures?
- a) Grid
 - b) Tables
 - c) Image Control
 - d) Picture Box
32. Which control is used to draw lines?
- a) Line Control
 - b) Shape Control
 - c) Image Control
 - d) Data Control
33. Which control is used to access the Database?
- a) OLE Control
 - b) Drive Control
 - c) Data Control
 - d) File Control
34. The default property of shape control is
- a) Caption
 - b) Text
 - c) Name
 - d) Shape
35. Choose the default property of Picture box.
- a) Image
 - b) Picture
 - c) Shape
 - d) Bitmap
36. Properties can be viewed in two ways
- a) Alphabetic and Categorized
 - b) Alphabetic and Numeric
 - c) Numeric and Alphanumeric
 - d) Categorized and Numeric
37. Which of the following provides quick access to commonly used commands in VB?
- a) Project Explorer
 - b) Object Browser
 - c) Tool Bar
 - d) Tool Box
38. What is the extension of form module?
- a) .frm
 - b) .fro
 - c) .fra
 - d) .frb
39. Which property is used to set the maximum length of a text in the Text box?
- a) Max Length
 - b) Length
 - c) Multiline
 - d) Max Text

40. Which control is used to display only caption or text?
a) Text Box b) Rich Text Box c) Label d) List Box

UNIT III

41. Which returns or sets the number of characters in string function?
a) Sel Length b) Sel Start c) Sel Text d) Sel Len
42. What type of loop structure is called finite loop?
a) Determinate b) Non-determinate c) Control d) Array
43. Which type of loop can be called as counter style loop structure?
a) Do b) While c) Do While d) For
44. A loop within another loop is called
a) Do Loop b) For Loop c) Net Loop d) Nested Loop
45. Array elements can be referred only with ___ variables.
a) Script b) Index c) Sub d) Element
46. Which function is used to find or remove the characters from the string?
a) Trim() b) Str() c) String() d) Mid()
47. Which function converts the string into upper case?
a) Upper Case b) Ucase c) Capital d) Lcase
48. The function used to trim the space at the left side of the text is
a) R Trim b) Trim c) L Trim d) Left Trim
49. Select the function used to trim space on both sides.
a) LR Trim b) Trim c) Cut d) Delete
50. What function is used to find the absolute value of numbers?
a) Atn() b) Fix() c) Abs() d) Hex()
51. What function returns the square root of the numbers?
a) Abs() b) Sqr() c) Sqrt() d) Sng()
52. Which function gives e to the power of x?
a) Log() b) Exp() c) Pow() d) power()
53. Sin, Cos and Tan are called
a) Sgn() b) Sct() c) Tan() d) Trig()
54. Format of Date function is
a) dd-mm-yy b) mm-dd-yyyy c) yy-mm-dd d) mm-dd-yy
55. Format of Time function is
a) hh:mm:ss b) ss:mm:hh c) ss-mm-hh d) hh-mm-ss
56. What function returns date and time as stored in the system clock?
a) Now b) Date and Time c) Date d) Time
57. NPV stands for
a) Net Period Value b) Net Present Value
c) New Present Value d) New Period Value
58. Choose the function lets you to add a specified intervals to date.
a) Date Diff b) Date Serial c) Date Value d) Date Add
59. Which of the following does not return a value?
a) Sub-Procedure b) Procedure c) Function Procedure d) Properties
60. A block of code that is executed in response to an event is called
a) Procedure Call b) Function Procedure c) Sub-Procedure d) Property Call

UNIT IV

61. The group of controls that shares the same name and data type is called
a) Fixed Array b) Control Array c) Dynamic Array d) Static Array
62. Which combines the features of the text box and list box?
a) Picture Box b) Check Box c) Option Button d) Combo Box
63. Which property has an integer value corresponding to the position of the Scroll bar?
a) Value b) Change c) Visibility d) Enabled
64. Which displays a list of items from which user can select one or more items?
a) Combo Box b) List Box c) Check Box d) Scroll Bar
65. How many properties are there for Frames?
a) 27 b) 31 c) 34 d) 38
66. Which is also called as Radio button?
a) Check Button b) Option Button c) Command Button d) Status Bar
67. Which method is used to delete items from List box?
a) Delete b) Remove c) Clear d) Remove Item
68. Expansion of MDI is
a) Multiple Document Interpreter b) Multiple Document Interface
c) Multiple Document Interaction d) Multiple Document Investigation
69. Which property is used to check whether the timer is activated or deactivated?
a) Visible b) Enabled c) Name d) Drag Mode
70. Which presents a list of choice to the user?
a) Combo Box b) Rich Text Box c) List Box d) Grid
71. How many events will List box respond?
a) 11 b) 12 c) 13 d) 14
72. Which control is used to get input or display output?
a) Scroll Bar b) Slider Control c) Status Bar d) Progress Bar
73. Which control is used to store a group of images in a single place?
a) Picture List b) Image List c) Icon Group d) Picture Control
74. Which is similar to vertical scroll bar in the gauge control?
a) Status Bar b) Scroll Bar c) Progress Bar d) Slider Control
75. Choose the control, which works similarly to a Scroll Bar.
a) Slider Control b) Progress Bar c) Status Bar d) Scroll Bar
76. Status bar can be divided in to ___ panels.
a) 13 b) 14 c) 15 d) 16
77. Alignment property for placing progress bar at the top of the form is
a) 0 b) 1 c) 2 d) 3
78. Which control is accompanied by both icons and text?
a) List Box b) Image List c) List View d) Tree View
79. Which symbol is used to create short cut key in Menu editor?
a) * b) \$ c) % d) &
80. The shortcut key for Menu editor is
a) Alt+E b) Alt+U c) Alt+N d) Alt+M

SECTION-B**UNIT I**

1. How will you start a visual basic project?
2. Briefly explain about the initial visual basic screen.
3. Write a note on SDI.
4. What do you mean by Project Explorer?
5. List out the options in File menu.
6. What do you know about properties window in visual basic?
7. Can you list out any 5 common properties of form.
8. How will you declare a variable in visual basic? Give example.
9. Give a brief note on constants with example.
10. How will you explain about two types of statements in visual basic?

UNIT II

11. How could you create controls in VB?
12. What do you know about the name property?
13. How would you write a simple event procedure for a command button?
14. Present your ideas about Access key in VB.
15. List your views on Image control.
16. Write short notes on Command button.
17. What do you know about Text box?
18. Briefly explain about Label control.
19. What is your opinion about Navigating between controls?
20. Can you discuss about Message boxes.

UNIT III

21. What is a determinate and in-determinate loops?
22. Can you discuss about Decision making statement with example.
23. What is select case statement? Give example.
24. What do you know about Go to Statement?
25. Give a note in Rnd function.
26. Discuss about Trim function in String with example.
27. What are Lcase and Ucase in String function?
28. What is Numeric calendar function?
29. Can you discuss on the topic "Function with more than one parameter".
30. What are the steps to navigate among sub programs using Object browser?

UNIT IV

31. What is a Control array?
32. What are the two types of list boxes?
33. How will you add or remove items into the list box? Give example.
34. List out the styles of Combo box?
35. Can you discuss about Flex grid control.
36. What is the use of Frames in visual basic environment?
37. Write short notes on Timer control.

38. Present you view on Progress bar control.
39. Write about Slider control with example.
40. What do you know about Status bar control?

UNIT V

41. What is Data access object?
42. List out the types of Record set.
43. How will you modify and delete a record?
44. Is it possible to add a data from another database in Visual basic? State reason.
45. Which method is preferred for finding a specific record in a database?
46. Can you list out the tabs of Connection object?
47. What are the tabs available in Command object?
48. What do you mean by Data environment designer?
49. What is a Data report?
50. List out the methods of the Data report object?

SECTION – C

UNIT I

1. What is a Standard tool bar? List out the tools and purpose of Standard toolbar.
2. Can you explain about various menus in the File menu?
3. Discuss about the controls available in the Edit menu.
4. What are the menus listed in the Project menu?
5. List out the menus in Debug tool bar.
6. What is a Code window? Explain the parts of Code window.
7. How would you explain about the scope of variables with example?
8. Can you discuss about various data types with example?
9. How will you customize a toolbar in visual basic?
10. Can you explain with example, how to customize a Form?

UNIT II

11. What is a Tool box? List out the controls in the Tool box.
12. Can you list out the properties of Command button?
13. What do you mean by a Text box? Discuss the properties of Text box.
14. List out the useful properties of Label box.
15. Write a VB program to perform Arithmetic calculations.
16. Explain about the Grid with suitable example.
17. How would you explain the working of Picture box?
18. Define Rich text box. Discuss about the properties of Rich text box.
19. Draw a form design for a student database using label box, text box and command buttons.
20. Write a sample program for Rich text box.

UNIT III

21. What is for loop? Explain with example.
22. How could you elaborate on Do while and Do until loops?
23. Write a VB program for converting number in to words using Select statement.

24. Explain about Nested if then statement with suitable example.
25. Can you list out the string functions with example?
26. What are the various types of Numeric functions?
27. How would you explain about Date and Time functions with example?
28. What do you know about financial functions in VB?
29. Discuss about Function procedures and Sub procedures.
30. Write a sample VB program using Built in functions.

UNIT IV

31. How will you add or remove controls in a Control array? Give example.
32. Write a VB program to design a calculator using Control array.
33. What is List box? List the properties of List box.
34. Can you list out the properties and events of Combo box?
35. Write a sample program for adding items into the List box.
36. Can you discuss about Option buttons and Checkboxes with example.
37. What is a Scroll bar? List out the properties of it.
38. Explain about Image list and List view controls.
39. How would you present your view on Menu editor?
40. How will you create MDI form in visual basic environment?

UNIT V

41. Explain about Accessing and implementing database in VB.
42. Explain in detail about workspace of Data access object.
43. Discuss about Creating, Modifying and Deleting records with example.
44. What are the steps followed in database connectivity using Data control?
45. Can you discuss about Connection object and Command object?
46. Write a VB program to create Employee database using Data control.
47. Discuss in detail about Data environment designer.
48. Explain in detail about Data report.
49. How will you select the Data report designer for your project?
50. How would you prepare a report for a database?

ANSWER KEY (SECTION – A)

UNIT I			
1.	(a) Graphical User Interface	11.	(c) End
2.	(b) Integrated Development Environment	12.	(d) From Layout
3.	(c) Caption	13.	(c) Currency
4.	(c) .vbp	14.	(b) Byte
5.	(b) Title Bar	15.	(b) Public
6.	(b) F7	16.	(a) Local Scope
7.	(a) Object List Box	17.	(b) 4 Bytes
8.	(c) Procedure List Box	18.	(b) F5
9.	(c) ;	19.	(c) Character
10.	(a) Comment	20.	(b) Mod
UNIT II			
21.	(d) Frames	31.	(a) Grid
22.	(a) Command Button	32.	(a) Line Control
23.	(b) Text	33.	(c) Data Control
24.	(b) Radio Button	34.	(d) Shape
25.	(a) Timer Control	35.	(b) Picture
26.	(c) Image Control	36.	(a) Alphabetic and Categorized
27.	(c) Properties	37.	(c) Tool Bar
28.	(b) &	38.	(a) .frm
29.	(c) 2	39.	(a) Max Length
30.	(c) 1024	40.	(c) Label
UNIT III			
41.	(a) Sel Length	51.	(b) Sqr()
42.	(a) Determinant	52.	(b) Exp()
43.	(d) For	53.	(d) Trig()
44.	(d) Nested Loop	54.	(b) mm-dd-yyyy
45.	(b) Index	55.	(a) hh:mm:ss
46.	(d) Mid()	56.	(a) Now
47.	(b) UCase	57.	(b) Net Present Value
48.	(c) LTrim	58.	(d) Date Add
49.	(b) Trim	59.	(a) Sub-Procedure
50.	(c) Abs()	60.	(c) Sub-Procedure

UNIT IV			
61.	(b) Control Array	71.	(b) 12
62.	(a) Combo Box	72.	(a) Scroll Bar
63.	(a) Value	73.	(b) Image List
64.	(b) List Box	74.	(c) Progress Bar
65.	(b) 31	75.	(a) Slider Control
66.	(b) Option Button	76.	(d) 16
67.	(d) Remove Item	77.	(b) 1
68.	(b) Multiple Document Interface	78.	(c) List View
69.	(b) Enabled	79.	(d) &
70.	(c) List Box	80.	(a) Alt+M
UNIT V			
81.	(a) Data Access Object	91.	(c) Edit
82.	(b) Data Control	92.	(b) Snapshot
83.	(a) DB Engine	93.	(c) Forward Only
84.	(c) Field Object	94.	(c) Record
85.	(d) User Object	95.	(a) General
86.	(b) Document Object	96.	(d) 6
87.	(b) Record set	97.	(b) Report Header
88.	(c) Move Next	98.	(d) Report Footer
89.	(b) Find Next	99.	(d) Export Report
90.	(d) Delete	100.	(a) Data Environment Designer

SECTION – A

1 Marks

UNIT – I

1. Business research means the discovery of new knowledge in the field of
 - A) Management
 - B) Business
 - C) Education
 - D) Government
2. Which of the research deals with practical problems in the business?
 - A) Basic research
 - B) Exploratory research
 - C) Applied research
 - D) Experimental research
3. The population is divided into number of clusters or large groups are called as
 - A) Cluster sampling
 - B) Stratified Sampling
 - C) Systematic sampling
 - D) Random sampling
4. Which type of research design do surveys gathering data over a period of time?
 - A) Cross-sectional design
 - B) longitudinal design
 - C) Casual design
 - D) Formulative design
5. What is the blue print of the research analysis and method?
 - A) Sample design
 - B) Research design
 - C) Report design
 - D) Attributes
6. Which research type is based on measurement of quantity and amount?
 - A) Qualitative research
 - B) Quantitative research
 - C) Empirical research
 - D) Conceptual research
7. The studies is primarily designed to describe what is going on or what exists called as
 - A) Descriptive research
 - B) Casual research
 - C) Exploratory research
 - D) Analytical research
8. The population is unknown in the sample selection process called as
 - A) Probability sampling
 - B) Cluster Sampling
 - C) Systematic sampling
 - D) Non-probability sampling
9. Which one of the element is not included in the research design?
 - A) Sampling design
 - B) Statistical technique
 - C) Data analysis
 - D) Report writing
10. The first step in research process necessary to carried out the research called
 - A) Problem formulation
 - B) Data collection
 - C) Data analysis
 - D) Sample determination

UNIT - II

21. The items selected from each stratum is based on simple random sampling is known as
- A) Stratified random sampling B) Systematic random sampling
C) Deliberate random sampling D) Sequential random sampling
22. Which type of data is originally collected by the investigation primarily?
- A) Secondary data B) Primary data
C) Investigative data D) All the above
23. The universe is divided into some part called as
- A) Sample B) Part
C) Data D) Parameter
24. The population mean is represent by the key word
- A) n B) N
C) PM D) M
25. The source list is also representative of
- A) Population B) Sample
C) Unit D) Globe
26. The method of collecting information from the respondents through telephone called as
- A) Personal interview B) Telephone interview
C) Direct interview D) Indirect interview
27. Which is considered as the heart of a survey operation?
- A) Survey B) Interview
C) Questionnaire D) Schedule
28. Which does not follow a system of pre-determined questions and standardized techniques of recording information?
- A) Structured interview B) Unstructured interview
C) Fulfilled interview D) Administered interview
29. Respondent errors and administrative errors are examples of
- A) Sampling error B) Standard error
C) Non-sampling error D) Standard deviation
30. Which is the sampling method best suited for exploratory research?
- A) Systematic B) Convenience
C) Judgment D) Random

31. Combining different methods of sampling is called
- A) Multi-stage sampling B) Simple random sampling
C) Area sampling D) Systematic sampling
32. The exploratory research is adopting an unfamiliar problem called as
- A) Casual study B) Final study
C) Preliminary study D) Secondary study
33. The data which are collected from the existing resources called as
- A) Primary data B) Secondary data
C) Relational data D) Algebraic data
34. A questionnaire is a devise that is most frequently used to collect the
- A) Secondary data B) Primary data
C) Usual data D) Used data
35. The questionnaire contain definite, concrete and direct questions called as
- A) Unstructured B) Structured
C) Closed form D) Opened form
36. The study which is used to make changes in questionnaire by prior investigation called
- A) Structured study B) Projected study
C) Pilot study D) Casual study
37. The oldest method of data collection is through
- A) Interview B) Group discussion
C) Questionnaire D) Observation
38. A field study is always conducted in a
- A) Natural setting B) Artificial setting
C) Controlled setting D) Uncontrolled setting
39. The case study is a method of exploring or analyzing the life of a
- A) Social Unit B) Statistical unit
C) Several Units D) Service Units
40. Which are the data divided into primary and secondary data?
- A) Destination B) Source
C) Details D) Proof

UNIT – III

41. The processing of data includes the functions like
- A) Editing
 - B) Coding
 - C) Tabulation
 - D) All the above
42. The calculated statistic value is compared to test the hypothesis
- A) Critical value
 - B) Measured value
 - C) Mean value
 - D) Mode value
43. The summated rating scale is also called as
- A) Likert scale
 - B) Semantic Differential scale
 - C) Nominal scale
 - D) Ordinal scale
44. The Chi-square test is a
- A) Parametric test
 - B) Non-Parametric test
 - C) Applied test
 - D) Dropped test
45. The process of placing classified data into tabular form is known as
- A) Transcription
 - B) Tabulation
 - C) Creation
 - D) Composite
46. The ordered data or information is placed by
- A) Likert scale
 - B) Semantic scale
 - C) Nominal scale
 - D) Ordinal scale
47. A concept which can take on different quantitative values is called a
- A) Variable
 - B) Attribute
 - C) Element
 - D) Compile
48. The rating scale is quite simple and is commonly used in practice called
- A) Graphic rating
 - B) Itemized rating
 - C) Likert rating
 - D) Randomized rating
49. A differential scale is otherwise called as
- A) Arbitrary scale
 - B) Thurstone-type scale
 - C) Likert scale
 - D) Ordinal scale
50. Which is used to compare the variance of the two independent samples?
- A) F-test
 - B) t-test
 - C) z-test
 - D) Chi-square test

51. MDS stands for
- A) Multidimensional scaling B) Multidivisional scaling
C) Multidepartment scaling D) Multi primitive scaling
52. Which one refers to the process of assigning numerals?
- A) Coding B) Classification
C) Editing D) Grouping
53. Which one is used to compare the sample variance to a hypothetical population variance?
- A) Covariance B) F test
C) z test D) Chi-square test
54. Which is essentially a procedure for testing the difference among different groups of data for homogeneity?
- A) Analysis of variance B) Correlation analysis
C) Regression analysis D) Chi-square test
55. Which is usually considered as the principal instrument in research?
- A) Sample Design B) Hypothesis
C) Research design D) Scales
56. The editing should take place when all forms have been completed and returned to office called as
- A) Data editing B) Field editing
C) Central editing D) Data editing
57. The test is considered an appropriate test for judging the significance of a sample mean.
- A) F test B) z-test
C) y-test D) t-test
58. Which is a process of examining the collected raw data to detect errors and omissions?
- A) Field editing B) Central editing
C) Data editing D) DBMS
59. Which describes the procedures of assigning numbers to various degrees of opinion, attitude and other concepts?
- A) Measurement B) Scaling
C) Sampling D) Analysis
60. The Arbitrary approach is developed on the basis of
- A) Ad hoc approach B) Past approach
C) Basic approach D) Hash approach

UNIT – III

61. Which is most widely used for measure of dispersion?
- A) Median
B) Mode
C) Standard deviation
D) Mean
62. Which is the determination of a statistical association between two or more variables?
- A) Correlation analysis
B) Regression analysis
C) t-test
D) F-test
63. The correlation coefficient is always
- A) Positive
B) Zero
C) Negative
D) Between -1 and +1
64. The idea of product moment correlation was given by
- A) Fisher
B) Francis
C) Karl Pearson
D) Spearman
65. The standard deviation analysis denoted by the symbol
- A) ρ
B) γ
C) σ
D) β
66. The rank correlation analysis was introduced by
- A) Spearman
B) Fisher
C) Francis
D) Pearson
67. When there are two or more than two independent variables, the analysis concerning relationship is known as
- A) Simple correlation
B) Multiple correlation
C) Partial correlation
D) Basic correlation
68. The number series contain most frequent occurrences is called as
- A) Mean
B) Standard deviation
C) Median
D) Mode
69. Which indicates that the direct and indirect effects of variables?
- A) Path analysis
B) Correlation analysis
C) Factor analysis
D) Impact analysis
70. The relationship between two or more variables are called as
- A) Regression analysis
B) Correlation analysis
C) Factor Analysis
D) Data analysis

71. Mean, Median and Mode are called as
- A) Measures of deviation B) Measures of central tendency
C) Measures of sampling D) Measures of control
72. Which is the square root of the arithmetic mean of the square deviations of various values from their mean?
- A) Standard Deviation B) Mean
C) Variance D) Mode
73. The middle value of the data series is called
- A) Mean B) Median
C) Mode D) Variance
74. Which is predicting the value of a variable based on the value of two or more other variables?
- A) Multiple regression B) Multiple Correlation
C) Standard Deviation D) Factorial analysis
75. The reciprocal of the arithmetic mean called as
- A) Geometric mean B) Median
C) Harmonic mean D) Mode
76. ANOVA stands for
- A) Analysis of Variety B) Analysis of Visit
C) Analysis of VAT D) Analysis of Variance
77. The rank correlation denoted by
- A) ρ B) γ
C) σ D) β
78. Which analysis is using antilog in measures of central tendency?
- A) Harmonic mean B) Geometric mean
C) Mean D) Median
79. The measures of central tendency provides the value of
- A) Average B) Division
C) Equal D) Not equal
80. The total amount is divisible by the number of observations called as
- A) Mode B) Mean
C) Median D) SD

UNIT – IV

81. Which of the following is not an essential element of report writing?
- A) Research Methodology B) Reference
C) Conclusion D) Patent
82. Which words best describe the writing style that should be used in research reports?
- A) Objective and detached B) Personal and critical
C) Emotive and judgmental D) Subjective and detached
83. What is presented in the findings section of a research report?
- A) A discussion of the results B) Collected data
C) Theoretical foundations of study D) The data collection method used
84. Generalized conclusion on the basis of a sample is technically known as
- A) Statistical reference B) Parameter inference
C) Data analysis and interpretation D) All the above
85. Which leads to the establishment of explanatory concepts that can serve as a guide for future research studies?
- A) Interpretation B) Innovation
C) Instruction D) Information
86. Which should be enlisted in respect of all technical data?
- A) Bibliography B) Appendices
C) Main text D) Content
87. In which part, the report should carry a title and date?
- A) Preliminary pages B) Bibliography
C) Final draft D) Main text
88. Research reports is the product of
- A) Imposition work B) Accurate inductive work
C) Physical work D) Painstaking
89. A list of special terms and phrases used is given in the form of a
- A) Glossary B) Bibliography
C) Appendix D) Reference
90. In which phase, a research report is ordering the parts and planning in writing?
- A) First B) Second
C) Third D) Last

91. The most important part of the research is
- A) Analysis
 - B) Findings
 - C) Suggestions
 - D) Conclusion
92. Reporting process is important one for
- A) Communicating the information
 - B) Analysis
 - C) Statement
 - D) Assumption
93. Popular report is a report prepared for
- A) Academic audience
 - B) Business managers
 - C) Administrators
 - D) Laymen
94. Which is an alphabetical listing of unfamiliar terms with their meaning used in the thesis?
- A) Appendix
 - B) Glossary
 - C) Literature cited
 - D) Bibliography
95. Which is a list of references cited in the text?
- A) Bibliography
 - B) Literature cited
 - C) Glossary
 - D) Appendix
96. The layout of the report includes
- A) Preliminary pages
 - B) Main text
 - C) End matter
 - D) All the above
97. The report writing is
- A) First stage
 - B) Final stage
 - C) Second stage
 - D) Third stage
98. The exponential smoothing is used for predicting the future by
- A) Time Series Data
 - B) Dependent Variable
 - C) Base line
 - D) Zero
99. The complete structure of the research work is called as
- A) Report
 - B) Summary
 - C) Article
 - D) Synopsis
100. Which is the list of references included in the part of project report?
- A) Introduction
 - B) Glossary
 - C) Literature
 - D) Bibliography

SECTION – B**5 Marks****UNIT - I**

1. Define Business Research.
2. Do you know about the utilities of business research?
3. What are the qualities of good researcher?
4. Discuss the scope of business research.
5. Differentiate the descriptive and analytical research.
6. Explain the research process in brief.
7. How do you identify the problem in research?
8. What are the characteristics of the hypothesis?
9. Describe the components of research design in brief.
10. What are the steps involved in the selection of research design?

UNIT - II

11. Briefly explain the sample size and sample error.
12. What is mean by pilot study? Give example.
13. Point out the tools used in data collection.
14. Explain about the interview schedule method in brief.
15. Describe the steps of sampling process
16. What are the advantages and disadvantages of observation method?
17. Point out the different types of data. Explain it.
18. How do you select the sample size in the research?
19. Discuss the different interview methods in research.
20. What are the main aspects of a questionnaire?

UNIT - III

21. Explain about the processing of data.
22. Write a short note on the data analysis.
23. Discuss about the Editing and coding in brief.
24. Explicate the tabulation and classification.
25. Explain about the scale classification bases.
26. A sample of 400 male students is found to have a mean height 67.47 inches. Can it be reasonably regarded as a sample from a large population with mean height 67.39 inches and standard deviation 1.30 inches? Test at 5% level of significance. Calculate z test.
(Table value – 1.96)

27. A die is thrown 132 times with following results:

Number turned up	1	2	3	4	5	6
Frequency	16	20	25	14	29	28

Is the die unbiased? Calculate Chi-square test. (Table value – 11.072 at 5% significance level)

28. The specimen of copper wires drawn from a large lot have the following breaking strength (in kg. weight):

578, 572, 570, 568, 572, 578, 570, 572, 596, 544

Compute t-test whether the mean breaking strength of the lot may be taken to be 578 kg. weight. Test at 5 per cent level of significance (Table value-2.268).

29. What are the characteristics of chi-square test?

30. How do you test the significance level in the research?

UNIT - IV

31. Write a short note on mean, median, mode.

32. Explain about the geometric mean and harmonic mean in brief.

33. Give a short note on standard deviation.

34. Elucidate about the simple regression analysis.

35. Write a short note on correlation analysis.

36. Explain about the Path analysis.

37. Determine Arithmetic Mean (AM) value of Salaries of employees for the following individual series data:

No. of Employees	1	2	3	4	5	6	7
Salary (Rs.)	12000	14500	8500	13500	13500	17500	11500

38. Find the median value for the following data:

5, 8, 12, 30, 18, 10, 2, 22

39. Calculate the Standard deviation by x and f value:

No. of Goals	0	1	2	3	4	5
No. of Matches	1	2	3	4	0	2

40. Calculate the Geometric mean (GM) for the following data.

X	10	15	25	40	50
F	4	6	10	7	3

UNIT - V

41. Give a short note on report writing and interpretation.
42. Explain about the different steps in report writing.
43. What are the techniques of interpretation in research study?
44. How do you classify the report content in research?
45. What are the parts included in the preliminary pages in report?
46. How will you prepare the rough draft in research?
47. Explain the outline of technical reports.
48. Which are the elements of the end matter of the report?
49. Give a short note on business forecasting.
50. Write a note on exponential smoothing in brief.

SECTION – C**8 Marks****UNIT- I**

1. What are the different types of research? Explain it.
2. Explain about the significance of the business research.
3. Describe the procedures in selection of the research problem.
4. Elucidate meaning of hypothesis? Give its types.
5. Discuss the diverse categories of research design.
6. Discuss clearly about the qualities of good research.
7. Explain about the research process in detail.
8. How do you select the research problem? Give its process.
9. What are the major components of research design?
10. What is meant by research design? Give its characteristics.

UNIT – II

11. Mention the sampling methods and techniques in research.
12. Explain about fieldwork and questionnaire in research work.
13. Explain about different interview method in business research.
14. What are the different kinds of data collection methods?
15. Describe about the data collection and field works in research.
16. Discuss about the different types of observations.
17. Elucidate about the probability and non-probability sampling methods in research.

- 18. What are the different types of questionnaire in research?
- 19. How do you formulate the good questionnaire in research?
- 20. Explain about advantages and disadvantages of questionnaire.

UNIT - III

- 21. What are the processes required in the data analysis?
- 22. Describe about the different scaling techniques in research work.
- 23. Enumerate the process and measurement of the collected data.
- 24. Explain in detail about the types of measurement scales.
- 25. Explicate about the scale construction techniques.
- 26. Differentiate the large sample and small sample test in detail.
- 27. Discuss about the requirement of analysis of variance in research.
- 28. Describe the conditions for the application of chi-square test.
- 29. Two random samples drawn from two normal populations are:

Sample 1	20	16	26	27	23	22	18	24	25	19		
Sample 2	27	33	42	35	32	34	38	28	41	43	30	37

Calculate F-test using variance ratio at 5 per cent and 1 per cent level of significance whether the two populations have the same variances. (F-table value 5%-3.11; 1%-5.20)

- 30. Set up an Analysis of Variance (ANOVA) table for the following per acre production data for three varieties of wheat, each grown on 4 plots and state if the variety differences are significant.

Plot of land	Per acre production data		
	Variety of wheat		
	A	B	C
1	6	5	5
2	7	5	4
3	3	3	3
4	8	7	4

UNIT - IV

- 31. Explain about the measures of central tendency in detail.
- 32. Differentiate the correlation and regression analysis in detail.
- 33. Discuss about the multiple correlation and regression in analysis.
- 34. How do you represent the path analysis with diagram?

35. Calculate the mean value for the following continuous series data:

Wages	Less than 5	5-10	10-15	15-20	20-25	25-30	30 Above
No. of Employees	3	7	15	30	20	10	5

36. Calculate the mode for the following data:

Daily Wages in Rs.	50-60	60-70	70-80	80-90	90-100
No. of Laborers	40	62	75	100	65

37. Calculate the mean, median, mode for the following values:

Interval (x)	0-10	10-20	20-30	30-40	40-50	50-60	60-70
Frequency (f)	18	41	90	131	140	54	15

38. Calculate the regression equation for the given value:

X	1	2	3	4	5	6	7	8	9	10
Y	5	10	20	25	40	42	45	48	70	80

39. Calculate the Karl's Pearson Correlation Coefficients for the given data:

X	1	2	3	4	5	6	7	8	9	10
Y	5	10	20	25	40	42	45	48	70	80

40. Calculate the rank correlation. Rankings of 10 trainees at the beginning (x) and at the end (y) of certain course are given below:

Trainees	A	B	C	D	E	F	G	H	I	J
X	1	6	3	9	5	2	7	10	8	4
Y	6	8	3	7	2	1	5	9	4	10

UNIT - V

41. What are the different types of reports in business research?
42. Explain about the layout or styles of the research report. Give Example.
43. How do you draft the report? Give its mechanisms in research report.
44. What are the precautions for writing research report?
45. What are the techniques of interpretation in research study?
46. How will you write the research report after the analysis process?
47. Why the time series data is used in exponential smoothing?
48. Discuss about the significance of the research writing.
49. Explain about the purpose of business forecasting.
50. Discuss about the exponential smoothing techniques in research.

ANSWERS

UNIT – I			
1	B) Business	11	C) Sample selection
2	C) Applied research	12	B) Fundamental research
3	A) Cluster sampling	13	A) Conceptual research
4	B) longitudinal design	14	D) Hudson Maxim
5	B) Research design	15	B) Census survey
6	B) Quantitative research	16	B) Judgment sampling
7	A) Descriptive research	17	A) Alpha
8	D) Non-probability sampling	18	A) Hypothesis
9	D) Report writing	19	C) Mean
10	A) Problem formulation	20	A) H _a
UNIT – II			
21	A) Stratified random sampling	31	A) Multi-stage sampling
22	B) Primary data	32	A) Casual study
23	A) Sample	33	B) Secondary data
24	B) N	34	B) Primary data
25	A) Population	35	B) Structured
26	B) Telephone interview	36	C) Pilot study
27	C) Questionnaire	37	D) Observation
28	B) Unstructured interview	38	A) Natural setting
29	C) Non-sampling error	39	A) Social Unit
30	B) Convenience	40	B) Source
UNIT – III			
41	D) All the above	51	A) Multidimensional scaling
42	A) Critical value	52	A) Coding
43	A) Likert scale	53	D) Chi-square test
44	B) Non-Parametric test	54	A) Analysis of variance
45	B) Tabulation	55	B) Hypothesis
46	D) Ordinal scale	56	C) Central editing
47	A) Variable	57	D) t-test
48	A) Graphic rating	58	C) Data editing

49	B) Thurstone-type scale	59	B) Scaling
50	A) F-test	60	A) Ad hoc approach
UNIT – IV			
61	C) Standard deviation	71	B) Measures of central tendency
62	B) Regression analysis	72	A) Standard Deviation
63	D) Between -1 and +1	73	B) Median
64	C) Karl Pearson	74	A) Multiple regression
65	C) σ	75	C) Harmonic mean
66	A) Spearman	76	D) Analysis of Variance
67	B) Multiple correlation	77	A) ρ
68	D) Mode	78	B) Geometric mean
69	A) Path analysis	79	A) Average
70	B) Correlation analysis	80	B) Mean
UNIT - V			
81	D) Patent	91	B) Findings
82	A) Objective and detached	92	A) Communicating the information
83	B) Collected data	93	D) Laymen
84	C) Data analysis and interpretation	94	D) Bibliography
85	A) Interpretation	95	B) Literature cited
86	B) Appendices	96	D) All the above
87	A) Preliminary pages	97	B) Final stage
88	D) Painstaking	98	A) Time Series Data
89	A) Glossary	99	A) Report
90	A) First	100	D) Bibliography

SECTION A

1 MARKS

UNIT - I

1. It is a process of deciding the goals and formatting policies is called
 - a) Organizing
 - b) Directing
 - c) Planning
 - d) Controlling
2. It is an order to implement the plans
 - a) Planning
 - b) Organizing
 - c) Staffing
 - d) Directing
3. It is a process of motivating, activating, loading and supervising people is
 - a) Staffing
 - b) Organizing
 - c) Directing
 - d) Controlling
4. It implies checking, verifying and regulating to ensure that everything in the management
 - a) Directing
 - b) Organizing
 - c) Planning
 - d) Controlling
5. It is concerned with securing and employing the right kind and proper number of people required to accomplish the Organisation is called.
 - a) Procurement
 - b) Development function
 - c) Integration function
 - d) Maintenance function
6. It is a process of improving the knowledge, skills, aptitudes and values of employees.
 - a) Development function
 - b) Compensation function
 - c) Integration function
 - d) Maintenance function
7. It is a process of reconciling the goals of the organisation with those of its members.
 - a) Maintenance function
 - b) Integration function
 - c) Development function
 - d) Procurement function

8. Under training and development plan the form is prepared are called
- a) Duplicate form
 - b) Structured form
 - c) Detailed form
 - d) Non Structured form
9. Human resource management refers to
- a) All managerial activities
 - b) Concepts and Techniques
 - c) Working activities
 - d) Management of people
10. The knowledge, education, training, skills and expertise of a firm's workers is known as
- a) Physical Capital
 - b) Management Philosophy
 - c) Production Capital
 - d) Human capital
11. Human resource practice that support strategy include
- a) Performance Management
 - b) Rewards Practices
 - c) Staffing Practices
 - d) Production Scheduling
12. The policies are established formally and deliberately by top management
- a) Appealed Policy
 - b) Originated Policy
 - c) Specific Policy
 - d) General Policy
13. These policies are formulated on requests of subordinates who want to know how to handle some situation.
- a) Specific policies
 - b) General policies
 - c) Appealed policies
 - d) Imposed policies
14. An organisation accepts these policies due to pressure of external agencies like government, trade association and trade union etc. is called
- a) Imposed policies
 - b) Appealed policies
 - c) Originated policies
 - d) General policies
-

15. These policies do not relate to any specific issues in an organization.
- a) General Policies
 - b) Specific Policies
 - c) Appealed Policy
 - d) Originated Policies
16. These policies are inferred from the behavior of managers.
- a) Written policies
 - b) Specific policies
 - c) General policies
 - d) Imposed policies
17. The process by which management determines how an organization should move from its current manpower position is called
- a) HR Planning
 - b) HR Organising
 - c) HR Development
 - d) Controlling
18. In this method time and motion study are used to analyse and measure the work being done
- a) Ratio-Trend analysis
 - b) Work - Study Method
 - c) Mathematical Models
 - d) Managerial Judgement
19. What is the operative function of human resource management.
- a) Controlling
 - b) Organising
 - c) Procurement
 - d) Directing
20. Human relations approach of the Management is associated with
- a) Abraham Maslow
 - b) Peter F. Drucker
 - c) Elton Mayo
 - d) Herzberg

UNIT II

21. The process of analyzing jobs from which job descriptions are called
- a) Job analysis
 - b) Job Evaluation
 - c) Job Enrichment
 - d) Job enlargement

22. What describes the duties of the job authority, relationship, skills requirement, and condition of work etc.
- a) Job enrichment
 - b) Job enlargement
 - c) Job Analysis
 - d) Job Occupation
23. It implies determining the worth of a job to an Organisation by comparing with other jobs within the Organisation by comparing with other jobs within the Organisation
- a) Job evaluation
 - b) Job Classification
 - c) Job Task
 - d) Job occupation
24. It means grouping of jobs into certain categories on some specified basis is called
- a) Job evaluation
 - b) Job Classification
 - c) Job Family
 - d) Job task
25. A job may be analyzed to simplify the process and methods involved in it is called
- a) Job Redesign
 - b) Work standards
 - c) Miscellaneous
 - d) Job Analysis
26. Under this method the job analyst actually performs the job under the study to obtain a first hand experience is called
- a) Job Performance
 - b) Personal Observation
 - c) Interview
 - d) Log Records
27. In this Method Properly drafted questions are sent to job holders is
- a) Questionnaire
 - b) Interview
 - c) Personal Observation
 - d) Monitoring
28. In this method a diary or log book is given to each job holder is called
- a) Log Records
 - b) Critical Incidents
 - c) Questionnaire
 - d) Personal observation
-

29. This part of job description helps to identify and designate the job is called.
- a) Job Summary
 - b) Job identification
 - c) Social environment
 - d) Supervision
30. A Written statement of the contents of a job is called
- a) Job Specification
 - b) Job Description
 - c) Job Analysis
 - d) Job Task
31. It is also known as engineering approach
- a) Individual Approach
 - b) Classical Approach
 - c) Behavioral Approach
 - d) Economic Approach
32. It involves designing a job in such a way that it provides the worker greater autonomy for planning and controlling his own performance is called.
- a) Job Enlargement
 - b) Job Enrichment
 - c) Job Rotation
 - d) Job Sharing
33. In this technique each job is paired with every other job in the series.
- a) Ranking a number line
 - b) Pair Comparisons
 - c) Job Description
 - d) Grading Method
34. In this technique a written job description is prepared for every job.
- a) Job description
 - b) Pair Comparison
 - c) Point Method
 - d) Grading Method
35. It is the most widely used method of job evaluation
- a) Point Method
 - b) Factor Comparison Method
 - c) Grading Method
 - d) Ranking Method

36. The Process of identifying duties and responsibilities related to a job is classified as

- a) Job Specification
- b) Job Description
- c) Job Analysis
- d) Job Mobility

37. Indicators to show job accomplishment and to measure performance of key areas of job are classified as

- a) Performance Standards
- b) Mobility Standards
- c) Description Standards
- d) Responsive Standards

38. List of all skills, abilities and Knowledge needed for jobs satisfaction performance is classified as

- a) Job Mobility
- b) Job Marginality
- c) Job Descriptions
- d) Job Specification

39. This appraisal plays a very important role in the 360 degree appraisal system.

- a) Self-appraisal
- b) Subordinate appraisal
- c) Peer appraisal
- d) Superiors appraisal

40. It is a small group of employees which make suggestions for improving productivity

- a) Quality Circle
- b) Production Cell
- c) Self Directed workmen
- d) Special Purpose team

UNIT III

41. It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation.

- a) Job Analysis
- b) Job Recruitment
- c) Job Specification
- d) Job Promotion

42. The workers may be recruited at the factory gate is called
- a) Labour contractors
 - b) Gate recruitment
 - c) Employee referrals
 - d) Casual callers
43. In this recruitment scouting, employee contacts, manned exhibits and waiting lists are used
- a) Indirect Method
 - b) Third party Method
 - c) Direct Method
 - d) Internet Recruitment
44. Various agencies can be used to recruit personnel is called
- a) Third party Methods
 - b) Indirect Methods
 - c) Direct Methods
 - d) Internet Recruitment
45. Advertisement in newspaper, Journals, on the Radio and Television are used to publicize vacancies is known as
- a) Indirect Method
 - b) Third party Methods
 - c) Internet recruitment
 - d) Direct method
46. The Constitution of India lays down regarding employment is
- a) Legal Consideration
 - b) Political Consideration
 - c) Social Consideration
 - d) Economic Consideration
47. Prohibition of employment of children in certain employment is
- a) Economic Consideration
 - b) Legal Consideration
 - c) Social Consideration
 - d) Political Consideration
48. Employment conditions in the community is
- a) Social Consideration
 - b) Legal Consideration
 - c) Political Consideration
 - d) Economic Consideration

49. Pay and Working condition offered by other organization in the industry is called
- a) Economic Consideration
 - b) Social Consideration
 - c) Legal Consideration
 - d) Political Consideration
50. A test is a sample of some aspect of an individual attitude, behaviour and performance.
- a) Employment Interview
 - b) Selection Test
 - c) Preliminary Interview
 - d) Application blank
51. A conversation between two people is called.
- a) Application Blank
 - b) Selection Test
 - c) Employment interview
 - d) Preliminary Interview
52. An Applicant who have crossed all the stages are sent for a physical examination is called as
- a) Reference Checks
 - b) Final Approval
 - c) Application Blank
 - d) Medical Examination
53. The applicant is asked to mention in his application form about the name and addresses of 2 or more persons who know him well is called as
- a) Medical Examination
 - b) Final Approval
 - c) Reference checks
 - d) Interview
54. These test measure the latent ability or potential of a candidate to learn a new job or skill is Called
- a) Aptitude tests
 - b) Mental Test
 - c) Skill Test
 - d) Job Knowledge tests
55. Skill test is otherwise called as
- a) Psycho-motor test
 - b) Mechanical Aptitude test
 - c) Intelligence Test
 - d) Proficiency Test
-

56. An interview is a semi – structured approach where in details concerning one key area are sought is called

- a) Group Interview
- b) Stress Interview
- c) Depth Interview
- d) Non Directed Interview

57. Such Interview is fully planned to a high degree of accuracy and precision is

- a) Formal Interview
- b) Structured Interview
- c) Informal Interview
- d) Depth Interview

58. The purpose of such interview is to find out how a candidate behaves in a situation is called

- a) Stress Interview
- b) Group Interview
- c) Unstructured Interview
- d) Formal Interview

59. The candidate is allowed to speak his mind freely is

- a) Non Directed Interview
- b) Depth Interview
- c) Stress interview
- d) Group Interview

60. An interview it is not planned and is used when the staff is required urgently is

- a) Formal Interview
- b) Structured Interview
- c) Group Interview
- d) Board Interview

UNIT –IV

61. It is a kind of relationship of a leader with the employees

- a) Purposeful
- b) Happy
- c) Powerful
- d) Relative

62. What are the leadership skills

- a) Tools
- b) Behaviours
- c) Protection
- d) Dictatorship

63. Who defined as "leader is a person who has commanding authority or influence"?

- a) Merriam William
- b) Merriam Webster
- c) Merriam Maslow
- d) Merriam Frontiers

64. In which leadership the leader holds all authority and responsibility

- a) Democratic
- b) Transformal
- c) Strategic
- d) Autocratic

65. Companies facing a number of major challenges in finding and developing leaders

- a) Three
- b) Six
- c) Seven
- d) Two

66. Leaders carry out this process by applying their Leadership in

- a) Behaviour
- b) Knowledge
- c) Skills
- d) Politeness

67. Which one is the principle of Leadership

- a) To Give
- b) To Bought
- c) To Help
- d) To Command

68. Participative style in leadership is otherwise called as

- a) Democratic Style
- b) Autocratic Style
- c) Laissez Faire Style
- d) Free Rein Style

69. In this type of Leadership style the leader takes a decision in consultation with the subordinates is.

- a) Participative Style
- b) Authoritative Style
- c) Free Rein Style
- d) Laissez Faire Style

70. A leadership is

- a) The process of achievement of goals
- b) A group that achieve goals
- c) Influencing towards the achievement
- d) Directing the group for achievement

71. Under this type of leadership styles the subordinates enjoy full freedom to decide as and what they like is called.

- a) Laissez Faire Style
- b) Participative Style
- c) Autocratic Style
- d) Democratic Style

72. A leader has a great force in getting the acceptance from the receiver is called

- a) Social Skill
- b) Technical Skill
- c) Communicative Skill
- d) Motivating Skill

73. A leader is shown by a person acts more than by his traits is known as

- a) Behavioural Theory
- b) Situational Theory
- c) Maslow Theory
- d) Herzberg Theory

74. Managers regularly take time to take the sales people about the things that are important to them

- a) Never
- b) Rarely
- c) Usually
- d) Always

75. The supreme quality of leadership is

- a) Honesty & Integrity
- b) Commitment
- c) Passion
- d) Communicator

76. A leadership typically inspire staff through effective communication is

- a) Transactional Leadership
- b) Transformational Leadership
- c) Servant Leadership
- d) Autocratic Leadership

77. This type of Leadership is implemented highly regulated or administrative environments is
- a) Charismatic Leadership
 - b) Situational Leadership
 - c) Bureaucratic Leadership
 - d) Democratic Leadership
78. This type of leadership is depending upon the environment is called
- a) Charismatic Leadership
 - b) Bureaucratic Leadership
 - c) Democratic Leadership
 - d) Situational Leadership
79. Under this type of leadership it prefer power sharing models of authority, prioritizing the needs of their team and encouraging collective decision making is
- a) Servant Leadership
 - b) Transactional Leadership
 - c) Transformational Leadership
 - d) Autocratic Leadership
80. This type of Leadership provides guidance about what should be done and how to do it, scheduling work and maintaining standard of performance is
- a) Situational Leadership
 - b) Autocratic Leadership
 - c) Servant Leadership
 - d) Directive Leadership

UNIT – V

81. As per the need of Hierarchy theory when the designation of an employee is changed from UDC to assistant it satisfies
- a) Social needs
 - b) Security needs
 - c) Self Actualization needs
 - d) Esteem needs
82. According to expectancy theory of motivation when expectation of the employee increases
- a) Motivation Increases
 - b) Motivation Decreases
 - c) No effect on motivation
 - d) Motivation increase some extent

83. According to Herzberg theory of motivation absence of hygiene factors causes
- a) Satisfaction among employees
 - b) Dissatisfaction among employees
 - c) Motivation among employees
 - d) Self Actualization
84. According to Herzberg theory of motivation which of the following factor works as motivator
- a) Salary
 - b) Job condition
 - c) Advancement
 - d) Relation with the Supervisor
85. Which of the following is not the theory of motivation
- a) Maslow's need Theory
 - b) Vroom's Expectancy Theory
 - c) Tannenbaum Schmidt Theory
 - d) Hygiene Theory
86. Which of the following is the theory of Motivation
- a) Managerial grid
 - b) Fielders Contingency Model
 - c) Vroom yelton theory
 - d) Porter & Lawler theory
87. Which of the theory puts the needs of human beings in a hierarchy.
- a) Maslow's Theory
 - b) Herzberg's Theory
 - c) Vroom's Theory
 - d) McGregor's Theory
88. Which theory of motivation assumes that average worker dislikes work
- a) Theory X
 - b) Theory Y
 - c) Need Hierarchy theory
 - d) Equity Theory
89. When a supervisor is redesigned as section officer whose need is satisfied
- a) Social need
 - b) Esteem need
 - c) Self Actualization needs
 - d) Affiliation need

90. The process of Stimulating people to action to accomplish desired goals is called
- a) Leadership
 - b) Motivation
 - c) Directing
 - d) Co-coordinating
91. The presence of motivated employees in the organization helps in
- a) Higher Productivity
 - b) Lower Absenteeism
 - c) Acceptance of organizational changes
 - d) Efforts and Reward
92. According to Maslow which need of human being is at the highest level
- a) Social Needs
 - b) Esteem Needs
 - c) Self Actualization Needs
 - d) Safety Needs
93. According to Maslow which need of human being is at the lowest level
- a) Social Needs
 - b) Esteem Needs
 - c) Physiological Needs
 - d) Safety Needs
94. Planned introduction of an employee to its job co-worker and the organization is called
- a) Training
 - b) Development
 - c) Induction
 - d) Co-ordinations
95. The need of human being to have good relation with peers and others is classified by Maslow as
- a) Security Needs
 - b) Social Needs
 - c) Informal Needs
 - d) Relational Needs
96. The presence of a Hygiene factor as given by Herzberg will
- a) Motivate the employee
 - b) Have no effect on Motivation
 - c) Frustrate the Employee
 - d) Not Frustrate the Employee

97. Absence of a Hygiene factor as given by Herzberg will
- a) Not Frustrate the Employee b) Have no effect on Motivation
c) Frustrate the Employee d) Motivate the employee
98. The ERG Model of Motivation was pronounced by
- a) Maslow b) Mc Cleland c) Clayton Alderfer d) John Adams
99. In Vrooms Expectancy Theory what does the factor “Expectancy” represents
- a) Capacity of worker b) Value of the worker
c) Value of reward d) Ability of Worker
100. Which of the following will lead to higher motivation of an employee
- a) Job Analysis b) Job Evaluation
c) Job Enlargement d) Job Enrichment

SECTION B**5 MARKS****UNIT I**

1. What do you understand by the term “Human Resources”?
2. Identify the need for managing human resource.
3. What is the role of human resource management in a modern organization?
4. Discuss the importance of HRM in the business environment.
5. List out the Scope of human resource management.
6. State the objectives of human resource management.
7. Explain system approaches in human resource management
8. List out the status and role of human resource manager.
9. Explain the concept of human resource planning.
10. Bring out the various levels of human resource planning.

UNIT - II

21. What do you understand by Job Analysis?
22. Discuss the main uses of Job analysis.
23. Write short notes on Job classification, Job rotation, Job design and Role analysis.
24. How will you analyse a Job?
25. What is Job Description? List out the contents and utility.
26. Distinguish between Job Description and Job Specification.
27. Distinguish between Job Analysis and Role Analysis.
28. Explain the Guidelines for preparing job descriptions.
29. Write short notes on Interviews and Questionnaire.
30. Explain the steps in Job Enrichment.

UNIT - III

31. What do you understand by Recruitment?
32. Write briefly the steps involved in selection procedure.
33. How will you develop a Test Programme?
34. State the Objectives of a good selection policy.
35. What is the Difference between Recruitment and Selection?
36. List out the Limitations of Interview.
37. Point out the guidelines for Effective Interview.
38. Write briefly the types of Interview.
39. Write about the Recruitment practice in India.
40. What do you mean by Recruitment Policy?

UNIT - IV

41. Distinguish between Leadership and Management.
42. Distinguish between Transactional and Transformational Leadership.
43. State the major determinants of effective Leadership.
44. Identify and describe “Substitutes for” and “Neutralisers” of Leadership.
45. Write short notes on Autocratic Leadership, Bureaucratic leadership and Laissez-Faire Leadership.
46. What do you mean by Leadership Styles?
47. Write about the qualities of Good Leader.
48. What are the difference between Team Manager and Team Leader?
49. What is the most difficult part of being a Leader?
50. How do you measure success for you as a Leader?

UNIT - V

51. Explain the meaning of Motivation.
52. Appreciate the need for Motivation.
53. Write the Importance of Motivation.
54. Distinguish Between Motivation and Morale.
55. What do you mean by Incentives?
56. Define Morale.
57. Explain the features of Theory Z.
58. Distinguish between Maslow’s and Herzberg’s Theories.
59. What are the Disadvantages of Job Enrichment?
60. List out the importance of Motivation.

SECTION C**8MARKS****UNIT - I**

1. Describe the nature of Human Resource Management.
2. HRM has evolved from the commodity concept to partnership and empowerment and it is said that the Evolution is still on and HRM still evolving”Elucidate with the help of suitable example.
3. Human resource management involves two categories of functions – Managerial and Operative. Describe these functions.
4. How is the Concept of “Human resource Management “differ from the “personnel” Management?
5. Explain the process of Human Resource Planning.
6. Describe the Major Dimensions of Human resource Management which you consider are Important in the corporate sector.
7. Describe the history of Human Resource Management.
8. Explain the Characteristics of Human Resource Manager.
9. Genesis and growth of HRM in India Explain.
10. Explain the problems in Human Resource Planning and give some effective measures.

UNIT -II

11. What are the precautions should be taken in preparing Job Description.
12. Define Job Analysis? What are its objectives? How it is differ from Job Evaluation.
13. Explain the term “Job Specification “with the help of a specimen.
14. Explain and evaluate the Job Characteristics model of Job Design.
15. Critically examine the classical approach to job design.

16. Clearly discuss the relationship among Job analysis, Job Description and Job Specification.
17. Explain the Recent Trends in Job redesign.
18. Define the terms “Job analysis” and “workload analysis” how are these helpful in the forecasting.
19. Explain the methods of Job Design.
20. Discuss the various job Specification Techniques.

UNIT -III

21. Explain the process of Recruitment.
22. Discuss critically the various sources of recruitment for executives.
23. Describe the Nature & Important of employee selection.
24. Discuss the Importance of Psychological tests and interviews in employee selection.
25. What are the various hurdles in a selection procedure?
26. Discuss the role of Psychological tests in the selection process.
27. Explain the selection procedure followed by an organization.
28. Explain the Recruitment process. Why it is important for an organization to do an effective job of Recruitment.
29. “Employee selection in India is a process of elimination and not an evaluation”. Comment.
30. What are the common pitfalls in a selection interview? What measures would you adopt to make the process effective?

UNIT -IV

31. Discuss the functions performed by leaders.
32. Describe the types of Leadership.
33. Explain the major Theories of Leadership

34. Examine the Leadership styles exercised in the Indian Organisation.
35. List out the Qualities of Leadership.
36. What are the essentials of effective Leadership?
37. How do you conduct Interview?
38. What you mean by Leadership in your point of view.
39. Explain the Important task of a Leader.
40. What are the most important values you demonstrate as a leader.

UNIT - V

41. Explain the types of Incentives.
42. Write about the advantages of Job enrichment.
43. What is the need for Motivating employees in an Organisation?
44. Critically examine the need hierarchy theory of Motivation.
45. Can the expectancy model be applied to your motivation as a student? Discuss
46. "Money cannot motivate all people under all circumstances" Give Reasons.
47. How does Job Enrichment is differ from Job Enlargement.
48. Explain Mc Gregor's Theory X and Theory Y.
49. List out the Motivation Process.
50. Explain various tools for motivation.

ANSWERS

UNIT I			
1	c) Planning	11	d) Production Scheduling
2	b) Organising	12	b) Originated policies
3	c) Directing	13	c) Appealed Policies
4	d) Controlling	14	a) Imposed Policies
5	a) Procurement Function	15	a) General Policies
6	a) Development Function	16	a) Written policies
7	b) Integration Function	17	a) HR Planning
8	a) Duplicate Form	18	b) Work-study method
9	d) The management of people	19	d) Directing
10	d) Human Capital	20	c) Elton Mayo

UNIT II			
21	a) Job Analysis	31	b) Classical Approach
22	c) Job Analysis	32	b) Job Enrichment
23	a) Job Evaluation	33	b) Pair Comparisons
24	b) Job Classification	34	a) Job Description
25	a) Job Redesign	35	a) Point Method
26	a) Job Performance	36	b) Job Description
27	a) Questionnaire	37	a) Performance Standards
28	a) Log records	38	d) Job Specification
29	b) Job identification	39	b) Subordinate appraisal
30	b) Job Description	40	a) Quality Circle

UNIT III			
41	b) Job Recruitment	51	c) Employment interview
42	b) Gate Recruitment	52	d) Medical examination
43	c) Direct Method	53	c) Reference Checks
44	a) Third Party Method	54	a) Aptitude Tests
45	a) Indirect Method	55	a) Psycho-Motor Test
46	b) Political Consideration	56	c) Depth Interview
47	b) legal Consideration	57	b) Structured Interview
48	a) Social Consideration	58	a) Stress Interview
49	a) Economic Consideration	59	a) Non directed Interview
50	b) Selection Test	60	a) Formal Interview

UNIT IV			
61	a) Purposeful	71	a) Laissez Faire Style
62	b) Behaviours	72	c) Communication Skills
63	c) Merriam –Webster	73	a) Behavioural Theory
64	d) Autocratic	74	d) Always
65	d) Two	75	a) Honesty and Integrity
66	b) Knowledge	76	b) Transformational Leadership
67	c) To Help	77	c) Bureaucratic Leadership
68	a) Democratic style	78	d) Situational Leadership
69	a) Participative Style	79	a) Servant Leadership
70	d) Directing the group for achievements	80	d) Directive Leadership

UNIT V			
81	d) Esteem need	91	d) Efforts and Reward
82	a) Motivation increases	92	c) Self Actualisation Need
83	b) Dissatisfaction among employees	93	c) Physiological Need
84	c) Advancement	94	c) Induction
85	c) Tannenbaum-Schmidt Theory	95	b) Social Need
86	d) Porter & Lawler Theory	96	b) Have no effect on motivation of Employee
87	a) Maslow Theory	97	c) Frustrate the Employee
88	a) Theory X	98	c) Clayton Alderfer
89	b) Esteem Need	99	c) Value of Reward
90	b) Motivation	100	d) Job Enrichment

SECTION A

1 MARKS

UNIT I

1. Any amount of money or money's worth withdrawn by the owners of the business is termed
 - a) Capital
 - b) Purchase
 - c) Drawings
 - d) Sales
2. Goodwill is an _____ assets.
 - a) Intangible
 - b) Fixed
 - c) Tangible
 - d) Current
3. The accounting, in which all incomes are considered to be earned only when they are actually received in cash.
 - a) Mercantile system
 - b) Hybrid system
 - c) Cash basis
 - d) Money basis
4. The asset which is acquired for income generation, but not for resale are
 - a) Current assets
 - b) Fixed assets
 - c) Tangible assets
 - d) Intangible assets
5. The amount owned by the proprietor is called
 - a) Assets
 - b) Drawings
 - c) Capital
 - d) Liabilities
6. Land & Building is an example of
 - a) Current Assets
 - b) Fixed Assets
 - c) Tangible Assets
 - d) Intangible Assets
7. A person whose liabilities are more than the realizable values of his assets
 - a) Insolvent
 - b) Solvent
 - c) Debtor
 - d) Creditor
8. Which among the following is not tangible asset?
 - a) Cash
 - b) Machinery
 - c) Building
 - d) Goodwill
9. Which among the following is a tangible asset?
 - a) Building
 - b) Copyright
 - c) Patents
 - d) Goodwill

10. A person who receives a benefit without giving money or money's worth immediately but liable to pay in future is a
- a) Debtor
 - b) Solvent
 - c) Insolvent
 - d) Creditor
11. A person who has assets with realizable values which exceeds his liabilities is
- a) Insolvent
 - b) Solvent
 - c) Creditor
 - d) Debtor
12. Goods sold to Srinivasan should be debited to
- a) Cash A/C
 - b) Srinivasan A/C
 - c) Sales A/C
 - d) Purchase A/C
13. Any entry which is passed in the beginning of each current year is called
- a) Original Entry
 - b) Closing Entry
 - c) Final Entry
 - d) Opening Entry
14. Purchased goods from Murthy on credit should be credited to
- a) Murthy A/C
 - b) Purchases A/C
 - c) Sales A/C
 - d) Cash A/C
15. Purchased goods from Venkat for cash should be credited to
- a) Venkat A/C
 - b) Cash A/C
 - c) Purchases A/C
 - d) Bank A/C
16. The accounting equation is connected with
- a) Assets only
 - b) Liabilities only
 - c) Capital only
 - d) Assets, Liabilities & Capital
17. The liabilities of a business are Rs.30, 000; the capital of the proprietor is Rs.70, 000. The total assets are
- a) Rs.1, 00,000
 - b) Rs.70, 000
 - c) Rs. 40,000
 - d) Rs.60, 000
18. Ledger is a book of
- a) Original entry
 - b) Final entry
 - c) Opening entry
 - d) All cash transactions

19. Posting on the credit side of an A/C is written as
- a) To
 - b) By
 - c) Being
 - d) For
20. Real accounts always show
- a) Debit balance
 - b) Credit balance
 - c) Nil balance
 - d) Asset balance

UNIT II

21. The statement which is prepared to test the arithmetical accuracy of the books of accounts.
- a) Journal
 - b) Ledger
 - c) Trial balance
 - d) Final accounts
22. The financial position of the business at a given date is reflected in
- a) Profit & loss
 - b) Trading account
 - c) Ledger
 - d) Balance sheet
23. The book also known as invoice book is
- a) Purchase book
 - b) Sales book
 - c) Purchase return
 - d) Sales return
24. The subsidiary book system in which the entire work relating to cash and bank transactions is minimized is known as
- a) Sales book
 - b) Cash book
 - c) Purchase book
 - d) Purchase return book
25. All the items given in the adjustment will appear at how many places in the financial statements
- a) Three places
 - b) Two places
 - c) One place
 - d) No where
26. Rent outstanding payable is
- a) A liability
 - b) An asset
 - c) An income
 - d) Expense cum liability
27. Purchase of machinery is recorded in
- a) Sales book
 - b) Journal proper
 - c) Purchase book
 - d) Purchase return

28. Credit Sales are recorded in
- a) Sales book
 - b) Journal proper
 - c) Purchase book
 - d) Cash book
29. The person who prepares a bill is called
- a) Cashier
 - b) Owner
 - c) Drawer
 - d) Drawee
30. Which among the following is not a subsidiary book?
- a) Cash book
 - b) Purchase book
 - c) Sales book
 - d) Ledger
31. Suspense account in the trial balance is entered in the
- a) Trading A/c
 - b) Profit and loss A/c
 - c) Balance sheet
 - d) Trial Balance
32. Gross Profit can be found out by preparing
- a) Trading A/c
 - b) Profit & loss A/c
 - c) Trial balance
 - d) Balance sheet
33. Net Profit can be found out by preparing
- a) Trading A/c
 - b) Profit & loss A/c
 - c) Trial balance
 - d) Balance sheet
34. Advertisement will appear in
- a) Trading A/c
 - b) Profit & loss A/c
 - c) Trial balance
 - d) Balance sheet
35. Stationaries will appear on which side of profit and loss A/c
- a) Debit
 - b) Credit
 - c) Assets
 - d) Liabilities
36. Prepaid income is a
- a) A liability
 - b) An asset
 - c) An income
 - d) Expense cum liability
37. Purchase book is kept to record
- a) All Purchases
 - b) Only cash purchases
 - c) Only credit purchases
 - d) Cash sales

38. Credit Sales are recorded in

- a) Sales Book
- b) Cash book
- c) Purchase book
- d) Journal proper

39. Goods returned by customers are recorded in

- a) Sales book
- b) Sales return book
- c) Purchase return book
- d) Cash book

40. Days of grace are

- a) 3 days
- b) 5 days
- c) 2 days
- d) 1 day

UNIT - III

41. The export activity which is conducted in an orderly, efficient and profitable manner is

- a) Export management
- b) Trade management
- c) Export analysis
- d) Export business

42. The predetermination of a course of action in disciplines of management is

- a) Planning
- b) Organization
- c) Building a team
- d) Executive action

43. The exporters who manufacture goods by his own and market his product is

- a) Merchant Exporters
- b) Manufacture Exporter
- c) Service Exporter
- d) Deemed Exporter

44. Trade between people of many countries is called as

- a) Home Trade
- b) Trade
- c) Bilateral trade
- d) Multilateral Trade

45. Domestic trade is also known as

- a) Home Trade
- b) Trade
- c) Bilateral trade
- d) Multilateral Trade

46. The exchange of goods within the boundaries of a country is known as

- a) Trade
- b) Home Trade
- c) Bilateral trade
- d) Multilateral Trade

47. Import trade procedure starts with
- a) Trade enquiry
 - b) Obtaining quota
 - c) Placing Indent
 - d) Arranging letter of credit
48. To avoid disputes exchange rates are fixed in advance preferably at the time of
- a) Placing order
 - b) Obtaining shipping order
 - c) Obtaining custom clearance
 - d) Placing dock dues
49. The trade which is imported from one country with the object of exporting to some other country
- a) Import Trade
 - b) Export Trade
 - c) Entrepot Trade
 - d) Trade
50. The document issued by the captain of the ship acknowledging the receipt of goods
- a) Letter of credit
 - b) Ship receipt
 - c) Mate's receipt
 - d) Voucher
51. The document issued by the captain of the ship which is the evidence for the details of goods received by them
- a) Mate's receipt
 - b) Invoice
 - c) Voucher
 - d) Bill of lading
52. The institution which provides insurance against various risk is
- a) ECGG
 - b) ECGC
 - c) EGGC
 - d) EGCC
53. The popular method of dispatching goods to an export buyer by ship is
- a) Negotiation
 - b) Shipment
 - c) Realization
 - d) Producing
54. The exporters who buy goods from the market and export them against the orders is
- a) Merchant Exporters
 - b) Manufacture Exporter
 - c) Service Exporter
 - d) Deemed Exporter
55. The process of evaluating the completed work to ensure that everything is carried out according to plan is
- a) Planning
 - b) Management control
 - c) Building a team
 - d) Executive action

56. The inflow of goods in a country is called
- a) Trade
 - b) Export Trade
 - c) Entrepot Trade
 - d) Import Trade
57. The exporters who export the services where we can't see the product physically is
- a) Merchant Exporters
 - b) Manufacture Exporter
 - c) Service Exporter
 - d) Deemed Exporter
58. The organization which operates at different levels of economic development and has multinational central management is
- a) TNC
 - b) MNC
 - c) TMC
 - d) MMC
59. The main function of an export manager starts with
- a) Direction for exports
 - b) Procurement of an export order
 - c) Export order execution
 - d) Export order evaluation
60. WTO is the only organization dealing with the
- a) Global trade rules
 - b) Home trade rules
 - c) Entrepot trade rules
 - d) Foreign trade rules

UNIT - IV

61. ADS stands for
- a) Arranged Documentation System
 - b) Approved Documentation System
 - c) Aligned Documentation System
 - d) Arranged Documentary System
62. The Exchange control document is
- a) GR-1 form
 - b) AR-1 form
 - c) Letter of Credit
 - d) Shipping Bill
63. The document which carries legal title to the goods shipped.
- a) Bill of lading
 - b) Bills of exchange
 - c) Exchange control declaration
 - d) Invoice
64. The full value of goods exported should be received by the exporter in
- a) 120 days
 - b) 180 days
 - c) 140 days
 - d) 110 days

65. Which among the following is not a standardized export documents relating to shipment?
- a) Certificate of origin
 - b) Shipping bill
 - c) Bill of lading
 - d) Airway bill
66. The person to whom the bill is payable is
- a) Payer
 - b) Payee
 - c) Drawer
 - d) Drawee
67. The popular method of dispatching goods to an export buyer by ship is?
- a) Negotiation
 - b) Shipment
 - c) ADS
 - d) Producing goods
68. The certificate which specifies the name of the country where goods are produced
- a) Certificate of origin
 - b) Certificate of approval
 - c) Certificate of production
 - d) Certificate of inspection
69. The council in which each and every exporter should register for obtaining Registration cum Membership certificate
- a) EBC
 - b) EPC
 - c) EFC
 - d) ETC
70. The certificate issued by the Export Agency certifying that the consignment has been inspected under the Export Act (1963)
- a) Certificate of origin
 - b) Certificate of approval
 - c) Certificate of production
 - d) Certificate of inspection
71. The main document for claiming rebate in central excise duty is
- a) GR Form1
 - b) GP Form1
 - c) AP Form
 - d) ARE-1 Form
72. Under the Foreign Exchange Regulations, Exporters from India have to declare all exports in physical form other than by post through
- a) GR Form1
 - b) ARE Form1
 - c) AP Form
 - d) GPP Form
73. The exporter should submit the shipping documents to his bank from the date of shipment within
- a) 51 days
 - b) 21 days
 - c) 32 days
 - d) 42 days

74. When goods are exported by sea, the document used for this purpose is
- a) Airway Bill
 - b) Cargo Bill
 - c) Trade Bill
 - d) Shipping Bill
75. The application for getting the Export Inspection Certificate is
- a) GR Form1
 - b) Intimation for approval
 - c) Intimation for regulation
 - d) Intimation for inspection
76. The submission of all shipping documents to the bank for realization of payment is
- a) Realization of sale proceeds
 - b) Negotiation
 - c) Shipping
 - d) Offer& receipt of order
77. The document containing guarantee of a bank to make payment to the exporter is
- a) Bill of lading
 - b) Commercial invoice
 - c) Bill of exchange
 - d) Letter of credit
78. The certificate given by the customs officer after physical examination of goods at the port is
- a) Let Go order
 - b) Let Start order
 - c) Let Proceed order
 - d) Let Export order
79. A special incentive of five year tax policy is given to
- a) EOU
 - b) SEZ
 - c) EPZ
 - d) EUZ
80. The first step in export procedure is
- a) Offer and receipt of confirmed order
 - b) Shipment
 - c) Production of goods
 - d) Negotiation

UNIT - V

81. EOU means
- a) Export Organizational units
 - b) Export Operating Units
 - c) Export Orientation Undertakings
 - d) Export Orientation Units
82. SEZ stands for
- a) Special Economic Zone
 - b) Special Environment Zone
 - c) Standard Economic Zone
 - d) Standard Environment Zone
83. Foreign trade of India is regulated by
- a) ETDRA
 - b) FTDRA
 - c) FDDRA
 - d) FTDDA

84. The set of guidelines and instructions related to import and export of goods
- a) Export policy
 - b) Import policy
 - c) EXIM policy
 - d) Trade policy
85. In India, the SEZ policy was announced in the year
- a) 2001
 - b) 2003
 - c) 2000
 - d) 2005
86. DGFT stands for
- a) Directorate Goods for Foreign Trade
 - b) Directorate General of Foreign Trade
 - c) Directorate Goods for Federal Trade
 - d) Directorate General of Federal Trade
87. The minimum eligibility criteria for getting an EOU status is
- a) Rs.3 Crores
 - b) Rs. 2 Crores
 - c) Rs. 5 Crores
 - d) Rs. 1 Crore
88. The type of SEZ where goods can be stored and undergone operations without payment of tax
- a) Bonded Logistic park
 - b) Industrial park
 - c) Free Trade zone
 - d) Export processing zone
89. The imports and exports (Control) Act
- a) 1948
 - b) 1947
 - c) 1946
 - d) 1937
90. The Foreign Trade (Development and Regulation) Act
- a) 1992
 - b) 1982
 - c) 1962
 - d) 1952
91. The EXIM bank of India was set up in
- a) 1922
 - b) 1982
 - c) 1942
 - d) 2002
92. Foreign trade policy is also known as
- a) Export policy
 - b) Import Policy
 - c) EXIM policy
 - d) Policy Decision
93. As per the EXIM policy, the period of bonding licensed to manufacture goods by EOU's
- a) 6 Years
 - b) 5 Years
 - c) 4 Years
 - d) 7 Years

7. Journalize the following on 31st Jan 1999.

Jan 1 Lakshmi started business with a capital of	Rs. 50,000
2 She purchased goods from mala on credit	Rs. 10,000
3 She paid cash to mala	Rs. 5,000
7 She sold goods to Shanthi	Rs.10,000
10 She received cash from Shanthi	Rs. 8,000
15 She further purchased goods from mala	Rs. 12,000
20 She paid cash to mala	Rs. 4,000
25 She further sold goods to Shanthi	Rs. 13,000
She received cash from Shanthi	Rs.3,000

8. Distinguish between Journal and Ledger.

9. Distinguish between cash basis and mercantile basis of accounting?

10. What are the advantages of Double entry System?

UNIT - II

11. What are the various types of subsidiary books?

12. What are the advantages of subsidiary books?

13. What is Purchase Book?

14. Enter the following in a cash book

Particulars	Rs.
1995 Jan 5 Started business with capital	5000
8 Paid rent for January	150
10 Purchased office furniture	750
10 Bought goods for cash	1500
11 Sold goods for cash	900
11 Cash sales	100
12 Received from Raju on account	400
13 Paid to Gopi on account	200
14 Cash withdrawn for own use	150
15 Sold goods for cash	350

15. Journalize the following on 31st Jan 1999.

Jan 1 Lakshmi started business with a capital of	Rs. 50,000
2 She purchased goods from mala on credit	Rs. 10,000
3 She paid cash to mala	Rs. 5,000
7 She sold goods to Shanthi	Rs.10, 000
10 She received cash from Shanthi	Rs. 8,000
15 She further purchased goods from mala	Rs. 12,000
20 She paid cash to mala	Rs. 4,000
25 She further sold goods to Shanthi	Rs. 13,000
She received cash from Shanthi	Rs.3,000

16. From the following prepare Trading account

Particulars	Rs.
Opening Stock	10,000
Purchase	90,000
Carriage Inwards	1,000
Wages	4,000
Octroi	1,000
Sales	1,30,000
Closing Stock	20,000
Wages Outstanding	1,000

17. Record the following transactions for the month of Jan 1999 in the purchases book of M/S Narain Electronics

Jan 4 Purchased from M/s Brown Electronics:

20 Black & White T.Vs @ Rs. 5,200 per piece

10 Colour T.Vs @ Rs. 12,000 per piece

Trade discount on all items @ 12%

Jan 10 Purchased from M/s Mani Electronics:

12 Video tapes @ Rs. 600 per piece.

8 Philips tape recorders @ Rs. 2,500 per piece

Jan 19 Purchased from M/s Sehgal Electronics:

10 LG stereos @ Rs. 3500 per piece
 8 LG colour T.Vs @ Rs. 25,000 per piece
 Trade discount @ 15%

Jan 24 Purchased from M/s Gupta Electronics:

200 Audio cassettes @ Rs.25 per piece
 30 Equity toasters @ Rs. 500 per piece.

18. From the following balances extracted at the close of the year ended 31st dec 1996, prepare profit & loss of Mr. Raj.

Particulars	Rs.	Particulars	Rs
Gross profit	55,000	Repairs	500
Carriage on sales	500	Travelling expenses	520
Office rent	500	Interest	480
General expenses	900	Fire insurance premium	900
Discount to customers	360	Bad debts	2,100
Interest from bank	200	Apprentice premium	1,500
Travelling expenses	700	Printing & stationery	2,500
Salaries	900	Trade expenses	300
Commission	300		

19. Prepare Trading account of a trader for the year ending 31st dec 1996.

Opening stock (1-1-1996)	Rs. 50,000
Goods purchased during 1996	Rs. 2, 80,000
Freight & packing on the above	Rs. 20,000
Closing stock	Rs. 60,000
Sales	Rs. 3, 80,000
Packing expense on sales for distribution	Rs. 12,000

20. Record the following transactions in the proper subsidiary books of M/s.Ram & Co., and post them to the ledger.

2003 April 1 Goods sold to Ramesh Rs. 1,000
 5 Sold goods to Kumar Rs. 2,200
 8 Sold goods to Shankar Rs. 300

10 Goods returned by Kumar Rs. 600

15 Credit Note sent to Shankar for Rs. 200 being the invoice overcharged

UNIT - III

21. What are the features of International Trade?
22. Discuss the need for International Trade?
23. Distinguish between export trade and import trade.
24. Explain in detail about the Entrepot trade
25. What are the difference between home trade and foreign trade?
26. Define the term Export management.
27. Write a short note on types of Exporters?
28. Enumerate the features of export management?
29. Discuss about export organization?
30. What is the need for export management?

UNIT - IV

31. What do you mean by Export Procedure? List out the stages involved in it.
32. Write a short notes on
 - a) Commercial Invoice
 - b) Bill of lading
 - c) Shipping Bill
 - d) Exchange Control Declaration (GR form)
33. Write a short note on ADS?
34. Write a note on shipment stage.
35. What are the main incentives available to Indian Exporters?
36. Discuss briefly about Duty drawback
37. Discuss the significance of commercial invoice and Bill of lading
38. Explain the importance of letter of credit in international trade
39. Give a short note on Certificate of origin
40. Enumerate the formalities involved in post shipment stage.

UNIT - V

41. What do you mean by Export policy?

42. What are the main objectives of the EXIM policy?
43. Write a short note on EOU's?
44. What are the main objectives of EOU?
45. "Reduced Export Obligation for domestic procurement under EPCG scheme"- Comment
46. Write a short note on SEZ?
47. SEZ will be the vehicle of Growth. Explain
48. State the facilities that Export oriented units can enjoy.
49. Give a short note on export policy structure
50. Give a short note on import policy structure

SECTION - C**8 MARKS****UNIT - I**

1. Discuss briefly about the accounting concepts?
2. What are the different types of accounts?
3. Briefly explain the various accounting conventions.
4. Explain in detail about the various accounting assumptions
5. Bring out the advantages and the limitations of journal
6. Highlight the journalizing process of accounting
7. Journalize the following in the journal of Thiru. Gowri Shankar
 - 2003 Oct 1 Received cash from siva Rs. 75,000
 - 7 Paid cash to sayeed Rs.45, 000
 - 10 Bought goods for cash Rs. 27000
 - 12 Bought goods on credit from David Rs.48, 000
 - 15 Sold goods for cash Rs.70, 000
 - 18 Sold goods to Ravi Rs.40, 000
8. Journalize the following post the same in relevant ledger account and balance it.
 - 2004 June 1 Ravi invested Rs. 5, 00,000 cash in the business
 - 3 Paid into bank Rs. 80,000
 - 7 Purchased goods for Rs. 70,000
 - 10 Sold goods for Rs. 80,000
 - 15 Withdrawn cash from bank Rs. 10,000

25 Paid electric charges Rs. 3,000

30 Paid salaries Rs. 15,000

9. Journalize the following of Mr. Karthick, and post them in relevant ledger account

2003 Oct 1 Received cash from Ramesh Rs.1, 60,000.

5 Bought goods for cash Rs. 60,000

7 Sold to Suresh Rs. 30,000

15 Bought from Dayalan Rs.40, 000

18 Sold to Ganesan Rs. 50,000

20 Withdrew cash for personal use Rs.18, 000

25 Received commission Rs. 20,000

30 Paid rent Rs. 5,000

31 Paid salaries Rs. 10,000

10. Journalize the following of Mr. Radhakrishnan and post them in relevant ledger account

2004 Jan 1 Radhakrishnan commenced business with cash Rs.15,00,000.

3 Paid into bank Rs.5, 00,000

5 Bought goods for Rs.3, 60,000

7 Paid travelling charges Rs. 5,000

10 Sold goods for Rs.2, 50,000

15 Sold goods to Balan Rs.2, 40,000

20 Purchased goods from Narayanan Rs.2, 10,000

25 Withdrew Cash Rs. 60,000

UNIT - II

11. Give the specimen for Trading, Profit & loss A/c and Balance sheet

12. Explain the various types of subsidiary books in detail.

13. From the following trial balance of Mr. Ravi, prepare Trading and Profit and Loss Account for the year ended 31st March,2002 and a Balance sheet as on that date.

Particulars	Debit	Credit
Capital		40,000
Sales		25,000

Purchase	15,000	
Salaries	2,000	
Rent	1,500	
Insurance	300	
Drawings	5,000	
Machinery	28,000	
Bank Balance	4,500	
Cash	2,000	
Stock (01.04.2000)	5,200	
Debtors	2,500	
Creditors		1,000
Total	66,000	66,000

Adjustment Required:

- | | |
|-------------------------|-----------|
| a) Stock on 31.03.2002 | Rs. 4,900 |
| b) Salaries unpaid | Rs. 300 |
| c) Rent Paid in Advance | Rs. 200 |
| d) Insurance prepaid | Rs. 90 |

14. From the following Trail Balance of Tmt. Selvapriya as on 31st March 2005, prepare Trading and profit and loss account and balance sheet taking into account the adjustments.

Particulars	Debit	Credit
Capital		3,00,000
Sales		2,50,000
Purchase	2,00,000	
Salaries	10,000	
Rent	7,500	
Insurance premium	1,500	
Drawings	50,000	
Machinery	1,40,000	
Cash at bank	22,500	
Computers	1,25,000	
Furniture	50,000	
Cash	10,000	
Opening stock	26,000	
Debtors	12,500	
Creditors		1,05,000
Total	6,55,000	6,55,000

Adjustments:

- Closing stock as on 31.03.2005 Rs. 39,000
- Rent outstanding Rs. 1,000

3. Provide interest on capital @ 10% and on Drawings @ 8%

15. Prepare trial balance from the following

Capital	2,49,000
General Expenses	97,000
Machinery	1,18,680
Wages	14,400
Drawings	24,000
Buildings	78,000
Stock	1,32,400
Insurance	2,610
Bad debts	1,100
Sales	3,30,720
Commission	5,500
Bills payable	7,700
Bank overdraft	28,600
Creditors	5,000
Loan(Cr)	75,000
Purchases	2,10,800
Reserve fund	15,000
Cash	25,320

16. Enter the following transactions in Rehan's cash book with discount and cash columns

1999 Jan 1 Cash balance	Rs. 18,500
3 Cash sales	Rs. 33,000
7 Paid Dravid	Rs. 15,850
Discount allowed by him	Rs. 150
13 Sold goods to Manohar on credit	Rs. 19,200
15 Cash withdrawn for personal expenses	Rs. 2400
16 Purchased goods from Charles on credit	Rs. 14,300
22 Paid into Bank	Rs. 22,750
25 Cash received from Manohar	Rs. 19,000
Allowed him discount	Rs. 200
26 Drew a cheque for office use	Rs. 17,500
27 Paid cash to Saravanan	Rs. 2950
Discount received from him	Rs. 50
28 Paid cash to Charles less discount	Rs. 14,200
29 Cash purchases	Rs. 13,500
30 Paid for advertising	Rs. 600
31 Paid salaries	Rs. 12000

17. Write the specimen of Profit and loss account.
 18. What are the various types of subsidiary books?
 19. What are the advantages of subsidiary books?
 20. What are the objectives of preparing a Trial Balance?

UNIT - III

21. What do you mean by the term international trade? Explain its features.
22. Discuss the various types of trade in detail
23. Explain the merits and demerits of international trade
24. Explain the intermediaries involved in export and import trade?
25. Explain import trade procedure
26. Explain export trade procedure
27. Describe the role of export managers?
28. Explain in detail about Organization chart?
29. Explain in brief about Disciplines of Management?
30. Discuss briefly about the functions of an export manager.

UNIT - IV

31. Discuss briefly about the various stages in Export Procedure
32. Discuss briefly about the shipping and custom formalities
33. Write briefly about
 - a) Pre-shipment stage
 - b) Post shipment stage
34. Discuss the procedure involved in realization of export proceeds?
35. Evaluate about the Negotiation of documents
36. Give a brief description about the Standardized Export documents.
37. List out the various procedures related to shipment
38. Explain in brief about the offer and receipt of confirmed order.
39. Discuss the shipping and custom formalities?
40. What are the incentives enjoyed by the exporter?

UNIT - V

41. Give a critical account of the EXIM policy of India.
42. Describe in detail about Foreign Trade.
43. Explain in detail about the various provisions of EXIM policy related to export?
44. Highlight in detail the recent EXIM policy
45. What are the facilities and other incentives available for Special Economic Zone?
46. Describe the salient features of EOU

47. Discuss briefly about the salient features of SEZ.
48. Discuss in detail about the features of EXIM policy?
49. Explain benefits received by EOU/EPZ/STP /EHTP units. Do you think it is useful in this competitive world?
50. Write a note on recent emerging development in simplification of documentation in international trade.

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ANSWER KEYS

UNIT - I			
1.	c) Drawings	11	b) Solvent
2.	a) Intangible	12	b) Srinivasan A/C
3	c) Cash basis	13	d) Opening entry
4	b) Fixed assets	14	a) Murthy A/c
5	c) Capital	15	b) Cash A/c
6	b) Fixed assets	16	d) Assets, Liabilities & Capital
7	a) Insolvent	17	a) Rs. 1,00,000
8	d) Goodwill	18	a) Original entry
9	a) Building	19	b) By
10	a) Debtor	20	a) Debit balance
UNIT - II			
21	c) Trial balance	31	c) Balance sheet
22	d) Balance sheet	32	a) Trading account
23	a) Purchase book	33	b) Profit & Loss a/c
24	b) Cash book	34	b) Profit & Loss A/c
25	b) Two places	35	a) Debit
26	b) Liability	36	b) An asset
27	b) Journal proper	37	c) Only credit purchase
28	a) Sales book	38	a) Sales book
29	c) Drawer	39	b) Sales return book
30	d) Ledger	40	a) 3 days
UNIT - III			
41	a) Export Management	51	d) Bill of lading
42	a) Planning	52	b) ECGC
43	b) Manufacture exporter	53	b) Shipment
44	d) Multilateral trade	54	a) Merchant exporters
45	a) Home trade	55	b) Management control
46	b) Home trade	56	d) Import trade

47	a) Trade enquiry	57	c) Service exporter
48	a) Placing order	58	b) MNC
49	c) Entrepot trade	59	b) Procurement of export order
50	c) Mate's receipt	60	c) Entrepot trade rules
UNIT - IV			
61	c) Aligned Documentation System	71.	d) ARE-1 Form
62	a) GR-1 form	72	a) GR Form1
63	a) Bill of lading	73	b) 21 days
64	b) 180 days	74	d) Shipping Bill
65	d) Airway bill	75	a) GR Form1
66	c) Drawer	76	b) Negotiation
67	b) Shipment	77	d) Letter of credit
68	a) Certificate of origin	78	d) Let Export order
69	b) EPC	79	b) SEZ
70	d) Certificate of inspection	80	a) Offer and receipt of confirmed order
UNIT - V			
81	d) Export Orientation Units	91	b) 1982
82	a) Special Economic Zone	92	c) EXIM policy
83	b) FTDRA	93	b) 5 Years
84	c) EXIM policy	94	c) SEZ
85	c) 2000	95	a) State Trading Corporation
86	b) Directorate General of Foreign Trade	96	a) State Trading Enterprise
87	d) Rs. 1 Crore	97	a) Prohibited
88	a) Bonded Logistic park	98	b) Restricted
89	b) 1947	99	c) Customs
90	a) 1992	100	a) Import trade

SECTION – A
UNIT I

1 MARKS

1. Accounting equation signifies
 - (a) Capital of a business is equal to assets
 - (b) Liabilities of a business are equal to assets
 - (c) Capital of a business is equal to liabilities
 - (d) Assets of a business are equal to the total of capital and liabilities
2. 'Cash withdrawn by the proprietor from the business for his personal use' causes
 - (a) Decrease in assets and decrease in owner's capital
 - (b) Increase in one asset and decrease in another asset
 - (c) Increase in one asset and increase in liabilities
 - (d) Increase in asset and decrease in capital
3. A firm has assets of Rs.1,00,000 and the external liabilities of Rs.60,000. Its capital would be
 - (a) Rs1,60,000
 - (b) Rs.60,000
 - (c) Rs 1,00,000
 - (d) Rs. 40,000
4. The incorrect accounting equation is
 - (a) Assets = Liabilities + Capital
 - (b) Assets = Capital + Liabilities
 - (c) Liabilities = Assets + Capital
 - (d) Capital = Assets – Liabilities
5. Accounting equation is formed based on the accounting principle of
 - (a) Dual aspect
 - (b) Consistency
 - (c) Going concern
 - (d) Accrual
6. Real account deals with
 - (a) Individual persons
 - (b) Expenses and losses
 - (c) Assets
 - (d) Incomes and gains
7. Which one of the following is representative personal account?
 - (a) Building A/c
 - (b) Outstanding salary A/c
 - (c) Mahesh A/c
 - (d) Balan & Co
8. Prepaid rent is a
 - (a) Nominal A/c
 - (b) Personal A/c
 - (c) Real A/c
 - (d) Representative personal A/c
9. Withdrawal of cash from business by the proprietor should be credited to
 - (a) Drawings A/c
 - (b) Cash A/c
 - (c) Capital A/c
 - (d) Purchases A/c
10. In double entry system of book keeping, every business transaction affects
 - (a) Minimum of two accounts
 - (b) same account on two different dates
 - (c) Two sides of the same account
 - (d) Minimum three accounts
11. The receiving aspect in a transaction is called as?
 - (a) Debit aspect
 - (b) credit aspect
 - (c) Dual aspect
 - (d) consistency aspect

12. Murali account is an example for
(a) Personal account (b) real account
(c) Real account (d) cash account
13. Capital account is classified under
(a) Personal account (b) real account
(c) Real account (d) cash account
14. Goodwill is an example of
(a) Tangible real account (b) Intangible real account
(c) real account (d) nominal account
15. Commission received is an example of
(a) Real account (b) personal account
(c) Nominal account (d) tangible account
16. Trial balance is a
(a) Statement (b) Account
(c) Ledger (d) Journal
17. The difference of totals of both debit and credit side of trial balance is transferred to:
(a) Trading account (b) Difference account
(c) Suspense account (d) Miscellaneous account
18. Trial balance is prepared:
(a) At the end of the year (b) On a particular date
(c) For a year (d) During the year
19. Drawings account is classified under
(a) Personal account (b) impersonal account
(c) Real account (d) nominal account
20. Impersonal accounts are classified into
(a) 2 types (b) 3 types
(c) 4 types (d) 5 types

UNIT II

21. Purchases book is used to record
(a) All purchases of goods (b) all credit purchases of assets
(c) All credit purchases of goods (d) all purchases of assets
22. A periodic total of the purchases book is posted to the
(a) Debit side of the purchases account (b) debit side of the sales account
(c) Credit side of the purchases account (d) credit side of the sales account
23. Sales book is used to record
(a) All sales of goods (b) all credit sales of assets
(c) All credit sales of goods (d) all sales of assets and goods

24. The total of the sales book is posted periodically to the credit of
- (a) Sales account
 - (b) Cash account
 - (c) Purchases account
 - (d) Journal proper
25. Purchase returns book is used to record
- (a) Returns of goods to the supplier for which cash is not received immediately
 - (b) Returns of assets to the supplier for which cash is not received immediately
 - (c) Returns of assets to the supplier for which cash is received immediately
 - (d) due to damaged goods
26. Sales return book is used to record
- (a) Returns of goods by the customer for which cash is paid immediately
 - (b) Returns of goods by the customer for which cash is not paid immediately
 - (c) Returns of assets by the customer for which cash is not paid immediately
 - (d) Due to Damaged goods
27. Purchases of fixed assets on credit basis is recorded in
- (a) Purchases book
 - (b) Sales book
 - (c) Purchases returns book
 - (d) Journal proper
28. The source document or voucher used for recording entries in sales book is
- (a) Debit note
 - (b) Credit note
 - (c) Invoice
 - (d) Cash receipt
29. Which of the following statements is not true?
- (a) Cash discount is recorded in the books of accounts
 - (b) Assets purchased on credit are recorded in journal proper
 - (c) Trade discount is recorded in the books of accounts
 - (d) 3 grace days are added while determining the due date of the bill
30. Closing entries are recorded in
- (a) Cash book
 - (b) Ledger
 - (c) Journal proper
 - (d) Purchases book
31. Cash book is a
- (a) Subsidiary book
 - (b) Principal book
 - (c) Journal proper
 - (d) Both subsidiary book and principal book
32. The cash book records
- (a) All cash receipts
 - (b) All cash payments
 - (c) Both (a) and(b)
 - (d) All credit transactions
33. When a firm maintains a simple cash book, it need not maintain
- (a) Sales account in the ledger
 - (b) Purchases account in the ledger
 - (c) Capital account in the ledger
 - (d) Cash account in the ledger
34. A cash book with discount, cash and bank column is called
- (a) Simple cash book
 - (b) Double column cash book
 - (c) Three column cash book
 - (d) Petty cash book

35. In Triple column cash book, the balance of bank overdraft brought forward will appear in
(a) Cash column debit side (b) Cash column credit side
(c) Bank column debit side (d) Bank column credit side
36. Which of the following is recorded as contra entry?
(a) Withdrew cash from bank for personal use
(b) Withdrew cash from bank for office use
(c) Direct payment by the customer in the bank account of the business
(d) When bank charges interest
37. If the debit and credit aspects of a transaction are recorded in the cash book,
(a) Contra entry (b) Compound entry
(c) Single entry (d) Simple entry
38. The balance in the petty cash book is
(a) An expense (b) A profit
(c) An asset (d) A liability
39. Petty cash may be used to pay
(a) The expenses relating to postage and conveyance
(b) Salary to the Manager
(c) Purchase of furniture and fixtures
(d) Purchase of raw materials
40. Small payments are recorded in a book called
(a) Cash book (b) Purchase book
(c) Bills payable book (d) Petty cash book

UNIT III

41. Under the net worth method the basis for ascertaining the profit is
(a) The difference between the capitals on two dates.
(b) The difference between the liabilities on two dates.
(c) The difference between the gross assets on two dates.
42. Incomplete records are generally used by
(a) Small traders (b) Company
(c) Government (d) Public
43. Credit sales is obtained from
(a) Bills Receivable account (b) Total debtors account
(c) Total creditors account (d) Bills payable account
44. Single Entry System is
(a) A Scientific method (b) An Incomplete Double Entry System
(c) Statement of affairs (d) Statement of profit or loss
45. The capital of a business is ascertained by preparing
(a) Trading account (b) Statement of profit or loss
(c) Statement of affairs (d) An Incomplete Double Entry System

46. The excess of assets over liabilities is
(a) Net profit (b) Gross profit
(c) Capital (d) Drawings
47. The total assets of a proprietor are Rs.5,00,000. His liabilities Rs.3,50,000. Then his capital in the business is
(a) Rs. 2,50,000 (b) Rs. 1,50,000 (c) Rs. 3,50,000 (d) Rs. 4,50,000
48. A firm has assets worth Rs.60,000 and capital Rs.45,000. Then its liabilities is
(a) Rs. 50,000 (b) Rs. 1,15,000
(c) Rs. 15,000 (d) Rs. 40,000
49. A statement of affairs resembles a
(a) Profit and loss account (b) Trading account
(c) Balance sheet (d) Subsidiary books
50. Incomplete records are those records which are not kept under.
(a) Double entry system (b) single entry system
(c) statement of affairs (d) Statement of profit or loss
51. Closing stock is an item of .
(a) Fixed asset (b) Current asset
(c) Fictitious asset (d) Intangible asset
52. Balance sheet is
(a) An account (b) A statement
(c) Neither a statement nor an account (d) None of the above
53. Net profit of the business increases the
(a) Drawings (b) Receivables
(c) Debts (d) Capital
54. Carriage inwards will be shown
(a) In the trading account (b) In the profit and loss account
(c) On the liabilities side (d) On the assets side
55. Bank overdraft should be shown
(a) In the trading account (b) Profit and loss account
(c) On the liabilities side (d) On the assets side
56. Balance sheet shows the of the business.
(a) Profitability (b) Financial position
(c) Sales (d) Purchases
57. Drawings appearing in the trial balance is
(a) Added to the purchases (b) Subtracted from the purchases
(c) Added to the capital (d) Subtracted from the capital
58. Salaries appearing in the trial balance is shown on the
(a) Debit side of trading account (b) Debit side of profit and loss account
(c) Liabilities side of the balance sheet (d) Assets side of the balance sheet
59. Current assets does not include
(a) Cash (b) Stock (c) Furniture (d) Prepaid expenses

60. Goodwill is classified as
- (a) A current asset
 - (b) A liquid asset
 - (c) A tangible asset
 - (d) An intangible asset

UNIT IV

61. Under straight line method, the amount of depreciation is
- (a) Increasing every year
 - (b) Decreasing every year
 - (c) Constant for all the years
 - (d) Fluctuating every year
62. If the total charge of depreciation and maintenance cost are considered, the method that provides a uniform charge is
- (a) Straight line method
 - (b) Diminishing balance method
 - (c) Annuity method
 - (d) Insurance policy method
63. Under the written down value method of depreciation, the amount of depreciation is
- (a) Uniform in all the years
 - (b) Decreasing every year
 - (c) Increasing every year
 - (d) None of the above
64. Depreciation provided on machinery is debited to
- (a) Depreciation account
 - (b) Machinery account
 - (c) Trading account
 - (d) Provision for depreciation account
65. Cash received from sale of fixed asset is credited to
- (a) Profit and loss account
 - (b) Fixed asset account
 - (c) Depreciation account
 - (d) Bank account
66. Depreciation is provided on
- (a) Fixed assets
 - (b) Current assets
 - (c) Outstanding charges
 - (d) All the assets
67. Depreciation is caused by
- (a) Lapse of time
 - (b) Usage
 - (c) Obsolescence
 - (d) All the above
68. Depreciation is the process of
- (a) Allocation of cost of the asset to the period of its useful life
 - (b) Valuation of assets
 - (c) Maintenance of an asset in a state of efficiency
 - (d) Adding value to the asset
69. For which of the following assets, the depletion method is adopted for writing off cost of the asset?
- (a) Plant and machinery
 - (b) Mines and quarries
 - (c) Buildings
 - (d) Trademark
70. A depreciable asset may suffer obsolescence due to_____
- (a) Passage of time
 - (b) Wear and tear
 - (c) Technological changes
 - (d) None of the above.
71. Which method shall be efficient, if repairs and maintenance cost of an asset increases as it grows older.
- (a) Straight line method
 - (b) Reducing balance method
 - (c) Sinking fund method
 - (d) Annuity method
72. Depreciation is to be calculated from the date when
- (a) Asset is put to use
 - (b) Purchase order is made
 - (c) Asset is received at business premises
 - (d) Invoice of assets is received

73. If the rate of depreciation is same, then the amount of depreciation under straight line method vis-à-vis written down value method will be
- (a) Equal in all years
 - (b) Equal in the first year but higher in subsequent years
 - (c) Equal in the first year but lower in subsequent years
 - (d) Lower in the first year but equal in subsequent years.
74. Residual value of an asset means the amount that it can fetch on sale at the ____ of its useful life.
- (a) Beginning
 - (b) End
 - (c) Middle
 - (d) During
75. If selling price is less than the book value of the asset it denotes
- (a) Loss
 - (b) capital profit
 - (c) Expenditure
 - (d) profit
76. Profit made on sale of fixed asset is debited to
- (a) Profit and Loss account
 - (b) Fixed Asset account
 - (c) Depreciation account
 - (d) Trading account
77. Loss on sale of fixed asset appear on the
- (a) Credit side of Depreciation account
 - (b) debit side of fixed asset account
 - (c) Credit side of fixed asset account
 - (d) debit side of depreciation account
78. The amount of depreciation charged on machinery will be debited to
- (a) Machinery account
 - (b) Depreciation account
 - (c) Cash account
 - (d) Profit and loss account
79. Total amount of depreciation provided on the written down value method at the rate of 10% p.a. on Rs.10,000 for first three years will be
- (a) Rs. 2,107
 - (b) Rs. 2,710
 - (c) Rs. 2,701
 - (d) Rs. 2,010
80. If selling price is more than the book value of the asset on the date of sale, it is
- (a) a loss
 - (b) an income
 - (c) a profit
 - (d) an expenses

UNIT V

81. Cost accounting is a branch of accounting that deals with
- (a) An instrument of management control
 - (b) Classification, recording
 - (c) Nothing more than a detailed analysis of expenditure
 - (d) Useful only in such organization which have profits as the aim
82. Which method of costing is best suited for interior decoration?
- (a) Contract costing
 - (b) operating costing
 - (c) Job costing
 - (d) process costing
83. The total of all direct expenses is known as
- (a) Prime cost
 - (b) work cost
 - (c) Selling cost
 - (d) Administration cost
84. Office cost is also known as
- (a) Prime cost
 - (b) administration cost
 - (c) Work cost
 - (d) selling cost

85. Cost of production=
- Work cost + Office and administration overheads
 - Prime cost + Factory overheads
 - Works cost + prime cost
 - Works cost + Selling and distribution overheads
86. Tender is an estimation of
- Cost
 - selling price
 - Profit
 - distribution
87. The quantity of material to be ordered at one time is known as
- EOQ
 - LIFO
 - HIFO
 - FIFO
88. Re-ordering level=Maximum consumption x
- Re-order period
 - Maximum re-order period
 - Minimum re-order period
 - Normal re-order period
89. In automobile industry cost unit is
- Hours
 - number
 - Wages
 - ideal time
90. Storage ledger is maintained in
- Stores department
 - cost department
 - Production department
 - sales department
91. Describe the method of costing to be applied in case of Nursing Home
- Operating Costing
 - Process Costing
 - Contract Costing
 - Job Costing
92. Consider the following information for costing purpose?

Sales	Rs. 80,000
Opening stock	Rs. 10,000
Net Purchases	Rs. 45,000
Cost of Goods sold	Rs. 50,000

Determine the value of the ending merchandise inventory.

- Rs. 10,000
 - Rs. 15,000
 - Rs. 5,000
 - Rs. 25,000
93. Which of the following equation is correct and used in costing?
- Opening stock + purchases + closing stock = Cost of goods sold
 - Cost of goods sold – closing stock – purchases = Opening stock
 - Cost of goods sold + closing stock – opening stock = Purchases
 - Opening stock + cost of goods sold – purchases = Closing stock
94. Cost of Goods sold is classified as which type of account?
- Asset
 - Liability
 - Revenue
 - Expense
95. A firm had beginning finished goods inventory of Rs. 15,000, ending finished goods inventory of Rs. 20,000 and cost of goods sold of Rs. 80,000. What was the cost of goods manufactured?
- Rs. 80,000
 - Rs. 85,000
 - Rs. 75,000
 - Rs. 65,000
96. Direct Labor is an element of?
- Prime cost
 - Conversion cost
 - Total production cost
 - All of the given options

97. Which of the following cost is used in the calculation of cost per unit?
- (a) Total production cost (b) Cost of goods available for sales
(c) Cost of goods manufactured (d) Cost of goods Sold
98. Direct expenses are such expenses
- (a) Which are directly paid to the employee
(b) Which are directly associated with the purchase
(c) Which are directly associated with the sale
(d) All of above
99. The basic objective of cost accounting is
- (a) Recording of cost (b) Reporting of cost
(c) cost control (d) profit earning
100. In cinema halls, composite cost unit is
- (a) seat per show (b) Cost of screening
(c) Salary of staff cost control (d) Rent of cinema hall profit earning

SECTION – B**5 MARKS****UNIT I**

1. Define Accounting. Enumerate the functions of accounting.
2. Discuss the Golden Rules of accounting.
3. Brief the branches of accounting.
4. Bring out the advantages and limitations of journalize.
5. Complete the missing items.

	Assets	= Liabilities	+ Capital`
(a)	30,000	20,000	?
(b)	60,000	25,000	?
(c)	?	25,000	30,000
(d)	?	10,000	80,000
(e)	25,000	?	15,000
(f)	40,000	?	30,000

6. Journalize the following transactions of Mr.Ravi,
- 2014, June 1 Ravi invested Rs.5,00,000 cash in the business
3 Paid into Bank Rs.80,000
5 Purchased buildings for Rs. 3,00,000
7 Purchased goods for Rs. 70,000
10 Sold goods for Rs.80,000
15 Withdrew cash from Bank Rs. 10,000
25 Paid electric charges Rs. 3,000
30 Paid Salary Rs. 15,000

7. Journalize the following transactions,

Particulars	Rs
2014, Feb 1 Purchased Stationery	1,000
5 Purchase Machinery from Mena and co.	30,000
6 Purchased goods from Madan and co. for cash	40,000
7 Sold goods for cash	1,00,000
8 Sold goods on Credit to Rani	25,000
9 Paid insurance premium of owner by cheque	1,000
10 Cheque issued to mena and co. for the amount due	
11 Goods distributed as advertising samples	100
12 Cash sent to Bank	300

8. M/s Arun Bros commenced their business on 1-1-2015, with Rs. 1,60,000.

The following are their transactions during January 2015.

Particulars	Rs
Jan 2 Bought goods for cash	80,000
4 Purchased goods for Arul	32,000
7 Goods sold for cash	64,000
8 Sold goods to Rajesh	32,000
10 Machinery purchased for cash.	24,000
12 Purchase of land.	8,000
20 paid freight.	8,000
25 Settled Arul's A/c with.	31,200
26 Insurance paid.	4,800
29 Rajesh settled his account with	30,800
30 Salaries paid	4,000
31 Sale of land.	4,000

Journalise the above transactions; post them to ledger of books.

9. Enter the following transactions in the Journal of Mr. Radhakrishnan and post them in ledger and balance the same.

Particulars	Rs
2014, Jan 1 Radhakrishnan commenced business with cash	15,00,000
3 Paid into bank	5,00,000
5 Bought goods	3,60,000
7 Paid Travelling Charges	5,000
10 Sold goods	2,50,000
15 Sold goods to balan	2,40,000
20 Purchased Goods From Narayanan	50,000
25 Withdrew cash	60,000

10. The Following balance are arrived at from the Books of Thiru Sunil as on 30-4-2011. Prepare a trial balance as on 30-4-2011.

Particulars	Rs	Particulars	Rs
Capital	1,00,000	Salaries	25,000
Drawings	25,000	Rent	10,000
Purchase	4,50,000	Taxes	1,500
Sales	6,50,000	Insurance	3,000
Return inwards	3,500	Sundry debtors	40,000
Return outwards	4,500	Sundry creditors	30,000
Carriage inwards	5,500	Cash on hand	2,500
Carriage outwards	4,000	Cash at bank	12,500
Duty on purchases	10,000	Furniture	5,000
Stock(opening)	55,000	Land	1,02,000
Motor van	30,000		

UNIT II

11. What are the various types of subsidiary books?
12. Discuss the advantages of subsidiary books?
13. From the following transactions of Ram for July, 2013 prepare the Purchase Book and Ledger accounts connected with this book.
- 2013, July 5 Purchased on credit from Kannan and co.
- 50 Iron Boxes @ Rs. 500
- 10 Grinders @ Rs. 3,000
- 6 Purchased for cash from Siva and Bros.
- 25 Fans @ Rs. 1,250
- 10 Purchased from Balan and sons on credit.
- 20 Grinders @ Rs. 2,500
- 20 Purchased on Credit, one computer from Kumar for Rs. 35,000

14. From the transactions given below prepare the Sales Book of Ram for July 2013.

2013, July 5 Sold on Credit ToSs Traders.

10 Chairs	@ Rs.250
10 Tables	@ Rs. 850
Less 10% discount	
8 Sold to Raja for cash.	
15 chairs	@ Rs. 250
20 sold to Mohan & co.	
5 Almirah	@Rs. 2,200
10 Tables	@ Rs. 850
23 Sold on Credit to Narayanan Old Computer	for Rs. 5,000
28 Sold to kumaran from Cash	
15 Chairs	@ Rs. 250

15. Enter the following transactions in the purchases return book of Hari and post them into the ledger.

2014 Jan 5 Returned goods to Anand 5 chairs @ Rs.200 each,

14 Returned goods to Chandran 4 chairs @ Rs.200 each and 10 tables @ Rs.350 each, due to inferior quality.

16. Write the following transactions in proper subsidiary books of Mr.Rajasekaran.

2003 May 10 Purchased goods from Raman Rs.15,000

14 Returned goods to Raman Rs.500

18 Purchased goods from Sekaran Rs.10,000

20 Pradeep sold goods to us Rs.20,000

24 Sent a debit note to Sekaran for goods damaged in transit Rs.1,000.

17. Prepare a Double Column Cash Book from the following transactions of Mr.Gopalan:

Particulars	Rs
2004 Jan. 1 Cash in hand	4,000
6 Cash Purchases	2,000
10 Wages paid	40
11 Cash Sales	6,000
12 Cash received from Suresh and allowed him discount	1,980 20
19 Cash paid to Meena and discount received	2,470 30
27 Cash paid to Radha	400
28 Purchased goods for cash	2,070

18. What is cash book? What are its features?

19. Record the following transactions in the analytical petty cash book of Mr. Manoharan. Balance the book on 6th May, 2003. Give Journal entries and post the balances to concerned ledger accounts.

- 2003 May
1. Received for petty cash payment Rs. 1,500
 2. Paid taxi hire Rs. 250
 3. Bought stamps Rs. 75
 4. Paid for carriage Rs. 120
 4. Paid for Telegrams Rs. 75
 4. Paid for auto Rs. 125
 5. Paid for carriage Rs. 300
 6. Bought revenue stamps Rs. 50

20. Enter the following transactions in cash book with cash and discount column of Nandakumar.

- 2003 Jan
- 1 Cash in hand Rs. 60,000.
 - 3 Bought goods from Premnath Rs. 10,000.
 - 4 Opened a current account with bank Rs. 15,000.
 - 7 Withdraw from bank Rs. 5,000.
 - 8 Sold goods to Kandan for Rs. 10,000 credit on terms 2% cash discount if payable within two weeks.
 - 10 Paid cash to Premnath, less 1% C.D.
 - 14 Received a cheque from Arul Rs. 3,400, allowed him discount Rs. 100.
 - 15 Kandan settled his account.

UNIT III

21. Write the difference between trial balance and balance sheet.
22. Write notes on (a) Trading Account (b) Profit and Loss Account (c) Balance sheet.
23. The trial balance shows on 31.3.2002, Sundry Debtors Rs. 1,25,000.

Adjustment:

1. Bad debts to be written off Rs. 5,000
 2. Provide @ 5% Provision for bad and doubtful debts and
 3. Provide @ 2% Provision for discount on debtors
24. Prepare a trading account of Vasu from the following figures.

Particulars	Rs
Opening stock	500
Purchases	2,500
Sales	3,600
Closing stock	300

25. The following are some of the balances extracted from the ledger of Mr.Sundaram as on 31st December 2010. Prepare a trading account.

Particulars	Debit (Rs)	Credit (Rs)
Stock 1.1.2010	12,500	
Purchases	1,00,000	
Sales		1,50,000
Return outwards		5,000
Return inwards	10,000	
Salaries	4,400	
Wages	7,500	
Rent	2,750	
Carriage inwards	750	
Power, coal, gas	1,000	

Stock on 31.12.2010 was valued at Rs.14,000.

26. Prepare profit and loss account of Mrs.Nalini for the year ended 31st Dec. 2011 from the following.

Particulars	Rs	Particulars	Rs
Gross profit	1,25,000	Discount paid	600
Salaries	15,000	Discount received	1,000
Rent	5,000	Interest paid	500
Carriage outwards	1,000	interest received	700
Selling expenses	500	Commission earned	2,000
Income from investment	1,500		

27. From the following particulars, prepare a balance sheet of Mr.Venugopal as on 31st December 2013.

Particulars	Rs	Particulars	Rs
Capital	40,000	Drawings	4,400
Debtors	6,400	Creditors	4,200
Cash in hand	360	Cash at bank	7,200
Furniture	3,700	Plant	10,000
Net profit	1,660	General reserve	1,000
Closing stock	14,800		

28. The following information was extracted from the books of M/s.Sudha Ltd. Prepare final accounts on 31.3.2012.

Particulars	Rs	Particulars	Rs
Opening stock	12,500	Sales	1,89,000
Depreciation	7,000	Commission	2,000
Carriage inwards	700	Capital	1,71,300

Furniture	8,000	Creditors	17,500
Carriage outwards	500	Bills payable	5,000
Plant & machinery	2,00,000	Return outwards	13,800
Cash	8,900		
Salaries	7,500		
Debtors	19,000		
Discount	1,500		
Bills receivable	17,000		
Wages	16,000		
Sales returns	14,000		
Purchase	86,000		
	3,98,600		3,98,600

29. The following is the Trial Balance extracted from the books of Mr. Kumar as on 31.3.17.

Prepare Trading and Profit and Loss account and Balance sheet on 31.3.96.

Debit Balances	Rs	Credit Balances	Rs
Buildings	30,000	Capital	40,000
Machinery	31,400	Purchase returns	2,000
Furniture	2,000	Sales	2,80,000
Motor Car	16,000	Sundry Creditors	9,600
Purchases	1,88,000	Discount received	1,000
Sales returns	1,000	Provision for bad and doubtful debts	600
Sundry Debtors	30,000		
General Expenses	1,600		
Cash at Bank	9,400		
Rates and Taxes	1,200		
Bad Debts	400		
Insurance premium	800		
Discount allowed	1,400		
Opening stock	20,000		
	3,33,200		3,33,200

Adjustments:

- i) Outstanding rates and taxes Rs.1,600.
- ii) Insurance Premium Prepaid Rs.200.
- iii) Maintain Provision for bad and doubtful debts at 5% on debtors.
- iv) Depreciate Motor car by 10%., Furniture by 4% and Buildings by 3%.
- v) Stock on 31.3.96 Rs.20,000.

30. From the undermentioned Trial Balance of Mr. Saleem as on 31.3.2011, prepare Trading and Profit and Loss Account and Balance sheet as on that date.

Debit Balances	Rs	Credit Balances	Rs
Cash in Hand	1,500	Capital	80,000
Purchases	1,20,000	Bank loan @ 4%	20,000

Opening stock	40,000	Bills payable	25,000
Sundry Debtors	60,000	Sundry Creditors	25,000
Plant and Machinery	50,000	Sales	2,00,000
Furniture	20,000	Provision for bad & doubtful debts	1,500
Bills Receivable	15,000	Interest	1,000
Rent and Taxes	10,000		
Wages	16,000		
Salaries	20,000		
	3,52,500		3,52,500

Additional information supplied:

- i) Closing stock Rs.50,000.
- ii) Provide for outstanding liabilities.
 - Rent and taxes Rs.2,000.
 - Wages Rs.3,000.
 - Salaries Rs.4,000.
- iii) Depreciation on Plant and Machinery @5% and on furniture@ 10%.
- iv) Provide 4% interest on Bank loan.
- v) Write off bad debts Rs.2,000.

UNIT IV

31. Define Depreciation. Discuss their types.
32. What are the factors determining the amount of depreciation?
33. Give the formula to find out the amount and rate of depreciation under straight line method of depreciation.
34. What are the causes for depreciation?
35. Calculate the rate of depreciation under straight line method.
 - Purchase price of a machine Rs. 80,000
 - Expenses to be capitalised Rs. 20,000
 - Estimated residual value Rs. 4,000
 - Expected useful life 4 years
36. A machine was purchased for Rs.2,40,000 on 1.1.2012. This is expected to last for five years. Estimated scrap at the end of five years is Rs.40,000. Find out the rate of depreciation under the Straight Line Method.
37. Ganesh & Co. purchased a Machinery worth Rs.3,00,000 on 1st October 2010. They spent Rs.20,000 on its erection. The firm writes off depreciation at the rate of 10% on the original cost every year. The books are closed on 31st March of every year. Prepare Machinery account and Depreciation account for three years.
38. Ragul purchased machinery on April 1, 2014 for Rs. 2,00,000. On 1st October 2015, a new machine costing Rs.1,20,000 was purchased. On 30th September 2016, the machinery

purchased on April 1, 2014 was sold for Rs. 1,20,000. Books of accounts are closed on 31st March and depreciation is to be provided at 10% p.a. on straight line method. Prepare machinery account and depreciation account for the years 2014-15 to 2016-17.

39. A firm purchased a machine for Rs.1,00,000 on 1-7-2015. Depreciation is written off at 20% on reducing balance method. The firm closes its books on 31st December each year. Show the machinery account up to 31-12-2017.
40. Distinguish between straight line method and written down value method of providing depreciation.

UNIT V

41. Define cost sheet. Explain the purposes of cost sheet.
42. Enumerate elements of costing.
43. What are the types of costing?
44. Write short notes on
- | | | |
|-------------------------|----------------------|------------------------|
| (a) Chargeable expenses | (c) Works cost | (e) Cost of production |
| (b) Prime cost | (d) Work-in-progress | (f) Cost of Sales |
45. Calculate the Raw Material consumed from the following details:

Particulars	Rs
Raw materials purchased	80,000
Sale of Material scrap	1,000
Opening stock of Raw materials	12,000
Closing stock of Raw materials	21,000

46. Compute the prime cost:

Particulars	Rs
Direct Material used	82,000
Productive wages	17,000
Royalty paid	11,000
Hire charges of special Machines for the job	13,000

47. Calculate works cost:

Particulars	Rs
Factory expenses	700
Office expenses	300
Selling expenses	900
Material consumed	3,400

48. Prepare cost sheet from the following particulars.

Particulars	Rs
Direct materials	1,00,000
Direct wages	25,000
Direct expenses	5,000

Wages of foremen	2,500
Electric power	500
Lighting: Factory	1,500
Office	500
Rent: Factory	5,000
Office	2,500
Salaries to salesman	1,250
Advertising	1,250
Income tax	10,000
Sales	1,89,500

49. Explain (a) Simple average method (b) Weighted average method

50. From the following particulars prepare the stores ledger by adopting First in First Out method.

Particulars	Rs
2013- March 1 Purchased 300 units	@ Rs 2 per unit
2 Purchased 600 units	@ Rs 3 per unit
5 Issued 400 units	
8 Issued 200 units	
10 Purchased 600 units	@ Rs 5 per unit
12 Issued 400 units	

SECTION – C

8 Marks

- What are the basic assumptions of accounting?
- Distinguish journal and ledger.
- Define Double Entry System. Explain its advantages and disadvantages.
- Enumerate concepts and convention of accounting.
- Record the following transactions in the Journal of Tmt.Bhanumathi.
2014, Feb. 3 Bought goods for cash Rs.84,500
 7 Sold goods to Dhanalakshmi on credit Rs.55,000
 9 Received commission Rs.3,000
 10 Cash Sales Rs.1,09,000
 12 Bought goods from Mahalakshmi Rs.60,000
 15 Received five chairs from Revathi & Co. at Rs.400 each
 20 Paid Revathi & Co., cash for five chairs
 28 Paid Salaries Rs.10,000
 Paid Rent Rs.5,000

6. Journalise the following transactions of Mrs.Rama

Particulars	Rs
2004, Jan 1 Mrs.Rama commenced business with cash	30,000
2 Paid into bank	21,000
3 Purchased goods by cheque	15,000
7 Drew cash from bank for office use	3,000
15 Purchased goods from Siva	15,000
20 Cash sales	30,000
25 Paid to Siva	14,750
Discount Received	250
31 Paid rent	500
Paid Salaries	2,000

7. Enter the following transactions in journal and post them in the ledger of Govindarajan and balance them.

2013, Aug 1 Govindarajan commenced his business with the following.

Plant and Machinery Rs.2,50,000.

Stock Rs. 90,000.

Furniture Rs.7,000.

Cash Rs. 50,000.

Sundry creditors Rs. 1,50,000.

2 Sold goods to Sundar Rs. 1,50,000.

3 Bought goods from Natarajan Rs.65,000.

4 Sundar paid cash Rs. 1,25,000.

6 Returned damaged goods to Natarajan Rs.2,000.

10 Paid to Natarajan Rs.28,000.

31 Paid rent Rs. 5,000.

Paid salaries Rs. 9,000.

8. Post the following transactions direct into ledger of Thiru.Karthik and balance them.

Particulars	Rs
2003, Oct 1 Received cash from Ramesh	1,60,000.
5 Bought goods for cash	60,000.
7 Sold to Suresh	30,000.
15 Bought from Dayalan	40,000.
18 Sold to Ganesan	50,000.
20 Withdrew cash for personal use	18,000.
25 Received commission	20,000.
30 Paid rent	5,000.
31 Paid salary	10,000.

9. The Following balances were extracted from the ledger of Mr.Ramakrishna on 31st March 2003.you are required to prepare a trial balance as on that date.

Particulars	Rs	Particulars	Rs
Drawings	60,000	Cash in hand	9,000
Capital	2,40,000	Cash at bank	25,000
Sundry Creditor	4,30,000	Salaries	95,000
Bills payable	40,000	Sales return	10,000
Sundry debtors	5,00,000	Purchase return	11,000
Bills receivable	52,000	Commission Paid	1,000
Plant&Machinery	45,000	Trading expenses	25,000
Opening Stock	3,70,000	Discount earned	5,000
Rent	20,000	Bank Overdraft	60,000
Purchase	7,08,000	Sales	11,80,000

10. From the following transactions prepare Trial balance.

Particulars	Rs
Anand Commenced business on 1-4-2000 with cash	1,00,000
2 Purchased furniture for cash	2,000
4 Bought goods for cash	2,000
6 Bought goods on credit from Kalyan	4,000
8 Sold goods for cash	3,000
10 Sold goods on credit to Ramanan	5,000
12 Purchased goods on credit from Raju	10,000
14 Ramanan returned goods	500
16 Returned goods to Raju	400
20 Sold goods on credit to Mohan	8,000
25 Paid Kalyan	3,000
28 Received cash from Mohan	6,000
30 Rent paid	500
30 Salaries paid	2,000

UNIT II

11. Give the specimen of 'triple column cash book'.
12. What are the rules for making entries in the double column cash book with cash and bank column?
13. Enter the following transactions in the Purchase Book of M/s.Subhashree.
 2013 March 1 Purchased 100 Kg. of coffee seeds from Suresh @ Rs.40 per Kg.
 5 Purchased 80 Kg. of tea dust from Hari @ Rs.20 per Kg.

- 12 Bought from Rekha Sugars, Trichy 1,200 Kg.of Sugar @ Rs.8 per Kg.
 18 Bought from Perumal Sweets, 40 tins of Sweets @ Rs.200 per tin.
 20 Purchased from Govinda Biscuit Company, Chennai 20 tins of biscuits @
 Rs.400 per tin.

14. Enter the following transactions in the proper subsidiary books of Mr. Somu

- 2003 Nov. 1 Bought from Gopal 300 bags of wheat Rs.1,000 per bag less discount 10%
 3 Purchased from Madhavan 150 bags of rice Rs.900 per bag less trade discount 10%
 5 Returned to Gopal 10 bags of wheat which were purchased on 1.11.03.
 7 Sold to Shiva 50 bags of rice Rs.1,200 per bag less Trade Discount 5%.
 12 Sold to Sharma 25 bags of Wheat Rs.1,300 per bag less Discount 10%.
 14 Returned 15 bags of rice to Madhavan.
 15 Shiva returned 5 bags of rice.
 17 Bought from Rajan 200 bags of wheat Rs.950 per bag
 24 50 bags of wheat returned to Rajan

15. Enter the following transactions in the appropriate Special Journal of M/s. Sita & Co.

- 2002 Oct 2 Bought goods from Satish Rs.2,400 as per invoice No.63.
 4 Sold to Sivagami goods Rs.1,600 as per invoice No.71.
 7 Returned to Satish goods of Rs.250 as per debit note No.4
 8 Sivagami returned goods Rs.150 as per credit note No.8
 12 Sold to Vijaya goods of Rs.950 as per invoice No.72
 14 Purchased from Velan goods worth Rs.1,100
 18 Returned to Sampath goods of Rs.150 as per debit note No.5
 22 Vijaya returned goods of Rs.240 Credit Note No.9.

16. Enter the following transactions in the single column cash book of Mrs. Lalitha.

Particulars	Rs
2002 Aug. 1 Cash in hand	46,000
3 Paid in to Bank	12,000
4 Cash sales	24,000
5 Credit sales to Mani	3,000
7 Printing charges	3,000
9 Received cheque from Natesan	8,000
12 Dividend received	2,000
14 Computer purchased Rs.	35,000
17 Cash received from Mani Rs.	3,000
24 Cash withdrawn from bank Rs.	2,000

17. Prepare Double Column Cash Book with cash and bank columns from the following:

Particulars	Rs
2003 Jan 1 Cash in hand	22,000
Cash at bank	5,000
2 Sold goods for cash	15,000
4 Cash withdrawn from bank	2,000
5 Credit purchases from Deena	15,000
6 Cash deposited into bank	5,000
10 Paid wages by cheque	10,000
14 Cash received from sale of furniture 10,000 and out of it paid into bank Rs. 2,000.	
18 Bank charges charged by the bank	1,300
20 Cheque issued to Deena	15,000
24 Received a cheque for Rs.1,000 from Pasubathy, deposited into the bank.	
28 Deena, to whom we have issued a cheque for credit purchases has reported that our cheque is dishonoured.	

18. Enter the following transactions in the Three Column Cash Book of Mr. Albert for the year 2002.

Particulars	Rs
May 1 Cash in hand	30,000
Cash at bank	2,000
3 Received cheque for goods sold to Arun and banked it	1000
5 Paid into bank Rs.	4,000
9 Paid cash to David from whom goods worth 6,000 were purchased for credit on 1st May on term 2% cash discount within two weeks.	
10 Paid to Robert by cheque Rs.2,400 in full settlement of his account	2,500
12 Received cash from Nathan	4,750
Discount allowed	250
19 Interest allowed by bank	200.
20 Robert to whom we have issued a cheque has reported that our Cheque is dishonoured.	
22 Roshan got exchange a five hundred rupee note.	
31 Paid into Bank all cash in excess of	5,000

19. Record the following transactions in an analytical petty cash book of Mr. Senthil and balance the same.

On 1st April 2003 the petty cashier started with an imprest of Rs. 1,500.

- 2003 Rs. April 1 Postage stamps purchased Rs.50
3 Sweeper and scavenger paid Rs.25
5 Conveyance to manager Rs.457
6 Telegram to Mumbai Rs.44
7 Stationery purchased Rs.68
10 Lorry hire for goods sent Rs.250
13 Cartage and cooly on goods bought Rs.75
18 Repair to cycles Rs.30
19 Service charges to Typewriters Rs.75
22 Ink and Gum purchased Rs.23
24 Advertisement charges Rs.100
27 subscription paid to The Hindu Rs.125
28 Tea to customers Rs.12

20. Enter the following transactions in a petty cash book of Mr. Murugan maintained on imprest system with analytical columns:

- 2003 July 15 Cash in hand Rs.143
Received from the chief cashier Rs.607
16 Bought stamps Rs.25
17 Paid cartage Rs.40
18 Tea and lunch expenses to customers Rs.74
19 Telegram sent Rs.23
20 Paid taxi hire Rs.150
21 Purchased envelopes Rs.22
22 Paid for repairs of typewriter Rs.65
23 Purchased one bottle of ink Rs.12
27 Paid Railway fare to manager Rs.187
31 Paid to coolie Rs.20

UNIT III

21. Give the specimen of Trading Account, Profit and Loss account and Balance sheet.
22. What is Balance sheet? List out its significance.
23. Describe intangible assets. Give examples.
24. Discuss the steps involved in the preparation of financial statements of accounts of a firm

25. Prepare Trading Account for the year ending 31st March 2014 from the following information.

Particulars	Rs	Particulars	Rs
Opening stock	1,70,000	Purchases return	10,000
Sales	2,50,000	Wages	50,000
Sales return	20,000	Purchases	1,00,000
Carriage inward	20,000	Closing stock	1,60,000

26. The following balances are taken from the books of M/s. RSP Ltd. Prepare profit and loss account for the year ended 31st March 2012.

Particulars	Rs	Particulars	Rs
Gross profit	5,25,000	Salaries & wages	1,00,000
Rent	10,000	Depreciation	5,000
Interest on loan	5,000	Office expenses	1,500
Distribution charges	2,500	Salesman salary	8,000
Bad debts	2,200	Stationery and printing	500
Commission received	3,000	Discount received	2,000
Interest received	5,000	Advertising	9,000
Taxes and insurance	2,000		

27. From the following balances extracted from the books of Mrs.Mala, prepare final accounts for the year ending 31st March 2013. Closing stock as on 31.03.2013 was Rs.72,500.

Particulars	Debit Rs	Credit Rs
Mrs.Mala's Capital		95,000
Plant & Machinery	37,000	
Repairs to Machinery	9,150	
Wages	42,000	
Salaries	6,000	
Income tax	750	
Cash and bank balances	3,000	
Land and building	1,11,750	
Purchases	1,80,000	
Purchase Returns		3,000
Sales		3,75,000
Interest	2,250	
Bills receivable	15,000	
Bills payable		4,500
Commission (Cr)		6,000
Debtors	52,500	
Creditors		40,650
Opening Stock	55,500	
Drawings	12,000	
Suspense account		2,750
	5,26,900	5,26,900

28. From the following Trial Balance of M/s. Ram & Sons, prepare trading and profit and loss account for the year ending on 31st March 2016 and the balance sheet as on the date:

Particulars	Debit Rs	Credit Rs
Opening Stock (1.4.2015)	5,000	
Purchases	16,750	
Discount allowed	1,300	
Wages	6,500	
Sales		30,000
Salaries	2,000	
Travelling expenses	400	
Commission	425	
Carriage inward	275	
Administration expenses	105	
Trade expenses	600	
Interest	250	
Building	5,000	
Furniture	200	
Debtors	4,250	
Creditors		2,100
Capital		13,000
Cash	2,045	
	45,100	45,100

Stock on 31st March 2016 was Rs. 6,000.

29. The following balances are extracted from the books of Mr. Venugopal as on 31st March 2014. Prepare Trading, Profit and Loss Account and the Balance Sheet.

Particulars	Debit Rs	Credit Rs
Capital		1,20,000
General expenses	16,500	
Drawings	16,000	
Commission		11,000
Bank Overdraft		25,000
Cash in Hand	2,500	
Stock (1.4.2013)	1,00,000	
Furniture	80,000	
Purchases	3,00,000	
Sales		5,00,000
Wages	50,000	
Insurance Premium	1,000	

Salaries	15,000	
Sundry Creditors		50,000
Sundry Debtors	1,50,000	
Bills Payable		25,000
	7,31,000	7,31,000

Adjustments:

1. Closing Stock Rs. 1,00,000
2. Write off bad debts Rs. 20,000
3. Create provision for Bad and doubtful debts @ 5%
4. Create provision for discount on debtors @ 2%
5. Create provision for discount on creditors @ 2%

30. From the following Trial Balance of Tmt.Selvapriya as on 31st March 2015, prepare Trading and Profit and Loss account and Balance sheet taking into account the adjustments.

Debit Balances	Rs	Credit Balances	Rs
Purchases	2,00,000	Capital	3,00,000
Salaries	10,000	Sales	2,50,000
Rent	7,500	Sundry creditors	1,05,000
Insurance premium	1,500		
Drawings	50,000		
Machinery	1,40,000		
Cash at bank	22,500		
Computers	1,25,000		
Furniture	50,000		
Cash	10,000		
Opening Stock	26,000		
Sundry debtors	12,500		
	6,55,000		6,55,000

Adjustments:

1. Closing stock as on 31.3.2005 Rs. 39,000
2. Rent outstanding Rs. 1,000
3. Provide interest on capital @ 10% and on Drawings @ 8%.

UNIT IV

31. What are the objectives of providing depreciation?
32. Briefly explain the methods of Depreciation.
33. State the advantages and limitations of written down value method of depreciation.
34. State the advantages and limitations of straight line method of depreciation.

35. Sudha & Co., purchased a Machinery for Rs.64,000 on 1st April 1996. They spent Rs.28,000 on the repairs and installed the same. Depreciation is written off at 10% p.a. on the Straight Line Method. On 30th June, 1998 the machinery was found to be unsuitable and sold for Rs.52,000. Assume that the accounts are closed on 31st December every year. Pass the journal entries and prepare Machinery account and Depreciation account for three years.
36. Michel & Co. purchased a second hand plant for Rs.4,70,000 on 1st July 2001. They spent Rs.30,000 on the repairs and installed the plant. Depreciation is written off at 10% p.a. on the Straight Line Method. On 30th September 2003, the plant was found to be unsuitable and sold for Rs.3,50,000. Prepare Plant account and Depreciation account for three years assuming that the accounts are closed on 31st March every year.
37. On 1st April, 2001, Excel Company Limited purchased a machine for Rs.56,000. On the date of purchase it was estimated that the effective life of the machine will be 10 years and after 10 years its scrap value will be Rs.6,000. Prepare Machine Account and Depreciation Account for three years, Depreciation is charged on Straight Line Method. Accounts are closed on 31st March of every year.
38. Raj & Co purchased a machine on 1st January 2014 for ₹ 90,000. On 1st July 2014, they purchased another machine for ₹ 60,000. On 1st January 2015, they sold the machine purchased on 1st January 2014 for ₹ 40,000. It was decided that the machine be depreciated at 10% per annum on diminishing balance method. Accounts are closed on 31st December every year. Show the machinery account for the years 2014 and 2015.
39. Sivam Printing Press purchased a printing machinery costing Rs.3,00,000 on 1.4.2001. After three years the machinery was sold for Rs.2,80,000. The firm charges depreciation @ 10% per annum on Diminishing Balance Method. Accounts are closed on 31st March every year. Pass journals, prepare Machinery account and Depreciation account.
40. Chennai Printing House purchased a Machinery for Rs.4,60,000 on 1st July 2001. It spent Rs.40,000 on the repairs and installed the machinery. Depreciation is written off at 10% p.a. on Diminishing Balance Method. On 31st October 2003, the machinery was found to be unsuitable and sold for Rs.4,10,000. Prepare Machinery account and Depreciation account for three years assuming that the accounts are closed on 31st March every year.

UNIT V

41. Brief the types of costing.
 42. Explain the scope and objectives of cost accounting.
 43. Distinguish between financial accounting and cost accounting.
 44. Enumerate the specimen of cost sheet.
 45. The following details have been obtained from the cost records of Raja Sekhar Ltd, Prepare a Cost sheet

Particulars	Rs
Stock of Raw Materials on 1 st dec 2010	75,000
Stock of Raw materials on 31 st dec 2010	91,500
Direct wages	52,500
Indirect wages	2,750
Sales	2,11,000
Work-in-progress 1 st dec2010	28,000
Work-in-progress 31 st dec2010	35,000
Purchases of raw materials	66,000
Factory rent, rates and power	15,000
Depreciation of plant and machinery	3,500
Expenses on purchases	1,500
Carriage outwards	2,500
Advertising	3,500
Office rent and taxes	2,500
Traveller's wages and commission	6,500
Stock of finished goods (1 st dec 2010)	54,000
Stock of finished goods (31 st dec 2010)	31,000

46. A manufacturer presents the following details about the various expenses incurred. Prepare cost sheet.

Particulars	Rs
Raw materials consumed	70,000
Carriage inwards	2,000
Factory rent	2,400
Bad debts	440
Printing and stationery	620
Legal expenses	350
Carriage outwards	1,540
Indirect materials	560
Power	4,600
Depreciation of furniture	160
Postage expenses	465
Repairs of plant and machinery	1,200
Salesman expenses	3,400
Advertising	500

Direct wages	85,000
General manager salary	36,000
Factory manager salary	18,000
Depreciation on Plant and Machinery	1,240
Audit fees	350

47. The following information is extracted from the stores ledger. Issues are to be priced on the principle of 'FIFO' Method. Write the stores ledger account.

Jan 1 opening balance	500 units @Rs.4
5 Purchases	200 units @Rs.4.25
12 Purchases	150 units @Rs. 4.10
20 Purchases	300 units @ Rs.4.50
25 Purchases	400 units @ Rs.4
Issues of Materials were as follows:	
Jan 4 200 units	
10 400 units	
15 100 units	
19 100 units	
26 200 units	
30 250 units	

48. The received side of the stores ledger account shows the following transactions.

Jan 1 Opening balance	700 units @ Rs.4
5 received from vendor	200 units @ Rs.4.25
12 received from vendor	250 units @Rs. 4.10
20 received from vendor	500 units @ Rs.4.50
25 received from vendor	500 units @ Rs.4
Issues of Materials were as follows:	
Jan 4 400 units	
10 200 units	
15 150 units	
19 100 units	
26 200 units	
30 250 units	

49. Show the stores ledger entries as they would appear when using simple average method.

	UNITS	PRICE
May 1 Balance In Hand B/F	300	2.00
2 Purchased	200	2.20
4 Issued	150	-
6 Purchased	200	2.30
11 Issued	150	-
19 Issued	200	-
22 Purchased	200	2.40
27 Issued	150	-

50. The following transactions occur in the purchase and issue of a material. Prepare store ledger using weighted average method.

Jan 2 Purchased	4,000 units @ Rs. 4 per unit
20 Purchased	500 units @ Rs 5 per unit
Feb 5 Issued	2,000 units
10 Purchased	6,000 units @ Rs.6 per unit
12 Issued	4,000 units
Mar 2 Issued	1,000 units
5 Issued	2,000 units
15 Purchased	4,500 units @ Rs. 5.50 per unit
20 Issued	3,000 units

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ANSWERS

UNIT I			
1.	(d) Assets of a business are equal to the total of capital and liabilities	11.	a) debit aspect
2.	(a) Decrease in assets and decrease in owner's capital	12.	(a) Personal account
3.	(d) Rs. 40,000	13.	(a) Personal account
4.	(c) Liabilities = Assets + Capital	14.	(b) intangible real account
5.	(a) Dual aspect	15.	(c) nominal account
6.	(c) Assets	16.	(a) Statement
7.	(b) Outstanding salary A/c	17.	(c) Suspense account
8.	(d) Representative personal A/c	18.	(c) For a year
9.	(b) Cash A/c	19.	(c) personal account
10.	(a) Minimum 2 accounts	20.	(a) 2 types
UNIT II			
21.	(c) all credit purchases of goods	31.	(d) Purchases book
22.	(a) debit side of the purchases account	32.	(c) Journal proper
23.	(c) all credit sales of goods	33.	(d) All credit transactions
24.	(a) Sales account	34.	(c) Capital account in the ledger
25.	(a) Returns of goods to the supplier for which cash is not received immediately.	35.	(d) Bank column credit side
26.	(b) Returns of goods by the customer for which cash is not paid immediately	36.	(b) Withdrew cash from bank for office use
27.	(d) Journal proper	37.	(c) Single entry
28.	(c) Invoice	38.	(c) An asset
29.	(c) Trade discount is recorded in the books of accounts	39.	(a) The expenses relating to postage and conveyance
30.	(c) Journal proper	40.	(d) Petty cash book
UNIT III			
41.	(a) The difference between the capital on two dates.	51.	(b) Current asset
42.	(a) Small traders	52.	(b) A statement
43.	(b) Total debtors account	53.	(d) Capital
44.	(b) An Incomplete Double Entry System	54.	(a) In the trading account
45.	(c) Statement of affairs	55.	(c) On the liabilities side
46.	(c) Capital	56.	(b) Financial position
47.	(b) Rs. 1,50,000	57.	(d) Subtracted from the capital

48.	(c) Rs. 15,000	58.	(b) Debit side of profit and loss account
49.	(c) Balance sheet	59.	(c) Furniture
50.	(a) Double entry system	60.	(d) An intangible asset
UNIT IV			
61.	(c) Constant for all the years	71.	(b) Reducing balance method
62.	(b) Diminishing balance method	72.	(a) Asset is put to use
63.	(b) Decreasing every year	73.	(b) Equal in the first year but higher in subsequent years
64.	(a) Depreciation account	74.	(b) End
65.	(b) Fixed asset account	75.	(a) loss
66.	(a) Fixed assets	76.	(b) Fixed Asset account
67.	(d) a, b and c	77.	(c) credit side of fixed asset account
68.	(a) Allocation of cost of the asset to the period of its useful life	78.	(b) Depreciation account
69.	(b) Mines and quarries	79.	(b) Rs. 2,710
70.	(c) Technological changes	80.	(c) a profit
UNIT V			
81.	(b) Classification, recording	91.	(c) Contract Costing
82.	(c) job costing	92.	(b) Rs. 15,000
83.	(a) prime cost	93.	(c) Cost of goods sold + closing stock – opening stock = Purchases
84.	(b) administration cost	94.	(d) Expense
85.	(a) Work cost + Office and administration overheads	95.	(b) Rs. 85,000
86.	(b) selling price	96.	(d) All of the given options
87.	(a) EOQ	97.	(c) Cost of goods manufactured
88.	(c) Minimum re-order period	98.	(b) Which are directly associated with the purchase
89.	(b) number	99.	(c) cost control
90.	(a) Stores department	100.	(a) seat per show