

## PROVISIONAL ANSWER KEY

Question 97/2025/OL

Paper Code:

Category 371/2024

Code:

Exam: Deputy Accounts Manager

Date of Test 21-08-2025

Department Kerala Water Authority

Question1:-Consider the following statements on IFRS. You are requested to identify the **wrong** one

A:-It contains only those standards issued by IASB

B:-It contains frame work for the preparation and presentation of financial statement - 1989

C:-IFRS contains broad rules and specific treatments which are principle based

D:-It includes International Accounting Standards issued by the IAS

Correct Answer:- Option-A

Question2:-Consider the statements on The National Financial Reporting Authority. Identify the statement that is **correct**

A:-It is an authority constituted by the ICAI to look after the financial audit and reporting standards

B:-It is the new authority constituted by the Central Government to formulate accounting standards in India

C:-It is the new name of Accounting Standard Board of India

D:-It is to recommend accounting and auditing policies and standards to be adopted by companies for approval by the Central Government

Correct Answer:- Option-D

Question3:-Consider the following statements on 'Ind AS'. Identify the statement that is **wrong**

A:-It is the abbreviation for 'Indian Accounting Standards'

B:-Indian's approach in 'Ind AS' is to adopt IFRS

C:-These are the accounting standard that are converged with IFRS

D:-These are formulated by ASB and notified by Ministry of Corporate Affairs, Govt. of India

Correct Answer:- Option-B

Question4:-Mandatory application of 'Ind AS' started in India, from which date?

A:-1st April 2017

B:-1st April 2014

C:-1st April 2015

D:-1st April 2016

Correct Answer:- Option-D

Question5:-Consider the following statements on Right and Bonus issue of shares as per company's Act 2013. Then select appropriate answer from the options statements given below

Statement 1 : Issue of further capital should be offered to existing share holders as a right. It is applicable only to equity shares holders

Statement 2 : The bonus shares shall not be issued in lieu of dividend

A:-Both the statements are correct

B:-Statement 1 is correct while statement 2 is wrong

C:-Statement 1 is wrong while statement 2 is correct

D:-Both the statements are wrong

Correct Answer:- Option-A

Question6:-Consider the following statements on the preparation of Financial Statements by an Indian company. Identify the statement that is **wrong**.

A:-Every company registered under Companies Act 2013 shall prepare financial statements in accordance with the revised Schedule III to the Companies Act, 2013

B:-It does not apply to company for which a form of financial statement is specified under any other Act

C:-Figures shown in the Financial Statements should not be rounded off

D:-Applicable accounting standards shall prevail over Schedule III of the Companies Act, 2013

Correct Answer:- Option-C

Question7:-Consider the following statements on 'Cash Flows Statement'. Identify the **wrong** statement.

A:-Financial statements, as defined in companies act- 2013, includes cash flow statements

B:-Interest on deposits comes under the heading 'cash flows from financial activities'

C:-Cash payments to acquire intangible assets comes under the heading 'cash flows from investing activities'

D:-Cash receipt from royalties comes under the heading 'cash flows from operating activities'

Correct Answer:- Option-B

Question8:-In the case of 'Independent Branch Accounting', the expenses incurred by the Head office on behalf of the branch

A:-is transferred to the Branch and no entry is made by the Head office, in its Book

B:-is credited to the Branch A/c maintained by the Head office

C:-is debited to the Branch A/c maintained by the Head office

D:-is credited to the Head office A/c maintained by the branch office

Correct Answer:- Option-C

Question9:-Consider the following statements on Accounting for Hire Purchase. Identify the **wrong** one

A:-The title of the goods rest with the Hire vendor till the payment of last instalment

B:-The relationship between the parties in Hire Purchase are that of a 'Bailor Bailee'

C:-The Hirer do not have any right to assign the goods in his possession

D:-In all case, the Hirer is not responsible for the loss goods

Correct Answer:- Option-D

Question10:-Consider the following statements on Accounts from incomplete records. Identify the statement that is **wrong**.

A:-Statement of Affaires are prepared based on a few account balances and estimates

B:-Total debtors account is affected with the provision for bad and doubtful debtors

C:-The balancing figure of the Statement of Affaires is treated as capital amount

D:-In single entry accounting, usually, only cash and personal accounts are maintained

Correct Answer:- Option-B

Question11:-Following statements are on 'Average Clause' in Insurance accounting. You are requested to identify the statement that best explain its meaning.

A:-It is a method of calculating claim amount in General (Property) Insurance were the property is partially insured

B:-It is a method of calculating the Bonus in life insurance for a policy in which final bonus is not declared

C:-It is a method of calculating the claim amount in General (Property) Insurance were the property is under insured

D:-It is a method of calculating the reimbursement in health insurance where the accrual expense is higher than the insured amount

Correct Answer:- Option-C

Question12:-Consider the following statements on 'Fair Value' as per Accounting Standard that deals with Accounting for Investments. Identify the wrong statement.

A:-It is the amount for which an asset could be exchanged between a knowledgeable and willing buyer and a seller.

B:-It is the value of an asset that is based on the average market value for the term it is held

C:-It is the book value or the market value whichever is less

D:-It is the value that is represented by an asset in the net value of the firm

Correct Answer:- Option-A

Question13:-Premium on issue of debentures is

- A:-Revenue profit
- B:-Capital profit
- C:-General reserve
- D:-Revenue loss

Correct Answer:- Option-B

Question14:-Debentures issued as \_\_\_\_\_ bears no interest.

- A:-Collateral security
- B:-Negotiable instrument
- C:-Main security
- D:-None of these

Correct Answer:- Option-A

Question15:-Voluntary return of shares by shareholders to the company for cancellation is called

- A:-Transmission of shares
- B:-Transfer of shares
- C:-Surrender of shares
- D:-Forfeiture of shares

Correct Answer:- Option-C

Question16:-The allotment on shares to be completed within \_\_\_\_\_ days of the issue of prospectus

- A:-60
- B:-180
- C:-360
- D:-120

Correct Answer:- Option-D

Question17:-Application for approval of name of company is to be made to

- A:-Government of the state in which company is to be registered
- B:-Registrar of companies
- C:-SEBI
- D:-Government of India

Correct Answer:- Option-B

Question18:-Which of the following statements are false? Indicate the correct code :

- (A) No company has to file any prescribed declaration before commencement of business
- (B) A company can ratify the contract entered into by promoters with third parties on behalf

of the company before its formation

(C) The date mentioned in the certificate for commencement of business is taken as date of

birth of a public company

(D) A private company has to file a settlement in lieu of prospectus with the registrar

Choose the correct answer from the options given below :

A:-A, B and D only

B:-A and B only

C:-B, C and D only

D:-C and D only

Correct Answer:- Option-C

Question19:-The annual general meeting can be held on a National Holiday.

A:-Yes

B:-No

C:-Specific cases

D:-After approval of shareholders

Correct Answer:- Option-B

Question20:-The rate of interest liable to be payable by a company during the period for which default in payment of dividend continues

A:-18

B:-12

C:-15

D:-21

Correct Answer:- Option-A

Question21:-The auditor resigned from the company shall file within a period of \_\_\_\_\_ from the date of resignation, a statement in the form \_\_\_\_\_

A:-30 days, ADT-1

B:-30 days, ADT-3

C:-60 days, ADT-1

D:-60 days, ADT-3

Correct Answer:- Option-B

Question22:-Premium received on issue of shares cannot be utilised for the

A:-Issue of bonus shares

B:-Writing of preliminary expenses

C:-Providing premium payable on redemption

D:-Distribution of dividend

Correct Answer:- Option-D

Question23:-The following facts are related to treatment of Normal Loss, Abnormal Loss and Abnormal gain in Process Accounts. Which among the following statements are complete and correct in respect of recognizing and recording Normal Loss, Abnormal Loss and Abnormal Gain in Process Accounts?

- I. If the abnormal loss has got any scarp value, it should be credited to abnormal loss account and balance is written off to costing profit and loss account.
- II. Normal loss can be estimated in advance on the basis of past experience or available data
- III. Abnormal gain appears as a Credit entry in the process account, where as a loss appears as a Debit entry in the account
- IV. Normal losses are generally valued at their disposal values

A:-I and II only

B:-II and III only

C:-II and IV only

D:-I and IV only

Correct Answer:- Option-A

Question24:-The peculiar characteristics of Joint Product and Bye-products are outlined below. Which among the following describe(s) the characteristic (s) of joint product?

- I. Produced concurrently but may not share the exact same production process
- II. Each product has its own independent identity and can be sold separately
- III. The value of a product is independent of the quantities of other product(s)
- IV. Products are not easily separable or marketable
- V. The economic importance of products differs significantly

A:-I and II only

B:-II and III only

C:-I and IV only

D:-IV and V only

Correct Answer:- Option-B

Question25:-The following statements are related to assessment of characteristics, utility of Activity Based Costing in business decision making. You are required to identify correct statement(s) that highlight characteristic or utility of ABC in decision making.

- I. Activity Based Costing (ABC) emphasizes the importance of linking indirect costs to activity in the cost allocation exercise
- II. Activity Based Costing (ABC) plays a vital role in long range plans of companies to develop a competitive cost advantage
- III. The system assumes that demand for products are responsible for the incurrence of costs that creates demand for activities
- IV. ABC is costing system suitable when consumption of overhead resource is driven primarily by volume
- V. ABC system of costing is most suitable when there is great diversity in the product range

A:-I, II and III only

B:-II, III and IV only

C:-III, IV and V only

D:-I, II and V only

Correct Answer:- Option-D

Question26:-The following statements are related to computation of profit on uncompleted contract. Which of the following statement (s) is/are incorrect?

- I. Generally if the work completed is less than 25 per cent of the total work, no profit shall be transferred to the profit and loss account
- II. If the work is more than 1/4th complete but less than 1/2, 1/3 rd of the notional profits are taken
- III. If the work is 1/2 or more is completed, 2/3rd of notional profits is transferred to Profit and Loss account
- IV. Profit to be transferred when work is complete by 50 per cent or more than 50 per cent is computed as  $\text{Notional profit} \times \frac{2}{3} \times \text{Cash received/Contract price}$

A:-Both I and II are incorrect

B:-Both II and III are incorrect

C:-III and IV are incorrect

D:-I and IV are incorrect

Correct Answer:- Option-D

Question27:-Which of the following fact (s) correctly describe job order costing?

- I. The system is useful in quoting cost plus contract
- II. The system is least expensive and required little clerical work
- III. Job costing is essentially a historical costing that ascertains cost of a job/product after it has been manufactured
- IV. The system won't be effective in cost control unless used with standard costing

A:-I, II and IV only

B:-I, III and IV only

C:-I, II and III only

D:-II, III and IV only

Correct Answer:- Option-B

Question28:-You are given attributes to Fixed Budget and Flexible Budget. You are required to identify attributes that correctly describes Fixed Budget [Part A] and Flexible Budget [Part B]

Code Fixed Budget [Part A]

Flexible Budget [Part B]

I. Provides for no adjustments in the comparison of budgeted figures as a result of

A. When volume of output differs

be done change in cost due to change in level of activity

actual and budgeted performance can't accurately

II. Series of budgets are prepared at different levels of activity and it is

B. Prescribed when the business is new

III. Cost are classified according to performance of

difficult to foresee the demand  
C. Inappropriate in assessing the

nature and variability  
IV. Helpful in price fixation and for activity sending quotations activity

department heads  
D. Useful only when the actual level of corresponds to the budgeted level of

A:-Fixed Budget [Part A] I only

Flexible Budget [Part B] B only

B:-Fixed Budget [Part A] I&II only

Flexible Budget [Part B] A&C only

C:-Fixed Budget [Part A] II only

Flexible Budget [Part B] D only

D:-Fixed Budget [Part A] III&IV only

Flexible Budget [Part B] B&D only

Correct Answer:- Option-A

Question29:-The following statements are related to preparation of cost sheet. You are required to identify the correct statement (s) on attributes or preparation of cost sheet.

- I. Cost sheet is prepared on actual and estimated figure expenses
- II. Property tax on factory building is excluded in preparation of cost sheet
- III. Overtime premium paid to workers from part of Prime cost
- IV. For the purpose of preparation of cost sheet, cost is classified based on function
- V. Audit fee paid to cost auditor don't from part of cost sheet

A:- only I and IV are correct

B:-only III and IV are correct

C:-only II and III are correct

D:-only IV and V are correct

Correct Answer:- Option-A

Question30:-You are given a set of combinations of methods of Time Booking and Time Keeping as to management and ascertainment of employee costs. You are required to identify the correct set of combination of methods of Time Booking and Time as tabled below.

Code	Methods of Time Booking	Methods of Time Keeping
I	Clock card, Disc Method	Job Ticket, Labour Cost card
II	Clock card, Labour cost card	Disc Method, Job Ticket
III	Job Ticket, Disc Method	Clock card, Labour Cost Card
IV	Job Ticket, Labour Cost card	Clock card, Disc Method

A:-Only I is correct combination

B:-Only II is correct combination

C:-Only III is correct combination

D:-Only IV is correct combination

Correct Answer:- Option-D

Question31:-In Service costing, the costs may be classified into three categories viz



Standing Charges (Fixed costs), Variable Costs (Running Costs) and Maintenance Charges (Semi Variable costs). Which of the following combinations of service cost is correct?

I Garage Rent	VI Salaries of garage staff
II Petrol/Diesel	VII Oil & Grease
III Repairs & Renewals	VIII Cost of Tyre
IV Insurance Premium	IX Painting & Servicing
V Handling charges	X Administration overhead

combinations	Standing Charges	Running Costs	Maintenance Charges
A	VIII, VI, X	II, III, VII	I, IV, V, VIII, IX
B	I, IV, VII	II, X, V, VI	III, VIII, IX
C	I, IV, X	II, VII, V	III, VI, VIII, IX
D	VI, X, I, VIII	VII, IX, III	II, IV, V

A:-Combination A is only correct

B:-Combination B is only correct

C:-Combination C is only Correct

D:-Combination D is only correct

Correct Answer:- Option-C

Question32:-You are given with following details of XYZ Ltd. Calculate rate of pay variance.

No. of men employed	Standard-100	Actual-95
No of working days in a month	Standard-25	Actual-24
Average wages per man per month	Standard-Rs. 250	Actual-Rs. 216

A:-Rs. 2,375 Favourable

B:-Rs. 2,500 Unfavourable

C:-Rs. 2,280 Favourable

D:-Rs. 2,400 Unfavourable

Correct Answer:- Option-C

Question33:-You are required to calculate Number of units to be sold to earn a net income of 10 per cent of sales from the give data.

Selling price per unit Rs. 50

Variable manufacturing cost per unit Rs. 20

Variable selling cost per unit Rs. 10

Fixed cost Rs. 2,25,000

A:-9000 units

B:-15000 units

C:-5000 units

D:-Data inadequate to compute No. of Units Sold at a net income of 10 per cent of sales

Correct Answer:- Option-B

Question34:-Following table outlines the characteristic of different Capacity Levels.

You are required to match the attribute to the type of capacity enlisted as Normal Capacity, Actual Capacity and Installed Capacity.

Choice Attributes of capacity Levels

- I Highest achievable capacity under the influence of minor, unavoidable interruptions.
- II Maximum level of output that a company can sustain over a set period of time
- III Key factor in measuring a company's capacity utilization Rate
- IV Capacity for which plant is designed to operate
- V Measured in terms of volume of production achieved or service provided in a specific period
- VI Capacity significant for designing plant mechanically but not for cost considerations

A:-Actual Capacity	Installed Capacity	Normal Capacity
III, IV	I, VI	II, V

B:-Actual Capacity	Installed Capacity	Normal Capacity
I, V	IV, VI	II, III

C:-Actual Capacity	Installed Capacity	Normal Capacity
V	II, III, IV	I, VI

D:-Actual Capacity	Installed Capacity	Normal Capacity
III, V	I, II	IV, VI

Correct Answer:- Option-B

Question35:-Consider the following statements:

- (i) Municipal valuation, fair rent, and standard rent are used to determine the annual value.
- (ii) The actual rent received or receivable is ignored while computing annual value.
- (iii) Unrealized rent can be deducted subject to Rule 4 of Income Tax Rules.

Which of the above statements are correct?

A:-Only (i) and (ii)

B:-Only (i) and (iii)

C:-Only (ii) and (iii)

D:-All (i), (ii) and (iii)

Correct Answer:- Option-B

Question36:-Which of the following statements are correct regarding inter-head set-off of losses

(Section 71)?

- (i) Speculation loss can be set off only against speculation profit.
- (ii) Business loss cannot be set off against salary income.
- (iii) Long-term capital loss can be set off against short-term capital gain.

A:-Only (i) and (ii)

B:-Only (i) and (iii)

C:-Only (ii) and (iii)

D:-All (i), (ii) and (iii)

Correct Answer:- Option-A

Question37:-Which of the following statements are true?

- (i) Return is compulsory if aggregate TDS/TCS exceeds Rs. 5,000 during the previous year.
- (ii) Return is compulsory if electricity bill payment exceeds Rs. 1 lakh in a year
- (iii) Return is compulsory if foreign travel expenditure exceeds Rs. 2 lakh

A:-Only (i) and (ii)

B:-Only (i) and (iii)

C:-Only (ii) and (iii)

D:-All (i), (ii) and (iii)

Correct Answer:- Option-C

Question38:-Consider the following statements :

- (i) Foreign income is taxable for a resident and ordinarily resident, even if received outside India.
  - (ii) Resident but not ordinarily resident is taxable on foreign income only if it is from a business controlled in or profession set up in India
  - (iii) A non-resident is taxed only on income that is received or accrues in India.
- Which of the above statements are correct?

A:-Only (i) and (ii)

B:-Only (i) and (iii)

C:-Only (ii) and (iii)

D:-All (i), (ii) and (iii)

Correct Answer:- Option-D

Question39:-Which of the following statements regarding deduction under Section 80D (medical insurance) is correct?

- (i) An individual can claim up to Rs. 25,000 for premium paid for self, spouse, and dependent children.
- (ii) Deduction for preventive health check-up is limited to Rs. 10,000, paid in cash or otherwise.
- (iii) An additional Rs. 25,000 is allowed for insurance of parents who are below 60 years.

A:-Only (i) and (ii)

B:-Only (i) and (iii)

C:-Only (ii) and (iii)

D:-All (i), (ii) and (iii)

Correct Answer:- Option-B

Question40:-Consider the following statements:

- (i) Income from any business connection in India is deemed to accrue in India.
- (ii) Royalty received from the Government is deemed to accrue in India.
- (iii) Dividend paid by an Indian company outside India is not taxable in India.

Which of the above statements are correct?

A:-Only (i) and (ii)

B:-Only (i) and (iii)

C:-Only (ii) and (iii)

D:-All (i), (ii) and (iii)

Correct Answer:- Option-A

Question41:-Consider the following statements about capital assets under Section 2(14) of the Income Tax Act :

- (i) Capital asset includes property of any kind, whether connected with business or not,  
including land, buildings, goodwill, shares and machinery.
- (ii) Agricultural land situated within 8 km of a municipality with population over 10,000 is  
treated as a capital asset.
- (iii) Furniture, can and refrigerator held for personal use are excluded from the definition of  
capital asset.

Which of the above statements are correct?

A:-Only (i) and (ii)

B:-Only (i) and (iii)

C:-Only (ii) and (iii)

D:-All (i), (ii) and (iii)

Correct Answer:- Option-D

Question42:-Consider the following statements :

- (i) If a person is leaving India with no intention to return, they may be taxed in the same  
year.
- (ii) Income from a non-resident's shipping business is taxed in the previous year itself.
- (iii) If a business is discontinued, income cannot be assessed until the following assessment  
year.

Which of the above statements are correct?

A:-Only (i) and (ii)

B:-Only (i) and (iii)

C:-Only (ii) and (iii)

D:-All (i), (ii) and (iii)

Correct Answer:- Option-A

Question43:-Consider the following three statements regarding salary income under the Income Tax Act :

- (i) Any compensation due to or received by an employee from an employer in connection with termination of employment is taxable as profits in lieu of salary.
- (ii) Amount received from unrecognised provident fund to the extent of employer's contribution and interest thereon is taxable under salary income.
- (iii) Standard deduction (under new tax regime) for AY 2025-26 under Section 16(ia) is Rs. 75,000

Which of the above statements are correct?

A:-Only (i) and (ii)

B:-Only (i) and (iii)

C:-Only (ii) and (iii)

D:-All (i), (ii) and (iii)

Correct Answer:- Option-D

Question44:-Identify the correct statements about the consequences : of non-payment or underpayment of advance tax :

- (i) No interest is payable if the shortfall is less than Rs. 1,000.
- (ii) Interest is payable under Section 234B for shortfall in advance tax.
- (iii) Interest under Section 234C applies for deferment of advance tax instalments.

A:-Only (i) and (ii)

B:-Only (i) and (iii)

C:-Only (ii) and (iii)

D:-All (i), (ii) and (iii)

Correct Answer:- Option-C

Question45:-Which of the following statements regarding deductions from 'income from other sources' is correct?

- (i) Depreciation can be claimed on machinery and furniture used to earn income.
- (ii) Family pension received by heirs is fully exempt from tax.
- (iii) Interest on compensation received is deductible by 50%

A:-Only (i) and (ii)

B:-Only (i) and (iii)

C:-Only (ii) and (iii)

D:-All (i), (ii) and (iii)

Correct Answer:- Option-B

Question46:-Which of the following statements are correct regarding revised returns?

- (i) A return once revised cannot be revised again.
- (ii) A revised return can be filed if the original return was filed under section 139(1)

or belated

return filed under section 139(4)

(iii) A revised return can be filed before 31st December of the relevant assessment or before completion of the assessment, whichever is earlier.

A:-Only (i) and (ii)

B:-Only (i) and (iii)

C:-Only (ii) and (iii)

D:-All (i), (ii) and (iii)

Correct Answer:- Option-C

Question47:-Which of the following statements are TRUE with regard to the Audit Strategy?

(i) It sets the scope, approach, objectives and direction of the audit

(ii) Audit strategy is framed as a second step subsequent to the preparation of audit plan and audit programme

(iii) It provides a framework for the development of detailed Audit Plan containing the steps and procedures of audit work.

A:-Statements (i) and (ii) alone are true

B:-Statements (ii) and (iii) alone are true

C:-Statements (i) and (iii) alone are true

D:-All statements are true

Correct Answer:- Option-C

Question48:-Identify the WRONG statement from the following

(i) Audit strategy is a high level plan that sets the stage for audit whereas the audit plan

provides a roadmap for the execution of audit strategy

(ii) Audit strategy speaks about the "what" and "why" of the audit while the Audit plan

illustrates "how" and "when" of the audit

(iii) Audit strategy provides overall framework whereas audit plan contains procedures, steps

and methodologies to execute the audit strategy.

A:-Statement (i) alone is wrong

B:-Statement (ii) alone is wrong

C:-Statement (iii) alone is wrong

D:-None of the above statements are wrong

Correct Answer:- Option-D

Question49:-Identify the TRUE statements from the following :

(i) Preparing the Audit Programme, Audit Strategy and Audit Plan are the correct

sequence

of audit planning process

(ii) Audit Programme fixes the duties and responsibility of each audit staff involved in the audit work

(iii) Audit Programme prepared well in advance in a standardised format covering all possible

audit activities and procedures are called as the Flexible or Progressive Audit Programme.

A:-Statement (i) alone is true

B:-Statement (ii) alone is true

C:-Statement (iii) alone is true

D:-All the statements are true

Correct Answer:- Option-B

Question50:-Which of the following are FALSE with regard to the audit evidence?

(i) Auditors are not supposed to rely on the audit evidence to form an opinion on the true and

fair view of the state of affairs

(ii) Purchase invoices from the suppliers and the account balance confirmation certificate from

banks are examples of internal audit evidence

(iii) Inspection, Inquiry, Observation, External Confirmation, etc., are the audit procedures

employed for collecting audit evidence

A:-Statements (i) and (ii) alone are false

B:-Statements (i) and (iii) alone are false

C:-Statements (ii) and (iii) alone are false

D:-All statements are false

Correct Answer:- Option-A

Question51:-Which of the following statements are CORRECT?

(i) Audit sampling refers to the process of taking the entire population of items and transactions for the purpose of collecting audit evidence and forming audit opinion

(ii) Audit sampling will enable the auditors in saving time and effort in the process of collecting

audit evidence and audit opinion

(iii) Statistical sampling method adopted by the auditor requires random selection of sample

units wherein each sample units will get equal chance of being selected as sample

A:-Statements (i) and (ii) alone are correct

B:-Statements (i) and (iii) alone are correct

C:-Statements (ii) and (iii) alone are correct

D:-All statements are correct

Correct Answer:- Option-C

Question52:-Which of the following statements are TRUE with respect to the audit risk?

- (i) Audit Risk refers to a situation where the auditor is not getting enough audit assignments  
and thereby not making enough income
- (ii) Audit risk is a function of material misstatement of information by the company and the  
detection risk caused by the auditor (failure to detect misstatements in the audit process)
- (iii) The detection risk caused by the auditor happens when the samples drawn for test  
checking are non-representative of the population.

A:-Statements (i) and (ii) alone are true

B:-Statements (ii) and (iii) alone are true

C:-Statements (i) and (iii) alone are true

D:-All statements are true

Correct Answer:- Option-B

Question53:-Which of the following statements are WRONG with respect to the internal control system?

- (i) Internal control system is only a part of the internal check
- (ii) Review of internal control system will enable the auditor to know the areas where the  
control is weak and are prone to material misstatement of information
- (iii) Internal control system is used as a mechanism to commit errors and frauds in the process  
of maintaining books and records

A:-Statements (i) and (ii) alone are wrong

B:-Statements (ii) and (iii) alone are wrong

C:-Statements (i) and (iii) alone are wrong

D:-All Statements are wrong

Correct Answer:- Option-C

Question54:-Which of the following statements are TRUE with regard to the audit in automated environment?

- (i) Auditor should see the nature and level of access control, authentication and security  
features of IT systems in the company
- (ii) Auditor should ensure the tamper proof mechanism of audit trail functionality of the IT  
system
- (iii) CAAT (Computer Assisted Auditing Techniques) are used by the company's  
accounting staff in their daily accounting work in an IT based accounting environment

A:-Statements (i) and (ii) alone are true

B:-Statements (ii) and (iii) alone are true

C:-Statements (i) and (iii) alone are true



D:-All statements are true

Correct Answer:- Option-A

Question55:-Find the WRONG statement from the following :

- (i) Internal Check means a system where the work done by one employee is automatically verified by another employee
- (ii) Internal Control System will usually consists of the internal check system and the internal audit mechanism in a company
- (iii) Internal audit is a control measure undertaken by the statutory auditor to assess the performance of audit staff

A:-All statements are wrong

B:-Statement (i) alone is wrong

C:-Statement (ii) alone is wrong

D:-Statement (iii) alone is wrong

Correct Answer:- Option-D

Question56:-Which of the following statements are FALSE with regard to the appointment of auditor in a company?

- (i) For a newly incorporated company, the first auditor of the company will be appointed by the Board of Directors and will hold office till the conclusion of annual general meeting.
- (ii) An auditor appointed in the first annual general meeting will hold office till the conclusion of eighth annual general meeting
- (iii) A body corporate can be appointed as an external auditor of a company for a consecutive period of 15 years

A:-Statements (i) and (ii) alone are false

B:-Statements (ii) and (iii) alone are false

C:-Statements (i) and (iii) alone are false

D:-All the statements are false

Correct Answer:- Option-B

Question57:-Identify the CORRECT statements from the following with respect to the audit report

- (i) A statutory auditor will report to the Board of Directors of the company and is accountable to the Board of Directors
- (ii) If the audit is undertaken by a firm of auditors, the audit report is required to be signed by all the members of audit firm
- (iii) Audit report normally contain an opinion about the true and fair view of the state of

affairs of the company

A:-Statement (i) alone is correct

B:-Statements (i) and (ii) alone is correct

C:-Statement (iii) alone is correct

D:-Statements (ii) and (iii) alone are correct

Correct Answer:- Option-C

Question58:-Find the WRONG statements related to the types of audit reports

(i) A clean audit report is one in which the auditor express his dissatisfaction on certain

matters and are not adequately clarified by the company

(ii) A qualified audit report will exhibit a true and fare view of state of affairs and the auditor

is satisfied with sufficient audit evidence for that

(iii) A disclaimer report indicate that the auditor is unable to obtain sufficient audit evidence to

form an opinion on the true and fair view of state of affairs and makes disclaimer of opinion

A:-Statements (i) and (ii) alone are wrong

B:-Statements (i) and (iii) alone are wrong

C:-Statements (ii) and (iii) alone are wrong

D:-All statements are wrong

Correct Answer:- Option-A

Question59:-Equity shares of CEAT Ltd. are quoted in the market at Rs. 17. The dividend expected a year hence is Rs. 1.50. The expected rate of dividend growth is 8%. The cost of equity capital to the company is

A:-11.08%

B:-13.88%

C:-15.46%

D:-16.82%

Correct Answer:- Option-D

Question60:-Which of the following is not a feature of an optimal capital structure?

A:-The company should make maximum use of leverage at a minimum cost

B:-The capital structure should be flexible to be able to meet the changing condition

C:-The company should aim at not using excessive debt in its capital structure

D:-The company should make minimum use of leverage at a minimum cost

Correct Answer:- Option-D

Question61:-Calculate combined leverage from the following :

Fixed cost - 40000, Variable cost - 140000, Sales - 200000, Interest on loan @ 10 percent on a loan of Rs. 100000.

A:-4

B:-3

C:-6

D:-2

Correct Answer:- Option-C

Question62:-The net cash inflows of the project and their present values are as follows :

Year	Net cash inflow	PVIF at 12%	PV of cash inflow
1	5100	0.893	4554
2	5100	0.797	4065
3	5100	0.712	3631
4	7100	0.636	4516

The initial investment in the project is Rs. 12,500. What is the NPV of the project?

A:-9900

B:-4266

C:-4296

D:-4512

Correct Answer:- Option-B

Question63:-Debt to Total Assets of a firm is 0.2. The Debt to Equity ratio would be :

A:-0.80

B:-0.25

C:-1.00

D:-0.75

Correct Answer:- Option-B

Question64:-Ratio which reflects managerial efficiency in handling assets is

A:-Turnover ratio

B:-Solvency ratio

C:-Profitability ratio

D:-Coverage ratio

Correct Answer:- Option-A

Question65:-While calculating cash flow from operating activities, which will be deducted?

A:-Increase in Creditors

B:-Increase in Debtors

C:-Decrease in Debtors

D:-Decrease in prepaid Expenses

Correct Answer:- Option-B

Question66:-Two mutually exclusive projects with different economic lives can be compared on the basis of

A:-Internal Rate of Return

B:-Profitability Index

C:-Net Present value

D:-Equivalent Annuity value

Correct Answer:- Option-D

Question67:-Which combination is generally good for a company?

A:-High OL, High FL

B:-Low OL, Low FL

C:-High OL, Low FL

D:-None of these

Correct Answer:- Option-C

Question68:-Which of the following is incorrect for value of the firm under the Modigliani and Miller (MM) Model?

A:-In the initial preposition, MM Model argues that value is independent of the financing mix

B:-Total value of levered and unlevered firms is otherwise arbitrage will take place

C:-Total value incorporates borrowings by firm but excludes personal borrowing

D:-Total value does not change because underlying does not change with financing mix

Correct Answer:- Option-C

Question69:-What does the term "lead time" refer to in inventory management?

A:-Time taken to sell inventory

B:-Time between placing an order and receiving it

C:-Time to manufacture a product

D:-Time to train new employees

Correct Answer:- Option-B

Question70:-Which of the following is a characteristic of the Miller-Orr model?

A:-It assumes constant and predictable cash flows

B:-It is a static model that does not account for fluctuations in cash flows

C:-It is a dynamic model that allows for random fluctuations in cash flows

D:-It is primarily used for long-term cash management

Correct Answer:- Option-C

Question71:-Assertion (A) : Strategy evaluation is concerned with determining the value of importance of a strategy.  
Reason (R) : Strategy evaluation throws light on the efficiency and effectiveness of the strategy in achieving the anticipated results.

A:-Both A and R are true and R is the correct explanation of A

B:-Both A and R are true and R is not the correct explanation of A

C:-A is true but R is false

D:-A is false but R is true

Correct Answer:- Option-A

Question72:-The hard elements of 7S's include

A:-Skill, style and staff

B:-Structure, Strategy and Systems

C:-Shared value, Sign, Style

D:-Skill, Strategy, Staff

Correct Answer:- Option-B

Question73:-Assertion (A) : Strategy leadership is about how to most effectively manage a company's strategy making process to create competitive advantage.  
Reason (R) : Strategy leadership is concerned with managing the strategy making process to increase the performance of a company, thereby increasing the value of the enterprise to its owners and shareholders.

A:-Both A and R are true and R is the correct explanation of A

B:-Both A and R are true and R is not the correct explanation of A

C:-A is true but R is false

D:-A is false but R is true

Correct Answer:- Option-A

Question74:-Describe the sequence of strategy implementation process

A:-Diagnosis - Planning - Implementation - Learning & Control - Opinion available in implementation

B:-Diagnosis - Opinion available in implementation - Planning - Learning & Control - Implementation

C:-Diagnosis - Opinion available in implementation - Planning - Implementation - Learning and Control

D:-Opinion available in implementation - Planning - Implementation - Learning and Control - Diagnosis

Correct Answer:- Option-C

Question75:-Assertion (A) : Competitive environment means the environment in the industry and the market where the enterprise competes for its survival and growth.  
Reason (R) : A company is said to have a competitive advantage over its rivals when its profitability is greater than the average profitability and profit growth of

other companies competing for the same set of customers.

A:-Both A and R are true and R is the correct explanation of A

B:-Both A and R are true and R is not the correct explanation of A

C:-A is true but R is false

D:-A is false but R is true

Correct Answer:- Option-A

Question76:-Assertion (A) : Strategic Management is a process of managing the attainment of organizational mission.

Reason (R) : Strategic Management comprises of decisions and actions leading to the formulation and implementation of strategies to achieve the objectives of the organization.

A:-Both A and R are true and R is the correct explanation of A

B:-Both A and R are true and R is not the correct explanation of A

C:-A is true but R is false

D:-A is false but R is true

Correct Answer:- Option-A

Question77:-From the following statement, state the False statement.

(a) Statement I : Strategy implementation deals with the execution of the selected strategies.

(b) Statement II : Strategy implementation is about taking the right course of action.

(c) Statement III : Strategy implementation is the operational part of the strategic management

(d) Statement IV : Strategy implementation can be performed before the formulation of strategies

A:-Statement I

B:-Statement II

C:-Statement III

D:-Statement IV

Correct Answer:- Option-D

Question78:-Match List 'A' with the list 'B' and choose the correct answer from the following

Sl.No.	List 'A'	Sl.No.	List 'B'
i	Environmental Scanning	a	Organisations observe their internal environment
ii	Strategy Formulation	b	Leadership Implementation
iii	Strategy Implementation	c	SWOT Analysis

#### iv Evaluation & Control

A:-i-b, ii-c, iii-a, iv-d

B:-i-a, ii-c, iii-b, iv-d

C:-i-c, ii-b, iii-a, iv-d

D:-i-d, ii-b, iii-c, iv-a

Correct Answer:- Option-B

#### d Measuring Performance

Question79:-Match the following approaches to Implementation of Strategy

Sl.No. Column A

1 Commander approach

2 Organisational change and approach

3 Collaborative Approach includes

strategy

4 Cultural Approach

5 Crescive Approach either

Sl.No. Column B

a Bottom-up approach since it moves upward from the subordinates to the manager

b Manager takes into account the knowledge experience of his management team

c Extension of collaborative approach which the lower levels of the organization in the formulation and implementation of the

d Focuses on how to equip an organization to implement a strategy

e Manager will determine the best strategy alone or with the help of a group of experts

A:-1-e, 2-d, 3-b, 4-c, 5-a

B:-1-a, 2-b, 3-c, 4-d, 5-e

C:-1-b, 2-a, 3-d, 4-c, 5-e

D:-1-c, 2-a, 3-b, 4-d, 5-e

Correct Answer:- Option-A

Question80:-Match the following models and tools used in the process of strategy evaluation and control

Sl. No. Column A

1 Value chain analysis in

2 Benchmarking parts

position of

3 Return on investment competitive

4 Financial Ratio Analysis other firms

Sl.No. Column B

a Ascertained by the amount of profit it earns relation to the amount of investment

b Evaluating relationship between component of financial statements to obtain a better understanding of the performance and

an organization

c Analyse to identify and evaluate the potential of resources and capabilities

d Process of studying the performance of

exceptionally in the industry which are performing well

A:-1-b, 2-a, 3-d, 4-c

B:-1-c, 2-b, 3-a, 4-d

C:-1-c, 2-d, 3-a, 4-b

D:-1-a, 2-d, 3-b, 4-c

Correct Answer:- Option-C

Question81:-Which device allows you to enter data and instructions into a computer?

A:-Input device

B:-Output device

C:-ALU

D:-CPU

Correct Answer:- Option-A

Question82:-RAM is an example of which type of memory in computer

A:-Auxiliary Memory

B:-Secondary Memory

C:-Cache memory

D:-Primary Memory

Correct Answer:- Option-D

Question83:-What is the name given to huge computers with large computation speeds?

A:-Workstation computer

B:-Server computer

C:-Supercomputer

D:-None of these

Correct Answer:- Option-C

Question84:-What is an operating system?

A:-Interface between the hardware and application programs

B:-Collection of programs that manages hardware resources

C:-System service provider to the application programs

D:-All of the mentioned

Correct Answer:- Option-D

Question85:-The octal representation of the decimal 10 is

A:-12

B:-10



C:-7

D:-8

Correct Answer:- Option-A

Question86:-What is the default file extension for a Word document?

A:-.pdf

B:-.docx

C:-.xls

D:-.txt

Correct Answer:- Option-B

Question87:-Which shortcut key is used to open a new document in Microsoft Word?

A:-Ctrl + S

B:-Ctrl + N

C:-Ctrl + P

D:-Ctrl + O

Correct Answer:- Option-B

Question88:-What is the purpose of the Filter feature in Excel?

A:-To sort the data

B:-To delete data

C:-To display only the data that meets certain criteria

D:-To add rows

Correct Answer:- Option-C

Question89:-How do you start a formula in Excel?

A:-By typing @

B:-By typing #

C:-By typing +

D:-By typing =

Correct Answer:- Option-D

Question90:-From which of these menus can we access a Text Box, Picture, Chart etc.?

A:-View

B:-Insert

C:-Edit

D:-File

Correct Answer:- Option-B

Question91:-Which of the following statements are correct about class and object  
1. A class defines the structure and behaviour of objects.

2. A class must contain at least one object.
3. An object is a blueprint used to create classes.
4. Multiple objects can be created from a single class.

A:-1, 3 and 4 only

B:-1 and 3 only

C:-1 and 4 only

D:-All statements correct

Correct Answer:- Option-C

Question92:-What is the output of the following code?

```
#include <iostream>
using namespace std;
int main () {
    int k = 6;
    int m = ++k +k-- + k++;
    cout <<m;
    return 0;
}
```

A:-18

B:-19

C:-21

D:-20

Correct Answer:- Option-D

Question93:-You are creating a shared .NET library that must be reused in apps targeting Windows, Android, and WebAssembly platforms. Which type of .NET class library is most suitable?

A:-Platform-specific class library

B:-.NET Framework class library

C:-Portable Class Library (PCL)

D:-.NET Standard class library

Correct Answer:- Option-D

Question94:-Write the output of this code

Module Module 1

```
Sub Main ( )
    Dim a As New Integer
    Dim b As Integer = 20
    ChangeValues(a, b)
    Console.WriteLine ("a = " & a & ", b = " & b)
End Sub
```

Sub ChangeValues(ByRef x As Integer, ByVal y As Integer)

    x = y

    Dim z As Integer = 40

    x = z

End Sub  
End Module

A:-a =40, b = 20

B:-a = 20, b = 20

C:-a = 0, b = 20

D:-a = 40, b = 40

Correct Answer:- Option-A

Question95:-In SQL, what happens when a foreign key constraint is violated due to the deletion of a referenced tuple, and the ON DELETE CASCADE clause is used?

A:-The system rejects the delete operation

B:-The referencing tuple is also deleted

C:-The referencing tuple is updated with NULL

D:-The referencing field is set to its default value

Correct Answer:- Option-B

StudID	Name	DeptID
110	Anu	1
111	Amal	2
112	Anju	1

DeptID	DeptName
1	Computer Science
2	Commerce

Question96:-

Which of the following SQL query/queries correctly retrieve the names of students and their department names?

A:-SELECT Name, DeptName  
FROM Students, Departments  
WHERE Students.DeptID = Departments.DeptID;

B:-SELECT Name, DeptName  
FROM Students JOIN Departments  
ON Students.DeptID = Departments.DeptID;

C:-SELECT Name, DeptName  
FROM Students LEFT JOIN Departments  
ON Departments.DeptID = Students.StudID;

D:-Both (1) and (2)

Correct Answer:- Option-D

SaleID	ProductID	Quantity	Amount
1	201	2	500
2	301	1	300
3	201	1	250
4	401	3	900

ProductID	ProductName
201	Bag
301	Book
401	Umbrella

Question97:-

Which SQL query returns each product name along with the total quantity sold and average amount per unit sold?

A:-SELECT p.ProductName,  
SUM(s.Quantity) AS TotalQuantity,  
Sum(s.Amount) / SUM(s.Quantity) AS AvgAmountPerUnit

FROM Sales s

```
JOIN Products p ON s.ProductID = p.ProductID  
GROUP BY p.ProductName;
```

```
B:-SELECT p.ProductName,  
COUNT(s.Quantity) AS TotalQuantity,  
AVG(s.Amount) / AS AvgAmountPerUnit
```

```
FROM Sales s  
JOIN Products p ON s.ProductID = p.ProductID  
GROUP BY p.ProductName;
```

```
C:-SELECT p.ProductName,  
SUM(s.Quantity),  
SUM(s.Amount) / COUNT(*) AS AvgAmount
```

```
FROM Products p  
LEFT JOIN Sales s ON s.ProductID = p.ProductID  
GROUP BY p.ProductName;
```

```
D:-SELECT ProductName,  
Quantity,  
Amount/Quantity AS AvgPrice  
FROM Sales NATURAL JOIN Products;
```

Correct Answer:- Option-A

Question98:-A web crawler is capable of processing various content formats, adjusting to changes in communication standards, and supporting the addition of new components with minimal structural changes. Which key architectural feature does this behaviour highlight?

A:-Freshness handling

B:-Quality-based prioritization

C:-Extensibility

D:-Bandwidth optimization

Correct Answer:- Option-C

Question99:-Which of the following HTML <form> setups ensures that user data is transmitted securely and that the text input field gains automatic focus upon page load?

```
A:-<form method="post" action="submit.php">  
<input type="text" name="username" autofocus>  
</form>
```

```
B:-<form method="post" action="submit.php">  
<input type="text" name="username" focus>  
</form>
```

```
C:-<form method="get" action="submit.php">  
<input name="username" type="text" selected>  
</form>
```

D:-<form method="secure" action="submit.php">  
<input type="text" name="username" autofocus>  
</form>

Correct Answer:- Option-A

Question100:-In a form, if the **onblur** event is applied to a credit card number input for validation, what potential issue might arise if it is the only validation method used?

A:-The input field becomes impossible to exit

B:-The validation could activate too frequently

C:-Updates made by the user in real-time might not be caught

D:-Validation errors won't be shown unless the form is submitted

Correct Answer:- Option-C