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JHARKHAND STAFF SELECTION COMMISSION
POST GRADUATE TRAINED TEACHER COMPETITIVE EXAMINATION 2017
(PGTCE-2017)

झारखण्ड सरकार

Participant ID:	
Participant Name:	
Test Center Name:	
Test Date:	11/03/2018
Tests Time:	2:30 PM - 5:30 PM
Subject:	PGT Commerce

Section : **Commerce**

Q.1 The budgeted cost of electricity is ₹ 2,50,000 for 5,000 units of production per month and ₹ 2,86,000 for 6,200 units of production per month. If the company manufactures 7,000 units in the month of March 2017, the budgeted amount of electricity for the month is:

Question ID : **1945501707**

- Ans**
- ☒ 1. ₹ 2,90,000
 - ☒ 2. ₹ 3,30,000
 - ☒ 3. ₹ 3,50,000
 - ☒ 4. ₹ 3,10,000

Q.2 The current sales of XYZ & Co. are ₹ 480 lakh with a credit period of 1 month and bad debts being 1% of sales. The contribution is 30% of sales. Financing cost for XYZ & Co is 15% per annum. If the credit period is increased to 2 months, sales are expected to be ₹ 600 lakh but bad debts may rise to 5% of sales. The additional net contribution resulting from this proposal (over and above the existing contribution) will be:

Question ID : **1945501736**

- Ans**
- ☒ 1. ₹ 1.8 lakh
 - ☒ 2. ₹ 27 lakh
 - ☒ 3. ₹ 135 lakh
 - ☒ 4. ₹ 10.8 lakh

Q.3 Non-production overheads are usually omitted from stock valuation for which one of the following reasons?

Question ID : **1945501713**

- Ans**
- ☒ 1. They are incurred after the stock has been brought to its present location and condition.
 - ☒ 2. They cannot be identified with individual products.
 - ☒ 3. They are fixed period costs.
 - ☒ 4. They are outside the control of production management.

Q.4 Which of the following is a valid promissory note?

Question ID : **1945501761**

- Ans**
- ☒ 1. Pooja promises to pay ₹ 5,000 to Neha in a telephonic conversation.
 - ☒ 2. Mr Shah writes to Jai, "I will pay ₹ 5 lakh to you 15 days after the death of your father."
 - ☒ 3. Mr Sharma writes to his grandson, "I promise to pay you ₹ 10 lakh if you marry Deepa."
 - ☒ 4. Dilip writes to Ashok, "I owe you ₹ 10,000."

Q.5 The number of banks that were nationalised in 1969 and 1980 was ___ respectively.

Question ID : 1945501739

- Ans
- ☒ 1. 14 and 6
 - ☐ 2. 12 and 8
 - ☐ 3. 21 and 10
 - ☐ 4. 15 and 9

Q.6 Cessation of work by a body of persons employed in an industry or a concerted refusal or refusal under common understanding to continue work or to accept employment is known as a _____.

Question ID : 1945501809

- Ans
- ☐ 1. retrenchment
 - ☐ 2. closure
 - ☐ 3. lock-out
 - ☒ 4. strike

Q.7 In System I, Likert suggested that leaders have:

Question ID : 1945501786

- Ans
- ☐ 1. sufficient confidence and trust in subordinates.
 - ☐ 2. complete confidence and trust in subordinates.
 - ☒ 3. no confidence and trust in subordinates.
 - ☐ 4. less confidence and trust in subordinates.

Q.8 A worker who dislikes his current job also finds the alternative of either quitting or changing the current job less attractive and least preferred is in the state of:

Question ID : 1945501787

- Ans
- ☐ 1. Approach-Avoidance Conflict
 - ☒ 2. Avoidance-Avoidance Conflict
 - ☐ 3. Approach-Approach Conflict
 - ☐ 4. Goal Conflict

Q.9 Which of the following DOES NOT constitute payment in due course by the bank?

Question ID : 1945501756

- Ans
- ☒ 1. The payment is made to a person not in possession of the instrument but to an unconnected person.
 - ☐ 2. The payment is made in good faith.
 - ☐ 3. The payment is made without negligence.
 - ☐ 4. The payment is made in accordance with the apparent tenor of the instrument.

Q.10 Delta Limited uses the following flexible budget formula for their annual maintenance cost:
Total cost = ₹ 1,34,400 + 0.48 per machine hour
The budget for April 2017 is based on 25,000 hours of planned machine time. The maintenance cost included in this flexible budget for April 2017 is:

Question ID : 1945501709

- Ans
- ☐ 1. ₹ 36,200
 - ☒ 2. ₹ 23,200
 - ☐ 3. ₹ 1,46,400
 - ☐ 4. ₹ 1,59,400

Q.11 The decision given by the arbitrator is called a/an _____.

Question ID : 1945501819

- Ans
- ☒ 1. sentence
 - ☒ 2. award
 - ☒ 3. reward
 - ☒ 4. degree

Q.12 In which of the following situations does the Negotiable Instruments Act give protection to a banker making payment on a cheque?

Question ID : 1945501755

- Ans
- ☒ 1. The payment is made against a cheque on which the customer's signature is forged and the customer is unaware of the forgery.
 - ☒ 2. The payment is made against a cheque which has been materially altered, the alteration is visible but not authenticated by the customer's initials.
 - ☒ 3. The payment is made in good faith and without negligence against a cheque which has been materially altered but the alteration is not apparent.
 - ☒ 4. The payment of cash to an employee of the bank who accompanied the customer to the customer's office but absconded with the money before reaching the customer's office.

Q.13 Which of the following statements is NOT true about the liquidity adjustment facility provided by the Reserve Bank of India (RBI)?

Question ID : 1945501744

- Ans
- ☒ 1. It is unsecured lending/borrowing arrangement between the RBI and the banks.
 - ☒ 2. The repo rate under the liquidity adjustment facility is fixed/changed by the RBI during the monetary policy announcements.
 - ☒ 3. The objective of liquidity adjustment facility is to inject/absorb liquidity into/from the system.
 - ☒ 4. It is extended by the RBI to scheduled commercial banks (excluding regional rural banks) and primary dealers only.

Q.14 Which of the following is NOT a true assumption for the Porter and Lawler model of motivation?

Question ID : 1945501785

- Ans
- ☒ 1. All individuals are rational human beings who make conscious decisions about their behaviour in the organisation.
 - ☒ 2. Individual behaviour is determined by a combination of factors relating to an individual and the environment.
 - ☒ 3. All individuals have common needs, desires and goals.
 - ☒ 4. Individuals decide between alternative behaviours that lead to the desired outcome.

Q.15 In an organisational setting when one person perceives or judges on the basis of the characteristics of a group, ethnicity or social strata of another person, it is known as:

Question ID : 1945501800

- Ans
- ☒ 1. stereotyping
 - ☒ 2. attribution
 - ☒ 3. first impression
 - ☒ 4. halo effect

Q.16 Which of the following statements is/are NOT true?

Question ID : 1945501734

- Ans
- ☒ 1. Both 2 and 4
 - 2. In factoring on a non-recourse basis, the risk of bad debts is borne by the factor.
 - 3. Commercial paper is a type of secured borrowing.
 - 4. Deposits made by one company with another are known as call deposits.
 - 5. Factoring is a costlier source of finance than other short-term sources of finance.

- ☒ 2. Both 1 and 2
- ☒ 3. Both 2 and 3
- ☒ 4. Both 1 and 4

Q.17 The International Labour Organization (ILO) has indicated that women's participation in the labour market has declined. What is the percentage of that gender gap in India?

Question ID : 1945501815

- Ans**
- ☒ 1. 45
 - ☒ 2. 48
 - ☒ 3. 50
 - ☒ 4. 49

Q.18 Which of the following capital budgeting or investment appraisal methods requires knowledge of the cost of capital or required rate of return for the company's shareholders?

Question ID : 1945501730

- Ans**
- ☒ 1. Accounting or Average Rate of Return method
 - ☒ 2. Net Present Value method
 - ☒ 3. Internal Rate of Return method
 - ☒ 4. Payback period method

Q.19 Which of the following is NOT the most important aspect of the process of collective bargaining?

Question ID : 1945501817

- Ans**
- ☒ 1. Negotiation
 - ☒ 2. Discussion
 - ☒ 3. Compromise
 - ☒ 4. Confrontation

Q.20 The capital structure of XYZ Ltd comprises 70% equity and 30% debt. The debt is in the form of debentures having a coupon of 10% per annum. The cost of equity is 16%. The tax rate applicable to the company is 30%. The weighted average cost of capital (WACC) for XYZ Ltd is:

Question ID : 1945501728

- Ans**
- ☒ 1. 13.3%
 - ☒ 2. 14.2%
 - ☒ 3. 7.70%
 - ☒ 4. 8.60%

Q.21 In which of the following situations may a banker refuse payment against a cheque issued by a customer?

Question ID : 1945501767

- Ans**
- ☒ 1. When the banker receives notice of the customer's insanity.
 - ☒ 2. When an order of the court prohibits payment.
 - ☒ 3. When a customer countermands payment; i.e. issues 'stop payment' instructions.
 - ☒ 4. When there are insufficient funds in the customer's account and there is no communication from the customer to honour the cheque.

Q.22 Which of the following is the biggest limitation of current purchasing power accounting?

Question ID : 1945501675

- Ans**
- ☒ 1. It is a useless method of accounting.
 - ☒ 2. It is a baseless method of accounting.

✗ 3.

It does not provide any relevant information for the management evaluation and use.

✓ 4.

The upward revaluation of assets by indexing them would be, increasingly, a value without the external evidence that would meet the needs of prudence and realisation.

Q.23 A matrix organisation refers to a form of:

Question ID : 1945501772

Ans ✓ 1.

organisation in which two or more basic types of departmentation are combined.

✗ 2.

mathematical arrangement of events in columns and rows.

✗ 3.

organisation where mathematical simulations are employed for task completion.

✗ 4.

organisation where authority and responsibility co-exist.

Q.24 As per Maslow's theory, needs such as truth, justice, wisdom, profound happiness and harmony are related to the _____ needs of a person.

Question ID : 1945501782

Ans ✗ 1. physiological

✓ 2. self-actualisation

✗ 3. safety

✗ 4. social

Q.25 When selling price decreases, the break-even point:

Question ID : 1945501699

Ans ✗ 1. remains constant.

✗ 2. may increase or decrease.

✗ 3. also decreases.

✓ 4. increases.

Q.26 The Mixing Department is the first stage of Zodiac Company's production cycle. Conversion costs for this department were 80% complete as to the beginning work-in-progress inventory and 50% complete as to the ending work-in-progress (WIP) inventory. Information as to conversion cost in the Mixing Department for January 2017 is as follows:

Question ID : 1945501711

	Units	Conversion Cost (₹)
WIP at 1 Jan. 2017	25,000	22,000
Units started in Jan.	1,35,000	1,43,000
Units completed during Jan	1,00,000	

Using the FIFO method, what was the conversion cost of the work-in-progress inventory in the Mixing Department at January 3, 2017?

Ans ✗ 1. ₹ 33,000

✗ 2. ₹ 45,000

✗ 3. ₹ 38,100

✓ 4. ₹ 39,000

Q.27 As on March 31, the current assets of XYZ Ltd were ₹ 5,00,000 (including core current assets ₹ 2,00,000) and the current liabilities (other than bank borrowings) stood at ₹ 1,50,000. The maximum permissible bank finance under Method III of the Tandon Committee recommendations is:

Question ID : 1945501742

Ans ✗ 1. ₹ 62,500

✗ 2. ₹ 2,25,000

✗ 3. ₹ 2,62,500

✓ 4. ₹ 75,000

Q.28 In process I, 10,000 units were introduced during March 2017. 2,000 units, 40% complete in all respects, remained as closing work-in-progress at the end of the month. Compute the cost of closing work-in-progress if the total process cost during the period was ₹ 1,76,000.

Question ID : 1945501710

- Ans**
- ☒ 1. ₹ 17,600
 - ☒ 2. ₹ 13,260
 - ☒ 3. ₹ 16,000
 - ☒ 4. ₹ 14,080

Q.29 In Taylor's functional organisation, there are eight foremen:

Question ID : 1945501795

- i. Time and Cost Clerk
- ii. Route Clerk
- iii. Speed Boss
- iv. Gang Boss
- v. Shop Disciplinarian
- vi. Instruction Card Clerk
- vii. Repair Boss
- viii. Inspector

Which of these foremen operate at the shop level?

- Ans**
- ☒ 1. iii, iv, vii and viii
 - ☒ 2. v, vi, vii and viii
 - ☒ 3. i, ii, iii and iv
 - ☒ 4. iv, v, vi and vii

Q.30 Shantharam received ₹ 75,000 from his elder brother as gift on the occasion of his birthday. What is the taxable amount?

Question ID : 1945501689

- Ans**
- ☒ 1. The entire amount of ₹ 75,000 is taxable.
 - ☒ 2. The entire amount of ₹ 75,000 is exempt.
 - ☒ 3. ₹ 25,000 is taxable.
 - ☒ 4. ₹ 50,000 is taxable.

Q.31 Choose the correct statement.

Question ID : 1945501792

- Ans**
- ☒ 1.
The principle of division of work emphasises that similar activities in an organisation should be grouped together under one manager.
 - ☒ 2.
Taylor's experience at Harvard University led him to define clear guidelines for improving production efficiency.
 - ☒ 3.
Scientific management focuses on the human dynamics at the workplace.
 - ☒ 4.
The best-known example of Taylor's scientific management efforts was the *Pig Iron* experiment.

Q.32 Which of the following statements is applicable in the case of an accommodation bill?

Question ID : 1945501765

- Ans**
- ☒ 1.
the drawee or the acceptor of the bill is the principal debtor.
 - ☒ 2.
the payee is the principal debtor and the drawer and acceptor are merely sureties.

- ☒ 3.
the drawee is liable to the payee on the instrument.
- ☒ 4.
the bill is drawn and accepted for a genuine trade transaction.

Q.33 Which of the following methods of charging service cost centres cost to user cost centres will be compatible with control of the efficiency of the service within the service cost centre?

Question ID : 1945501712

- Ans** ☒ 1.
Charge users with total actual cost incurred.
- ☒ 2. No charge to users.
- ☒ 3.
Charge users with the opportunity cost of the service.
- ☒ 4.
Charge users with total (full) absorption cost.

Q.34 Which of the following statements is TRUE regarding the Hawthorne study?

Question ID : 1945501775

- Ans** ☒ 1.
The worker's morale was greatly influenced by factors such as the supervisor's leadership style.
- ☒ 2.
The conclusions of the study had very little impact on management practices.
- ☒ 3.
Economic incentives were found to be the most closely linked with productivity.
- ☒ 4.
Treating workers with dignity and respect was found to have a weak correlation to productivity.

Q.35 The term organisational climate best represents the:

Question ID : 1945501801

- Ans** ☒ 1.
problems emerged by defective organisational structure.
- ☒ 2.
sociocultural environment in an organisation.
- ☒ 3.
union –management relation within an organisation.
- ☒ 4.
human environment prevailing in an organisation.

Q.36 According to the IRDAI (Investment) Regulations, 2016 the Life Insurance Corporation of India is required to hold not less than 25 per cent of its investment assets in the form of _____.

Question ID : 1945501746

- Ans** ☒ 1. state government securities
- ☒ 2. central government securities
- ☒ 3. secured debentures of a company
- ☒ 4. fixed deposits of banks

Q.37 _____ is an agreement with the union that a worker must be the member of the union at the time of recruitment and that employment is terminated as soon as the workman ceases to be the member of the union.

Question ID : 1945501803

- Ans** ☒ 1. Agency shop
- ☒ 2. Union shop

✓ 3. Closed shop

✗ 4. Approved closed shop

Q.38 As per the Herzberg's two-factor theory, which of the following do NOT belong to the category of 'motivator'?

Question ID : 1945501783

Ans ✓ 1. Interpersonal relations.

✗ 2. Recognition and praise for work.

✗ 3. Meaningfulness of the work.

✗ 4. Growth and promotional opportunities.

Q.39 Which of the following is NOT an achievement of bank nationalisation?

Question ID : 1945501740

Ans ✓ 1. Reduction in the cost of intermediation.

✗ 2.

Financial accommodation to neglected sections of society.

✗ 3.

Availability of adequate resources for implementation of five-year plans.

✗ 4. Expansion of bank branches.

Q.40 ILO headquarters are established in:

Question ID : 1945501814

Ans ✗ 1. Washington

✓ 2. Geneva

✗ 3. The Hague

✗ 4. Paris

Q.41 The first president of the Indian National Trade Union Congress (INTUC) was:

Question ID : 1945501805

Ans ✓ 1. Sardar Vallabhbhai Patel

✗ 2. PS Lokanathan

✗ 3. Jamna Das Mehta

✗ 4. Gulzari Lal Nanda

Q.42 In which of the following situations is an endorsement of a cheque NOT regular or valid?

Question ID : 1945501758

Ans ✗ 1.

It is signed by any person duly authorised to sign on behalf of endorser.

✗ 2.

The cheque is payable to Major L. N. Chopra and is endorsed as 'L. N. Chopra, Major'.

✓ 3.

The endorsement is for a part of the amount on the cheque.

✗ 4.

It is signed by the endorser of the cheque or any person duly authorised to sign on behalf of endorser.

Q.43 A company operates a standard absorption costing system in which the standard fixed production overhead rate is ₹27 per hour.

Question ID : 1945501708

The following data relate to March 2017:

Budgeted hours = 8000

Standard hours for actual production = 8200

Actual hours worked = 8400

What was the fixed production overhead capacity variance for March 2017?

Ans ✓ 1. ₹ 10,800 Favourable

- ☒ 2. ₹ 5,400 Adverse
- ☒ 3. ₹ 10,800 Adverse
- ☒ 4. ₹ 5,400 Favourable

Q.44 From the following information, calculate the value of an equity share:
a. The subscribed share capital of the company consists of 8 lakh 12% preference shares of ₹ 10 each and 18 lakh equity shares of ₹ 10 each. All the shares are fully paid up.
b. The average annual profits of the company after providing depreciation but before taxation are ₹ 2,10,00,000. It is considered necessary to transfer ₹ 41,50,000 to the general reserve before declaring any dividend. The rate of taxation is 30%.
c. The normal return expected by investors on equity shares from the type of business carried on by the company is 20%.
d. Ignore corporate dividend tax.

Question ID : 1945501682

- Ans**
- ☒ 1. ₹ 24.50
 - ☒ 2. ₹ 25.79
 - ☒ 3. ₹ 23.65
 - ☒ 4. ₹ 26.64

Q.45 Income from sale of household furniture is:

Question ID : 1945501688

- Ans**
- ☒ 1. short-term capital gain.
 - ☒ 2. mid-term capital gain.
 - ☒ 3. not taxable as capital gain.
 - ☒ 4. long-term capital gain.

Q.46 Select the INCORRECT statement pertaining to the International Labour Organization (ILO).

Question ID : 1945501816

- Ans**
- ☒ 1. The ILO has three organs: the International Labour Conference, Governing Body and the International Labour Office.
 - ☒ 2. India was not the founding member of the ILO as it was still under British rule when the ILO was formed.
 - ☒ 3. The ILO is a tripartite body.
 - ☒ 4. The ILO passes conventions and recommendations prescribing international labour standards.

Q.47 Balram acquired a residential house in January 2000 for ₹ 30,00,000 and made some improvements by way of additional construction to the house, incurring expenditure of ₹ 6,00,000 in October 2004. He sold the house property in October 2016 for ₹ 2,40,00,000. He acquired a residential house in January 2017 for ₹ 75,00,000. Compute the capital gain chargeable to tax for the Assessment year 2017-18.
Cost Inflation Index: F.Y. 1999-2000 = 389, F.Y. 2004-05 = 480, F.Y. 2010-11 = 711, F.Y. 2016-17 = 1125.

Question ID : 1945501695

- Ans**
- ☒ 1. ₹ 67,45,468
 - ☒ 2. ₹ 65,89,381
 - ☒ 3. ₹ 62,53,561
 - ☒ 4. ₹ 64,17,657

Q.48 The date on the Auditor's Report should not be:

Question ID : 1945501718

- Ans**
- ☒ 1. the date of the Annual General Meeting.
 - ☒ 2. later than the date on which the accounts are approved in the board's meeting.
 - ☒ 3. earlier than the date on which the accounts are approved by the management.
 - ☒ 4. a date falling earlier than the Annual General Meeting.

Q.49 Shri Sohanlal, who desires to invest ₹ 1,20,000 in equity shares in a public limited company, seeks your advice as to the fair value of the shares. The following information is made available:
Paid-up share capital:
-14 % preference shares of ₹ 100 each
₹ 1,10,00,000 -equity shares of ₹ 10 each
₹ 1,70,00,000 Average net profit of the business is ₹ 60,00,000.
Expected normal yield is 20% in case of such equity shares. It is observed that the net tangible assets on revaluation are worth ₹ 20,00,000 more than the amount at which they are stated in the books. Goodwill is to be valued at 3 years purchase of super profit, if any.
Determine the number of shares which Shri Sohanlal should purchase. Ignore income tax and corporate dividend tax.

Question ID : 1945501684

- Ans**
- ☒ 1. 10,733
 - ☐ 2. 9,160
 - ☒ 3. 9,828
 - ☐ 4. 9,724

Q.50 Under the Banking Regulation Act, 1949, for the purpose of branch authorisation policy for commercial banks, which of the following is NOT treated as a branch?

Question ID : 1945501750

- Ans**
- ☒ 1. A call centre
 - ☐ 2. Off-site ATM
 - ☐ 3. Extension counter
 - ☐ 4. Specialised branch

Q.51 In which of the following cases is the endorsement of a bill INVALID?

Question ID : 1945501768

- Ans**
- ☒ 1. Shaila has supplied goods to Myra and received a bill endorsed in her favour by Myra who has forged the endorsement.
 - ☐ 2. A bill is payable to "Shaila or order" and she endorses it by writing on its back "Shaila."
 - ☐ 3. A bill is payable to "Shaila or order" and she endorses it by signing on its back and writes "pay to the order of Rupa."
 - ☐ 4. A bill is payable to "Shaila or order" and she endorses it by writing "pay Rupa only"

Q.52 Which of the following statements is NOT true about a human resources (HR) audit?

Question ID : 1945501823

- Ans**
- ☐ 1. It establishes a benchmark for measuring the performance of the HR department.
 - ☐ 2. It gathers data about people , processes, structures and policies.
 - ☒ 3. It is a statutory requirement for an organisation.
 - ☐ 4. It is done by internal employees or by external consultants.

Q.53 The purchases, sales and cost of goods sold for ABC Ltd are ₹ 2,70,000, ₹ 3,40,000 and ₹ 3,00,000 respectively. The stock of finished goods, debtors and creditors as on March 31 is ₹ 40,000, ₹ 17,000 and ₹ 9,000 respectively. The operating cycle for ABC Ltd is:

Question ID : 1945501735

- Ans**
- ☐ 1. 48 days
 - ☐ 2. 60 days
 - ☒ 3. 54 days
 - ☐ 4. 42 days

Q.54 The earnings per share of XYZ Ltd is ₹ 8 for the current year. It has a policy of maintaining a dividend payout ratio of 50%. The cost of equity is 16% while the internal rate of return on the company's projects is 20%. Which of the following statements is TRUE according to the Walter model?

Question ID : 1945501732

- Ans**
- ☐ 1. Other things remaining constant, if the company decides to skip dividend, the share price will fall.

☒ 2.

Other things remaining constant, if the dividend payout ratio is increased to 75%, the share price of XYZ Ltd will rise.

☒ 3.

There is no relation between the share price, the dividend policy, the cost of equity and the investment opportunities available to XYZ Ltd.

☒ 4.

Other things remaining constant, if the internal rate of return on the company's projects falls to 14%, the share price of XYZ Ltd will fall.

Q.55 According to the International Institute for Labour Studies (IILS) model, the basic four elements of industrial relations are:

Question ID : 1945501810

Ans

☒ 1.

negotiation, collaboration, conflict and resolution.

☒ 2.

environment, parties, processes and rules.

☒ 3.

monopolistic rules, dualistic rules, pluralistic rules and industrial rules.

☒ 4.

rules, actors, environmental context and ideology.

Q.56 Which of the following is NOT true regarding the investment policies of mutual funds?

Question ID : 1945501747

Ans

☒ 1.

Investment in units of venture capital funds is permitted.

☒ 2.

Mutual funds can participate in repo transactions in corporate debt securities rated BBB and below.

☒ 3.

Investment in unrated debt securities is permitted subject to approval of the board of the AMC (Asset Management Company).

☒ 4.

Investment in American depositary receipts (ADR) and global depositary receipts (GDR) issued by Indian or foreign companies is permitted.

Q.57 The profit-volume ratio and margin of safety ratio are 30% and 40% respectively. If the total sales are ₹ 9,00,000, the profit of the firm is:

Question ID : 1945501701

Ans

☒ 1.

₹ 1,08,000

☒ 2.

₹ 1,62,000

☒ 3.

₹ 90,000

☒ 4.

₹ 1,44,000

Q.58 Which of the following would NOT be considered a fixed cost?

Question ID : 1945501723

Ans

☒ 1.

Property tax

☒ 2.

Office rent

☒ 3.

Depreciation

☒ 4.

Cost of bottles used in the production of coconut oil

Q.59 Which of the following negotiable instruments can be made payable to the bearer on demand under the law?

Question ID : 1945501766

Ans

☒ 1.

Cheque

☒ 2.

Bill of exchange

☒ 3.

Hundi

4. Promissory note

Q.60 Which of the following is a point of difference between a promissory note and a bill of exchange?

Question ID : 1945501762

Ans ☒ 1.

A promissory note cannot be made payable to the maker himself while the drawer and payee of a bill may be the same person.

☒ 2.

A promissory note may be oral while a bill of exchange must be in writing.

☒ 3.

The sum payable in a promissory note must be certain while the sum payable in a bill of exchange may be subject to additions or deductions.

☒ 4.

A promissory note may be conditional while a bill of exchange must be unconditional.

Q.61 Sitaram's machinery shows a written down value of ₹1,00,000 on 1-4-2016. New machinery is purchased for ₹6,00,000 on 1-11-2016. The old machinery was sold on 1-5-2016 for ₹1,20,000. Calculate the depreciation (rate 20%) for the previous year 2016-17 as per the Income Tax Act 1961.

Question ID : 1945501693

Ans ☒ 1. ₹ 78,000

☒ 2. ₹ 58,000

☒ 3. ₹ 68,000

☒ 4. ₹ 48,000

Q.62 Which of the following can be a reason for a company NOT declaring a dividend?

Question ID : 1945501725

Ans ☒ 1.

External financing is available for the company in the form of debt at very low rates.

☒ 2.

The company belongs to a mature industry with very few investment opportunities.

☒ 3.

Internal rate of return for the company's projects is 22% while rate of return required by shareholders is 16%.

☒ 4.

The company belongs to an industry which is known for paying high and stable dividends.

Q.63 A negotiable instrument is termed a 'bearer instrument' when:

Question ID : 1945501764

Ans ☒ 1.

the only or last endorsement on the instrument is an endorsement in blank.

☒ 2.

when it is drawn upon a person resident in India.

☒ 3.

when no time for payment is specified in the instrument.

☒ 4.

it is expressed to be payable to a particular person.

Q.64 Which of the following is NOT an essential characteristic of a negotiable instrument?

Question ID : 1945501763

Ans ☒ 1.

The holder of the instrument, who has acquired it in good faith and for consideration, gets the title free from all defects.

☒ 2.

The instrument must be recognised as negotiable under the provisions of the Negotiable Instruments Act, 1881.

☒ 3.

The instrument should be freely transferable.

☒ 4.

The transfer should be by simple delivery or endorsement and delivery.

Q.65 Under the head Business or Profession, the method of accounting which an assessee can follow shall be:

Question ID : 1945501687

- Ans**
- ☒ 1. hybrid system.
 - ☒ 2. mercantile system only.
 - ☒ 3. cash system only.
 - ☒ 4. cash or mercantile system.

Q.66 The following are the advantages of an audit programme EXCEPT:

Question ID : 1945501714

- Ans**
- ☒ 1. The chances of duplication of work are eliminated.
 - ☒ 2. It provides an easy way out for inefficient staff.
 - ☒ 3. The division of work among assistants is easily possible.
 - ☒ 4. It is useful as evidence in the court of law.

Q.67 Which of the following instruments is NO longer actively used by the Reserve Bank of India (RBI) as an instrument of monetary management?

Question ID : 1945501745

- Ans**
- ☒ 1. Market Stabilisation Scheme
 - ☒ 2. Marginal Standing Facility
 - ☒ 3. Bank Rate
 - ☒ 4. Liquidity Adjustment Facility

Q.68 _____ is the process of acquiring, training, appraising and compensating employees and attending to their health and safety concerns.

Question ID : 1945501824

- Ans**
- ☒ 1. Labour relations
 - ☒ 2. Human resource management
 - ☒ 3. Organisational health management
 - ☒ 4. Organisational behaviour

Q.69 Which of the following is NOT an example of an employers' federation at the national level?

Question ID : 1945501811

- Ans**
- ☒ 1. Standing Conference of Public Enterprises
 - ☒ 2. Council of Indian Employers
 - ☒ 3. United Planters Association of South India
 - ☒ 4. Employers' Federation of India

Q.70 _____ is the person appointed voluntarily if the dispute is NOT settled by conciliation.

Question ID : 1945501818

- Ans**
- ☒ 1. Bidder
 - ☒ 2. Nominee
 - ☒ 3. Representative
 - ☒ 4. Arbitrator

Q.71 In the current purchasing power accounting, which of the following will be considered as a non-monetary item?

Question ID : 1945501676

- Ans**
- ☒ 1. Loan to employees

- ☒ 2. Cash on hand
- ☒ 3. Property, plant and equipment
- ☒ 4. Refundable deposits

Q.72 Select which of the given items are NOT normally dealt with by the works committee.

Question ID : 1945501813

Ans ☒ 1.

Promoting educational and recreational activities such as sports, games, reading rooms, community welfare programmes and celebrations.

☒ 2.

Matters relating to victimisation for trade union activities, retrenchment and layoff.

☒ 3.

Concerns for safety and accident prevention, occupational diseases and installation of safety equipment.

☒ 4.

Conditions of work such as lighting, ventilation, temperature of the factory premises.

Q.73 When the client imposes such restrictions which affect the scope of the audit, then the auditor should issue a/an:

Question ID : 1945501719

Ans ☒ 1. qualified opinion

☒ 2. disclaimer of opinion

☒ 3. unqualified opinion

☒ 4. adverse opinion

Q.74 Rajaram, who gets a salary of ₹ 8000 per month, resides in a rental house at Mumbai, paying rent of ₹ 6,000 per month. He gets house rent allowance (HRA) of ₹ 5,000 per month. How much amount of HRA is exempt?

Question ID : 1945501690

Ans ☒ 1. Nil

☒ 2. ₹ 72,000

☒ 3. ₹ 60,000

☒ 4. ₹ 48,000

Q.75 Which of the following is NOT an example of a variable cost?

Question ID : 1945501724

Ans ☒ 1.

Depreciation provided on machine on straight-line basis.

☒ 2.

Wages paid to labourers on piece rate basis.

☒ 3. Commission paid to a salesperson.

☒ 4. Iron used to make castings by a foundry.

Q.76 Which of the following statements is NOT true regarding the cost of capital of a firm?

Question ID : 1945501731

Ans ☒ 1. It includes cost of preference share capital.

☒ 2.

It is arrived at after adjusting tax saving on borrowed capital.

☒ 3.

It does not include cost of retained earnings.

☒ 4.

It is the average of all sources of finance including own capital and borrowed capital.

Q.77 Who is responsible for the appointment of statutory auditor of a limited company?

Question ID : 1945501716

- Ans**
- ☒ 1. Board of Directors
 - ☒ 2. Members of the Company
 - ☐ 3. SEBI
 - ☐ 4. The Central Government

Q.78 Check the taxability of the following gifts received by Mrs Rajni during the previous year 2016-17 and compute the taxable income from gifts for assessment year 2017-18.

Question ID : 1945501696

- a. On the occasion of her marriage on 14-08-2016, she received ₹ 85,000 as gift, out of which ₹ 65,000 are from relatives and the balance from friends.
- b. On 15-09-2016, she received a gift of ₹ 17,500 from her mother's cousin.
- c. A mobile phone worth ₹ 23,500 was gifted by her friend on 17-08-2016.
- d. She got a cash gift of ₹ 24,500 from the elder brother of her husband's grandfather on 25-10-2016.
- e. She received a cash gift of ₹ 15,000 from her friend on 12-04-2016.

- Ans**
- ☒ 1. ₹ 57,000
 - ☐ 2. ₹ 80,500
 - ☐ 3. ₹ 1,65,500
 - ☐ 4. ₹ 1,00,500

Q.79 Som Distilleries Ltd has issued 1,000, 8% debentures of face value ₹ 100 each. Underwriting commission and other issue costs are ₹ 4000. If the applicable tax rate for the company is 40%, the post-tax cost of debt for the company is:

Question ID : 1945501729

- Ans**
- ☐ 1. 8.33%
 - ☐ 2. 4.8%
 - ☒ 3. 5%
 - ☐ 4. 8%

Q.80 In a functional organisation,:

Question ID : 1945501773

- Ans**
- ☒ 1. the entire organisation is divided into functions with specialists having authority.
 - ☐ 2. there are specialist advisors with no authority.
 - ☐ 3. there are no advisors and the executives alone have the authority and competence to carry on tasks.
 - ☐ 4. the entire organisation is divided into functions with specific role for specialists.

Q.81 If Parshuram has two house properties for self-occupation, then the benefit of nil annual value will be available in respect of:

Question ID : 1945501686

- Ans**
- ☐ 1. both the properties.
 - ☐ 2. the property which has been acquired/constructed first.
 - ☒ 3. either of the properties, at the option of Parshuram.
 - ☐ 4. neither of the properties.

Q.82 The equity capital of a regional rural bank (RRB) is held:

Question ID : 1945501741

- Ans**
- ☐ 1. by the state government where the RRB is located.
 - ☒ 2.

✗ 3.

jointly by central government and state government.

✗ 4. by the central government.

Q.83 The Jamshedpur Labour Union is an example of a/an:

Question ID : 1945501806

Ans ✗ 1. employee-cum-local-level general union

✗ 2. region-cum-industry-level industrial union

✓ 3. local-level general union

✗ 4. plant-level industrial union

Q.84 When a bank advances a loan to a customer against the security of gold/valuables, the relationship between the bank and the customer in respect of such gold/valuables is that of:

Question ID : 1945501754

Ans ✗ 1. Lessor and Lessee

✗ 2. Debtor and Creditor

✓ 3. Bailee and Bailor

✗ 4. Trustee and Beneficiary

Q.85 Maslow's hierarchy of needs, a theory of human motivation, has classified human needs into five categories i.e.,

Question ID : 1945501780

1. Safety needs
2. Esteem needs
3. Social needs
4. Physiological needs
5. Self-actualisation needs

The hierarchy of these needs starting with the more basic needs at the bottom (bottom-to-top) is:

Ans ✗ 1. 5,3,4,2,1

✓ 2. 4,1,3,2,5

✗ 3. 4,1,2,3,5

✗ 4. 1,4,3,2,5

Q.86 The journal 'Deenabandhu' was the publication of the:

Question ID : 1945501804

Ans ✓ 1. Bombay Mill Hands Association, 1890

✗ 2. The Kamgar Hitbardhak Sabha, 1909

✗ 3. The Madras Labour Union, 1918

✗ 4.

The Ahmadabad Textile Labour Association, 1920

Q.87 An auditor of which type of company does not have the right to visit foreign branches of the company?

Question ID : 1945501722

Ans ✓ 1. Manufacturing company

✗ 2. Non-profit making company

✗ 3. Non-manufacturing company

✗ 4. Banking company

Q.88 Which of the following given statements is NOT true for layoffs?

Question ID : 1945501808

Ans ✓ 1.

The workmen, whose names appear on the muster roll of an industrial establishment, present themselves during normal working hours and are asked to be present in the second half of the day but are not given employment, even after

✗ 2.

The workmen, whose names appear on the muster roll of an industrial establishment, present themselves during normal working hours and are asked to be present in the second shift of the day and are given employment are deemed to be laid off for half of that day.

✗ 3.

The workmen, whose names appear on the muster roll of an industrial establishment, present themselves during normal working hours and are asked to be present in the second half of the day but are not given employment, even after presenting themselves, are not deemed to be laid off for the second half and are entitled to full basic wages and DA for that part of the day.

✗ 4.

The workmen, whose names appear on the muster roll of an industrial establishment, present themselves during the normal working hours and are not given employment within 2 hours are deemed to be laid off for that day.

Q.89 A conflict which occurs within the individual due to actual or perceived pressures from incompatible goals or expectations is called a/an:

Question ID : 1945501789

Ans

✗ 1. interpersonal conflict

✗ 2. role conflict

✓ 3. intrapersonal conflict

✗ 4. intergroup conflict

Q.90 Consider the following example:

Question ID : 1945501793

Superior: I would like to recommend you for a job in Bangalore.

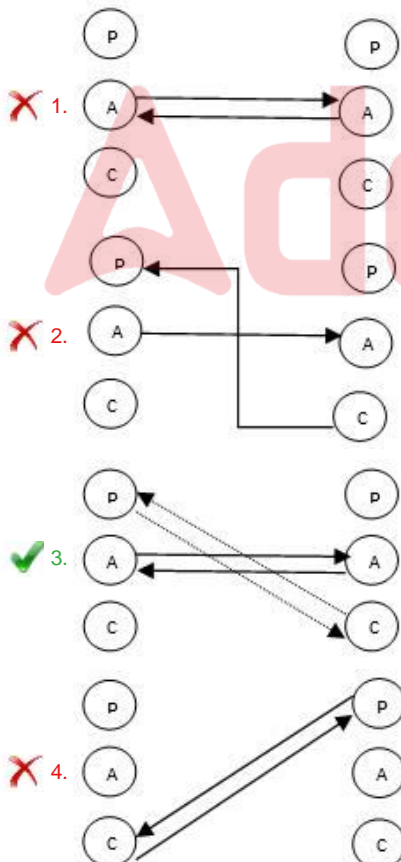
[Hidden message: Now you should leave the home office and assume full responsibility of an independent office.

Subordinate [response]: I would rather stay here. I think I am making an important contribution in my present post.

[Hidden message: You think I am crazy. I would go out so that you give next promotion to your favourite person].

Which of the given diagrams appropriately represents the above statements?

Ans



Q.91 Minority interest in case of holding company is calculated:

Question ID : 1945501683

Ans

✗ 1.

as at the date on which the holding company takes control.

✓ 2.

as at the date of the consolidated balance sheet.

✗ 3. as at any convenient date.

✗ 4. as at the end of the financial year.

Q.92 Which of the following does NOT have the right to refinance facilities from RBI?

Question ID : 1945501752

Ans ✓ 1. Exim Bank of India

✗ 2. Thane Janata Sahakari Bank Ltd., Thane

✗ 3.

Andhra Pradesh Grameen Vikas Bank, Warangal (Andhra Pradesh)

✗ 4. Nainital Bank

Q.93 In the case of any dispute between employers and workmen or between workmen and workmen or between employers or employers, either connected with the employment or non-employment or the terms of employment of the conditions of labour, such a dispute is termed as a/an _____ and comes under the preview of the _____.

Question ID : 1945501770

Ans ✗ 1.

industrial dispute ; Industrial Employment (Standing Orders) Act 1946

✗ 2.

trade dispute ; Industrial Dispute Act, 1947

✓ 3.

industrial dispute ; Industrial Dispute Act, 1947

✗ 4.

organisational dispute; Trade Union Act, 1926

Q.94 A company is considering investing in a 4-year project that requires an initial outlay of ₹ 25 lakh. The estimated post-tax cash inflows are: Year 1: ₹ 8 lakh, Year 2: ₹ 12 lakh, Year 3: ₹ 15 lakh and Year 4: ₹ 16 lakh. The payback period for the project is:

Question ID : 1945501727

Ans ✗ 1. 2 years and 6 months

✗ 2. 3 years and 2 months

✓ 3. 2 years and 4 months

✗ 4. 3 years and 8 months

Q.95 Which of the following is a major consideration for decentralisation?

Question ID : 1945501776

Ans ✗ 1. The nature of management function.

✗ 2.

Effective utilization of the services of the most talented and competent managers in the organization.

✓ 3. Size of the organisation.

✗ 4. The organisation's environment.

Q.96 The principle that each subordinate should have only one superior to obey the command is known as the:

Question ID : 1945501794

Ans ✗ 1. scalar principle

✓ 2. unity of command principle

✗ 3. exception principle

✗ 4. authority responsibility principle

Q.97 Select the most appropriate option that gives the sequence of steps from the following in the management of change:

- I. Identifying the elements to be changed
- II. Identifying need for change
- III. Assessing change forces
- IV. Implementing change

Question ID : 1945501798

- Ans**
- ☒ 1. II, III, I, IV
 - ☐ 2. II, I, III, IV
 - ☐ 3. I, II, III, IV
 - ☐ 4. I, III, II, IV

Q.98 According to behavioural scientists, the term organisation stands for :

Question ID : 1945501796

- Ans**
- ☐ 1. the structure of physical facilities.
 - ☒ 2. the structure of tasks and relationships.
 - ☐ 3. the behaviour of the management with the working force.
 - ☐ 4. the attitude of workers with the management.

Q.99 Under which of the following types of organisational structure does a person become accountable to two or more superiors at the same time?

Question ID : 1945501774

- Ans**
- ☐ 1. Centralised structure
 - ☐ 2. Decentralised structure
 - ☒ 3. Matrix structure
 - ☐ 4. Vertical structure

Q.100 The contribution to sales ratio of a company is 20% and the profit is ₹ 1,29,000. If the total sales of the company are ₹ 15,60,000 the fixed cost is:

Question ID : 1945501700

- Ans**
- ☐ 1. ₹ 2,43,000
 - ☐ 2. ₹ 3,12,000
 - ☒ 3. ₹ 1,83,000
 - ☐ 4. ₹ 2,11,200

Q.101 XYZ Ltd is planning to increase the credit period currently offered to its customers. Which of the following will NOT be a result of the proposed change in credit policy?

Question ID : 1945501737

- Ans**
- ☐ 1. Increase in financing cost
 - ☐ 2. Increase in collection cost
 - ☒ 3. Decrease in working capital required
 - ☐ 4. Increase in sales

Q.102 If the material cost variance is ₹ 16,500 (favourable) and material usage variance is ₹ 7,500 (adverse), then the material price variance is:

Question ID : 1945501703

- Ans**
- ☐ 1. ₹ 9,000 (adverse)
 - ☐ 2. ₹ 24,000 (adverse)
 - ☐ 3. ₹ 9,000 (favourable)
 - ☒ 4. ₹ 24,000 (favourable)

Q.103 Vroom's theory of motivation states that motivation results from:

Question ID : 1945501784

- Ans
- ☒ 1. Valence \times Expectancy \div Instrumentality
 - ☒ 2. Valence \times Instrumentality
 - ☒ 3. Valence \times Expectancy
 - ☒ 4. Valence \div Instrumentality

Q.104 A company is preparing a production budget for the next year. The following information is relevant:

Question ID : 1945501706

Budgeted sales 15,000 units
Opening stock 900 units
Closing stock 5% of budgeted sales
The production process is such that 10% of the units produced are rejected.
What is the number of units required to be produced to meet demand?

- Ans
- ☒ 1. 16,500 units
 - ☒ 2. 14,850 units
 - ☒ 3. 16,350 units
 - ☒ 4. 13,350 units

Q.105

Profit as per financial books	₹ 6,57,500
-Factory overheads in cost accounts	₹ 4,00,000
-Factory expenses in financial a/c's	₹ 3,87,500
-Office overheads under absorbed in cost accounts	₹ 5,000

Question ID : 1945501705

The reconciliation statement will show a profit, as per cost accounts, of :

- Ans
- ☒ 1. ₹ 6,65,000
 - ☒ 2. ₹ 6,50,000
 - ☒ 3. ₹ 10,40,000
 - ☒ 4. ₹ 6,75,000

Q.106 An ambiguous instrument is one:

Question ID : 1945501760

- Ans
- ☒ 1. where the identity of the drawer or the drawee is not clear.
 - ☒ 2. where the maturity of the instrument is not clear.
 - ☒ 3. that may be treated either as a bill or a promissory note.
 - ☒ 4. where the drawer and the payee are the same.

Q.107 Engaging in collective bargaining, demonstrations, strikes, boycott, picketing etc., results in exercising _____ pressure on employers.

Question ID : 1945501802

- Ans
- ☒ 1. political
 - ☒ 2. social
 - ☒ 3. international
 - ☒ 4. economic

Q.108 The power to transfer a case from one Assessing Officer to another subordinate Assessing Officer is vested with the:

Question ID : 1945501698

- Ans
- ☒ 1. Commissioner of Income Tax
 - ☐ 2. the Institute of Chartered Accountants of India
 - ☐ 3. State Government
 - ☐ 4. Reserve Bank of India

Q.109 Which of the following negotiable instruments is NOT recognised under the Negotiable Instruments Act, 1881?

Question ID : 1945501759

- Ans
- ☐ 1. A bill of exchange drawn in Hindi
 - ☐ 2. A promissory note drawn in Urdu
 - ☐ 3. A cheque written in English
 - ☒ 4. A Shah Jog Hundi written in Gujarati

Q.110 Scheduled banks are those which are listed in the Second Schedule of the:

Question ID : 1945501751

- Ans
- ☐ 1. Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
 - ☐ 2. Companies Act, 1956
 - ☒ 3. Reserve Bank of India Act, 1934
 - ☐ 4. Banking Regulation Act, 1949

Q.111 MBO is a technique which requires that the objectives of the enterprise:

Question ID : 1945501788

- Ans
- ☐ 1. be written and defined in broad terms.
 - ☐ 2. lay down the time period for achieving the results.
 - ☒ 3. be defined in terms of measurable results.
 - ☐ 4. include a plan of action for achieving desired results.

Q.112 Which of the following is NOT used to stop adverse movements in the stock index/ stock prices in either direction?

Question ID : 1945501749

- Ans
- ☐ 1. Index-based market-wide circuit filter
 - ☐ 2. Operating range for individual stocks
 - ☒ 3. Settlement guarantee fund
 - ☐ 4. Scrip-wise price bands

Q.113 Which of the following statements is FALSE?

Question ID : 1945501753

- Ans
- ☐ 1. SLR is to be maintained on all days of the entire fortnight.
 - ☐ 2. CRR is to be maintained as an average over the entire fortnight.
 - ☐ 3. Inter-bank term deposits /term borrowing liabilities of original maturities of 15 days and above and up to one year are not to be included in Net Demand and Time Liabilities for computation of Cash Reserve Ratio.
 - ☒ 4. Inter-bank term deposits /term borrowing liabilities of original maturities of 15 days and above and up to one year are to be included in Net Demand and Time Liabilities for computation of Cash Reserve Ratio.

Q.114 Which of the following assets is least likely to be subjected to lien?

Question ID : 1945501720

- Ans
- ☒ 1. Plant and machinery
 - ☒ 2. Leasehold property
 - ☒ 3. Land and building
 - ☒ 4. Motor vehicles

Q.115 The term amalgamation is used when:

Question ID : 1945501678

- Ans
- ☒ 1. the company's existing financial structure is reorganised without resolving the existing company and forming a new company.
 - ☒ 2. one or more existing company(s) goes into liquidation and some existing company takes over its business.
 - ☒ 3. one existing company goes into liquidation and a new company is formed to take over its business.
 - ☒ 4. two or more existing companies go into liquidation and a new company is formed to take over their business.

Q.116 Which of the following is an important recommendation of the Chore Committee?

Question ID : 1945501743

- Ans
- ☒ 1. Norms for inventories and receivables covering 15 major industries.
 - ☒ 2. Fixation of separate limit by the bank for peak and non-peak level.
 - ☒ 3. Lending norms for bank lending to industry covering three methods for calculation of maximum permissible bank finance.
 - ☒ 4. Submission of operating plan for ensuing year by borrowers to indicate likely demand for credit.

Q.117 The opening balance in the provision for taxation account for ABC Ltd was ₹ 5,25,000 while the closing balance on March 31 was ₹ 4,80,000. Provision for tax for the year was ₹ 12 lakh. The amount of tax paid for the year to be reported in the cash flow statement is:

Question ID : 1945501738

- Ans
- ☒ 1. ₹ 11,65,000
 - ☒ 2. ₹ 11,55,000
 - ☒ 3. ₹ 12,45,000
 - ☒ 4. ₹ 12,85,000

Q.118 Trades in securities listed on a stock exchange in India are settled as per _____ rolling settlement.

Question ID : 1945501748

- Ans
- ☒ 1. T + 3
 - ☒ 2. T + 1
 - ☒ 3. T + 0
 - ☒ 4. T + 2

Q.119 Solitaire Company Ltd. has been manufacturing a product for the last 12 years. The company maintains a margin of safety of 36% and profit-volume ratio of 35%. If the fixed cost is ₹ 8,40,000, what would be the profit of the company?

Question ID : 1945501702

- Ans
- ☒ 1. ₹ 11,40,000
 - ☒ 2. ₹ 4,72,500
 - ☒ 3. ₹ 37,50,000
 - ☒ 4. ₹ 24,00,000

Q.120 Which of the following is NOT an assumption of Theory Y?

Question ID : 1945501781

- Ans
- ☒ 1. Work is as natural as playing.
 - ☒ 2. People work for money and security only.
 - ☒ 3. People are committed to their organisational goals when rewards addressing higher needs are in place.
 - ☒ 4. People are self-directed and creative at work.

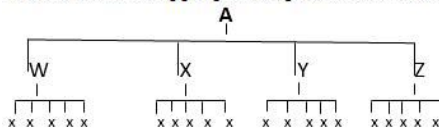
Q.121 Which of the following theories supports the hypothesis that the firm's dividend policy has NO effect on the value of its assets?

Question ID : 1945501726

- Ans
- ☒ 1. Walter Model
 - ☒ 2. Gordon Model
 - ☒ 3. Modigliani & Miller theory
 - ☒ 4. Lintner Model

Q.122 Select the most appropriate option that describes the following chart.

Question ID : 1945501797



- Ans
- ☒ 1. Narrow span
 - ☒ 2. Multiple levels of supervision
 - ☒ 3. Decentralisation
 - ☒ 4. Wide span

Q.123 Radheshyam, who is currently employed with Trinity Ltd., furnishes you the following information:

Question ID : 1945501691

1. The details of salary for the year ended 31-3-2017 are as under:
 Basic salary per month ₹ 10,000
 Dearness allowance (DA) per month
 from 1-4-2016 to 31-12-2016 25% of basic
 from 1-1-2017 to 31-3-2017 32% of basic
 Professional tax deducted per month ₹ 240
 2. Taxable conveyance allowance ₹ 7,000
 3. Bonus @ 20% on Basic plus DA.
 4. Mediclaim premium paid by employer on behalf of Radheshyam ₹ 5,600
- Compute his taxable income for the assessment year 2017-18.

- Ans
- ☒ 1. ₹ 1,86,640
 - ☒ 2. ₹ 1,88,080
 - ☒ 3. ₹ 1,82,520
 - ☒ 4. ₹ 1,94,360

Q.124 The following are the advantages of audit working papers EXCEPT:

Question ID : 1945501715

- Ans
- ☒ 1. to provide a basis for subsequent audits.
 - ☒ 2. to provide a basis for a review of audit work.
 - ☒ 3. to ensure audit work is being carried out as per programme.
 - ☒ 4. to provide a guide for advising another client on similar issues.

Q.125 In which of the following situations is the bank NOT acting as a holder for value when it collects a cheque for ₹ 5 lakh on behalf of ABC & Co who is the bank's customer?

Question ID : 1945501757

- Ans** ☒ 1.
The bank lends ₹ 4 lakh to ABC & Co on the strength of the cheque before the cheque is cleared.
- ☒ 2.
The bank pays ₹ 4.50 lakh to ABC & Co before the cheque has been cleared.
- ☒ 3.
The bank applies ₹ 3.50 lakh towards part payment of the overdraft of ABC & Co before the cheque is cleared.
- ☒ 4.
The bank credits ₹ 5 lakh to the account of ABC & Co after the amount is realised.

Q.126 Which of the following statements is TRUE for non-formal organisation?

Question ID : 1945501778

- Ans** ☒ 1.
A group or an association of people at work which is specified in the blue print/official chart of the formal organisation.
- ☒ 2.
A task group and command group within a formal organisation.
- ☒ 3.
A club or a friendship group within a formal organisation.
- ☒ 4.
The structure of well defined jobs, bearing a definite authority, responsibility and accountability designated to achieve the organisational objectives.

Q.127 From the following information, calculate the cost of goods sold (COGS), under the current purchasing power accounting method assuming that the Company is following FIFO method.

Question ID : 1945501677

Opening stock on January 1, 2008	₹ 60,000
Purchases during 2008	₹ 3,00,000
Closing stock	₹ 90,000

Price Level Index:	
- Opening	80
- Average	125
- Last quarter purchases resulting into closing stock	120
- Closing Index	140

- Ans** ☒ 1. ₹ 3,36,000
- ☒ 2. ₹ 3,02,400
- ☒ 3. ₹ 3,15,000
- ☒ 4. ₹ 2,70,000

Q.128 Abhiram owns a residential house in Delhi. The house has two identical units. The first unit of the house is occupied by Abhiram and the other unit is rented for ₹ 15,000 per month. The rental unit was vacant for 3 months during the year. The particulars of the house for the previous year 2016-17 are as under:

Question ID : 1945501697

Standard Rent	₹ 2,75,000 p.a.
Municipal valuation	₹ 3,05,000 p.a.
Fair Rent	₹ 2,93,750 p.a.
Municipal tax paid	12% of Municipal valuation
Light and water charges	₹ 1,000 p.m.
Interest on borrowed capital	₹ 2,500 p.m.
Insurance charges	₹ 4,375 p.a.
Painting expenses	₹ 20,000 p.a.

Compute income from house property of Abhiram for the assessment year 2017-18.

- Ans** ☒ 1. ₹ 51,690
- ☒ 2. ₹ 1,16,700
- ☒ 3. ₹ 81,690
- ☒ 4. ₹ 66,690

Q.129 Ghasitaram purchased a residential flat on 02-05-2015 for ₹ 12,50,000. He paid on the same day the stamp duty and registration charges of ₹ 65,000 on purchase of flat. He sold the said flat on 17-03-2017 for ₹ 16,00,000. The cost inflation index for F.Y. 2013-14 is 939 and for F.Y. 2016-17 is 1125. Compute his capital gain chargeable to tax for the assessment year 2017-18.

Question ID : 1945501694

- Ans** ☒ 1. ₹ 2,85,000

☒ 2. ₹ 2,95,000

☒ 3. ₹ 2,65,000

☒ 4. ₹ 2,45,000

Q.130 The informal network of an organisation consists of:

Question ID : 1945501777

Ans ☒ 1. simple straight-line relationships.

☒ 2. simple interrelationships of network.

☒ 3. relationships restricted to gossip.

☒ 4. complex relationships of small networks.

Q.131 For the year ended 31st March 2017, a company reported a profit of ₹ 9,40,80,000 after paying 30% income tax. It was found that the annual income included ₹ 72,00,000 for a claim lodged in 2014-15 for which no entry had been passed then. As far as trading conditions are concerned, 2016-17 was a normal year. The company expects to launch a new product and estimates in this respect are as follows:

Question ID : 1945501681

Sales	₹ 8,00,00,000
Expenses on raw material, etc.	₹ 3,60,00,000
Share of fixed expenses	₹ 2,80,00,000

(Including an expected increase of ₹ 80 lakh)
You are required to give an estimate of the future maintainable profit.

Ans ☒ 1. ₹ 13,44,00,000

☒ 2. ₹ 12,72,00,000

☒ 3. ₹ 16,32,00,000

☒ 4. ₹ 11,42,40,000

Q.132 The tenure of the first auditor of a company is from the date of his appointment till:

Question ID : 1945501717

Ans ☒ 1. the conclusion of statutory meeting.

☒ 2.

the conclusion of first Annual General Meeting.

☒ 3. the end of the financial year.

☒ 4. the date of his removal.

Q.133 Amit Ltd. takes over the business of Jaya Ltd. at the following values:

Question ID : 1945501680

Fixed Assets	₹ 4,50,000
Current Assets	₹ 1,50,000
Long-term Loans	₹ 75,000
Current Liabilities	₹ 1,50,000

Calculate the amount of purchase consideration.

Ans ☒ 1. ₹ 3,75,000

☒ 2. ₹ 4,50,000

☒ 3. ₹ 3,25,000

☒ 4. ₹ 6,00,000

Q.134 The goal of _____ is to demonstrate the importance of open communication, self-disclosure and to show how group feedback helps a person to grow personally and professionally.

Question ID : 1945501790

Ans ☒ 1. sensitive line

☒ 2. Johari window

☒ 3. interpersonal relationships

☒ 4. transactional analysis

Q.135 _____ is the ultimate remedy for the settlement of industrial disputes via the intervention of a third-party appointed by the government.

Question ID : 1945501821

Ans ☒ 1. Conciliation

☒ 2. Voluntary arbitration

☒ 3. Collective bargaining

☒ 4. Adjudication

Q.136 The number of parties in collective bargaining is _____.

Question ID : 1945501820

Ans ☒ 1. 5

☒ 2. 3

☒ 3. 2

☒ 4. 4

Q.137 The cash balance is generally a very small part of the total assets. Which among the following is true with regard to verification of cash?

Question ID : 1945501721

Ans ☒ 1.

Cash will have to be verified only if control risk is assessed as high.

☒ 2.

The cash balance needs only to be audited if the balance is an Overdraft.

☒ 3.

Cash is always material as materiality is a qualitative concept.

☒ 4.

Cash is immaterial as materiality is a relative concept.

Q.138 Carefully read the given statements 1 and 2 and select the most appropriate conflict resolution technique they represent:

Question ID : 1945501791

Statement 1 : It is also known as 'accommodating' the concerns of other people than one's own concern in the event of conflict.

Statement 2 : It is employed to provide temporary relief from the conflict until the time/until the other party is in a better position to push back.

Ans ☒ 1. Smoothing

☒ 2. Withdrawing

☒ 3. Win-Win

☒ 4. Compromising

Q.139 Under the _____ style of leadership, the leader guides and protects his subordinates as members of his/her family and assumes the fatherly function.

Question ID : 1945501779

Ans ☒ 1. paternalistic

☒ 2. democratic

☒ 3. laissez-faire

☒ 4. benevolent

Q.140 Which of the following factors is NOT TRUE w.r.t. the persistence of outside leadership in Indian trade union?

Question ID : 1945501807

Ans ☒ 1.

The role of the state and the increased pressures of politicians.

✗ 2.

The relative immaturity of the Indian trade union movement.

✓ 3.

Increased literacy and enhanced linguistic competence among the industrial workers to adhere to administrative laws, standing orders and collective agreements.

✗ 4.

The small base of the Indian trade unions and their poor financial resources.

Q.141 The function of the staff in a line and staff organisation is to:

Question ID : 1945501771

Ans ✓ 1. advice the line.

✗ 2. take advice from the line.

✗ 3. hold authority and responsibility.

✗ 4.

fix responsibility for performance of tasks in a definite manner upon certain individuals.

Q.142 _____ is an attitude of mind, *an esprit de corps*, an emotional force and an overall state of group enthusiasm towards work and tasks.

Question ID : 1945501799

Ans ✓ 1. Morale

✗ 2. Perception

✗ 3. Division of work

✗ 4. Motivation

Q.143 Which of the following persons can be termed as 'holder in due course'?

Question ID : 1945501769

Ans ✗ 1.

Ram is holding a cheque endorsed in his favour by Shyam for services rendered. Shyam had forged the signature on the cheque and Ram was aware of the forgery.

✓ 2.

Rajan is holding a cheque endorsed in his favour by Sajan in return for goods sold by Rajan to Sajan. Sajan had originally stolen the cheque from his boss but Rajan is unaware of this.

✗ 3.

Shaila is holding a cheque endorsed in her favour by Radha as a gift.

✗ 4.

Anil is holding a cheque that he has stolen from Basant.

Q.144 Maruti, who is entitled to a salary of ₹ 18,000 per month, took advance salary from his employer for the months of April and May 2017 along with the salary of March 2017 on 31-3-2017. The gross salary of Maruti for the assessment year 2017-18 shall be:

Question ID : 1945501685

Ans ✓ 1. ₹ 2,52,000

✗ 2. ₹ 2,34,000

✗ 3. ₹ 36,000

✗ 4. ₹ 2,16,000

Q.145 The two dominant aspects of industrial relations are:

Question ID : 1945501812

Ans ✗ 1. collaboration and friction

✗ 2. coordination and conflict

✗ 3. conjunction and conflict

✓ 4. cooperation and conflict

Q.146 In a reconciliation statement, overheads over recovered in cost accounts are:

Question ID : 1945501704

- Ans
- ☒ 1. ignored.
 - ☒ 2. added to costing profit.
 - ☒ 3. added to financial profit.
 - ☒ 4. deducted from costing profit.

Q.147 The personnel department of an organisation is concerned with:

Question ID : 1945501822

- Ans
- ☒ 1. staff administration
 - ☒ 2. staff attraction
 - ☒ 3. staff development
 - ☒ 4. staff reward

Q.148 Gangaram owns a house at Kochi. Compute the gross annual value of the house from the given information:

Question ID : 1945501692

Municipal value	₹ 2,25,000
Fair rent	₹ 2,40,000
Standard rent	₹ 2,34,000
Actual rent received / receivable	₹ 2,16,000

- Ans
- ☒ 1. ₹ 2,40,000
 - ☒ 2. ₹ 2,16,000
 - ☒ 3. ₹ 2,34,000
 - ☒ 4. ₹ 2,25,000

Q.149 The following particulars are available in respect of the business carried on by Simran:

Question ID : 1945501679

- a. Capital employed ₹ 1,00,000
b. Trading profit (after tax):
2013-14 ₹ 24,400
2014-15 ₹ 30,000
2015-16 ₹ 4,000 (loss)
2016-17 ₹ 42,000
c. Market rate of interest on investment -- 8%.
d. Rate of risk return on capital invested in business -- 2%.
e. Remuneration from alternative employment of the proprietor (if not engaged in business) ₹ 7,200 per annum.
Calculate the value of goodwill based on 3 years purchase of super profits of the business calculated on the average profit of the last 4 years.

- Ans
- ☒ 1. ₹ 11,800
 - ☒ 2. ₹ 17,700
 - ☒ 3. ₹ 23,600
 - ☒ 4. ₹ 5,900

Q.150 A bill which is payable by the drawee on the maturity date after a certain period is known as a/an:

Question ID : 1945501733

- Ans
- ☒ 1. clean bill
 - ☒ 2. sight bill
 - ☒ 3. usance bill
 - ☒ 4. documentary bill