

PUNJAB PUBLIC SERVICE COMMISSION

Competitive Examination (July-2017) for Recruitment of Audit Officers Cooperative Societies in the Department of Cooperation, Government of Punjab.

READ INSTRUCTIONS BEFORE FILLING ANY DETAILS OR ATTEMPTING TO ANSWER THE QUESTIONS.

Candidate's Name _____

Father's Name _____

Date of Birth

DD MM YYYY

Category Code*

(*as given in the admit card)

Part-I General Awareness Questions compulsory for all candidates.

Part-II (i) For Chartered Accountant Degree (ii) For M.Com Degree
(Please tick your discipline of study)

OMR Response Sheet No. _____

Roll No. _____

Booklet No.

Candidate's Signature (Please sign in the box)

INSTRUCTIONS

<p>1. The candidate shall NOT open this booklet till the time told to do so by the Invigilation Staff. However, in the meantime, the candidate can read these instructions carefully and subsequently fill the appropriate columns given above in CAPITAL letters. The candidate may also fill the relevant columns (other than the columns related to marking responses to the questions) of the Optical Mark Reader(OMR) response sheet, supplied separately</p>	<p>9. The candidates shall be responsible to ensure that the responses are marked in correct manner and any adverse impact due to wrong marking of responses would be the responsibility of the respective candidate. The following are some of the examples of wrong marking of responses on the OMR response sheet.</p> <div style="text-align: center;"> </div>
<p>2. Use only blue or black ball point pen to fill the relevant columns on this page. Use of fountain pen may leave smudges which may make the information given by the candidate here illegible.</p> <p>3. The candidate shall be liable for any adverse effect if the information given above is wrong or illegible.</p>	<p>10. The candidates, when allowed to open the question paper booklet, are advised to check the booklet to confirm that the booklet has complete number of pages, the pages printed correctly and there are no blank pages. In case there is any such error in the question paper booklet then the candidate should immediately bring this fact to the notice of the invigilation Staff and obtain a booklet of the same series as this one.</p>
<p>4. Before attempting the paper, the candidate must fill all the columns given above on this page and sign at the appropriate place.</p> <p>5. Each candidate is required to attempt 100 questions in 120 minutes, except for orthopaedically/visually impaired candidates, who would be given 40 minutes extra, by marking correct responses on the OMR sheet which would be supplied separately to the candidates.</p>	<p>11. The serial number of the new booklet should be entered in the relevant column of the OMR. The candidate should request the Invigilation Staff to authenticate the change in serial number of question booklet by obtaining the initials of the Staff on the corrected serial number of the question booklet</p>
<p>6. The candidate must write the following on the OMRs sheet: (a)Serial number of OMR sheet supplied to him/her for marking the responses to the questions. (b)Serial number of the question booklet Failure to do so may lead to cancellation of candidature or any other action which the Commission may deem fit.</p> <p>7. The candidate should darken the appropriate response to the question by completely darkening the appropriate circle/oval according to his/her choice of response i.e. a, b, c or d in the manner shown in the example below.</p> <div style="text-align: center;"> <p>a b c d</p> </div>	<p>12. The question paper booklet has 29 pages and the question paper is divided into two parts i.e. Part I and Part II (i) & (ii)</p> <p>13. There are 30 questions of General Awareness in Part I which are to be attempted by all the candidates irrespective of the discipline of study.</p> <p>14. Part II of the question paper has two sub-parts marked as Part II (i) For Chartered Accountant Degree and Part II (ii) For M.COM Degree. Each sub-part has 70 questions, having serial number 31 to 100, which would be attempted by the candidates as per their choice of discipline.</p> <p>15. Each question shall carry three marks.</p>
<p>8. Partly darkening the circle/oval on the OMR response sheet or using other symbols such as tick mark or cross would not result in evaluation of the response as the OMR scanner can only interpret the answers by reading the darkened responses in the manner explained in preceding paragraph. Darkening more than one circle/oval as response to a question shall also be considered as wrong answer.</p>	<p>16. There are four options for each question and the candidate has to mark the most appropriate answer on the OMR response sheet using blue or black ball point pen.</p> <p>17. There is no negative marking for wrong answers or questions not attempted by the candidate.</p>

Part-1 (General Awareness)
(30 Questions)

1. Who among the following has recently been named as head Coach of Indian Cricket team?
 - a) Virender Sehwag
 - b) Raul Dravid
 - c) Ravi Shastri
 - d) VVS Laxman

2. Who among the following fought the 'Battle of Khidrana'?
 - a) Guru Teg Bahadur Ji
 - b) Banda Bahadur
 - c) Guru Gobind Singh Ji
 - d) Maharaja Ranjit Singh

3. Union government has set up a panel to identify legal and regulatory challenges faced by Indian Nationals in addressing NRI marriage issues and suggest amendments to existing acts as new policies/laws. Who among the following heads this panel?
 - a) Justice A.K. Mittal
 - b) Justice Arvind Kumar Goel
 - c) Justice S S Saron
 - d) Justice Kuldeep Singh

4. Match the following:-

A. Arundhati Bhatta charya	(i) SBI
B. Chanda Kochar	(ii) Bicon
C. Kiran Mazumdar Shaw	(iii) Axis Bank
D. Shikha Sharma	(iv) ICICI

	A	B	C	D
a)	(i)	(iv)	(ii)	(iii)
b)	(iii)	(iv)	(ii)	(i)
c)	(iii)	(ii)	(iv)	(i)
d)	(i)	(ii)	(iv)	(iii)

5. Which of the following Taxes are impacted by introduction of GST?
 1. Corporate Tax
 2. Service Tax
 3. Octroi and Entry Tax

Select the correct answer using the code given below:

 - a) 1 and 2
 - b) 1 only
 - c) 2 and 3
 - d) 1, 2 and 3

6. Indus Valley civilization belongs to which period?
- Neolithic Age
 - Late Stone Age
 - Bronze Age
 - Copper Age
7. A is two times more efficient than B. If they complete a work in 30 days, find the time required by each to complete the work individually.
- A- 40 days
B- 120 days
 - A- 120 days
B- 40 days
 - A- 20 days
B- 60 days
 - A- 30 days
B- 60 days
8. A train covers 180km distance in 4 hours. Another train covers the same distance in 1 hour less. What is the difference in the distance covered by these trains in one hour?
- 45 km
 - 9 km
 - 40 km
 - None of these
9. Which among the following is not a Kharif crop?
- Jowar
 - Wheat
 - Maize
 - Groundnut
10. Pravasi Bharatiya Divas is celebrated on:
- 9 January
 - 10 January
 - 11 January
 - 12 January
11. Which of the following is a non metal that remains liquid at room temperature?
- Phosphorus
 - Bromine
 - Chlorine
 - Helium

12. Introducing a boy, a girl said, “He is the son of the daughter of the father of my uncle”. How is the boy related to the girl?
- a) Nephew
 - b) Uncle
 - c) Son-in-law
 - d) None of the above
13. Where is Chabahar port located?
- a) Pakistan
 - b) Iran
 - c) Afghanistan
 - d) India
14. The Supreme Court of India tenders advise to the President on matter of law or fact
- a) On its own initiative
 - b) Only if he seeks such advice
 - c) Only if the matter relates to the fundamental rights of citizens
 - d) Only if the issue poses a threat to the unity and integrity of the country
15. The resolution of removing the Vice-President can be moved in the
- a) Lok Sabha
 - b) Either House of Parliament
 - c) Joint sitting of Parliament
 - d) Rajya Sabha
16. The power to enlarge the jurisdiction of the Supreme Court of India with respect to any matter included in the Union List of legislative power rest with
- a) The President of India
 - b) The Chief Justice of India
 - c) The Parliament
 - d) The Union Ministry of Law, Justice and Company Affairs
17. Which one of the following bills must be passed by each House of the Indian Parliament separately, by special majority?
- a) Ordinary Bill
 - b) Money Bill
 - c) Constitutional Amendment Bill
 - d) All of the above

18. The title given by the British Government to Mahatma Gandhi which he surrendered during the non-cooperation movement was

- a) Hind Keasri
- b) Kaiser-e-Hind
- c) Rai Bahadur
- d) Rt. Honorable

19. Sakhi, Shabad and Ramaini are the notable works of:

- a) Tansen
- b) Rahim
- c) Kabir
- d) Tulsidas

20. Panchayati Raj was first introduced in India in October, 1959 in:

- a) Rajasthan
- b) Punjab
- c) Maharashtra
- d) Kerala

21. The average age of three boys is 15 years. If their ages are in the ratio 3:5:7, the age of the youngest boy is:

- b) 21 years
- c) 15 years
- d) 18 years
- e) 9 years

22. A piece of string is 80cm long. It is cut into three pieces. The longest piece is 3 times as long as the middle-sized and the shortest piece is 46cm shorter than the longest piece.

Find the length of the shortest piece (in cm):

- a) 14
- b) 10
- c) 8
- d) 18

23. If by selling two items for Rs.180 each the shopkeeper gains 20% on one and loses 20% on other, find the value of loss:

- a) Rs. 15
- b) Rs. 20
- c) Rs.30
- d) None of the above

24. If 10 persons can clean 10 floors by 10 mops in 10 days, in how many days can 8 persons clean 8 floor by 8 mop:

- a) 10 days
- b) 8 days
- c) 80 days
- d) 5 days

25. ਹੇਠ ਲਿਖੇ ਮੁਹਾਵਰੇ ਦਾ ਅਰਥ ਦੱਸੋ :-

ਘਿਉ ਦੇ ਦੀਵੇ ਬਾਲਣਾ

- a) ਘਰ ਵਿੱਚ ਘਿਉ ਦੀ ਬਹੁਤਾਤ ਹੋਣੀ
- b) ਖੁਲ੍ਹਾ ਖਰਚਾ ਕਰਨਾ
- c) ਖੁਸ਼ੀਆਂ ਮਨਾਉਣਾ
- d) ਬੇਫਿਕਰੇ ਹੋਣਾ

26. Choose the incorrect option:

- | Singular | Plural |
|-----------------|---------------|
| a) Ox | Oxen |
| b) Half | Halves |
| c) Mouse | Mouses |
| d) Goose | Geese |

27. If n and p are both odd numbers, which of the following numbers must be an even number?

- a) $n + p$
- b) np
- c) $np + 2$
- d) $n + p + 1$

28. A man starts from a point and moves 3 km North, then turns to West and goes 2 km. He turns North and walks 1 km and then moves 5 km towards East. How far is he from starting point?

- a) 11 km
- b) 5 km
- c) 10 km
- d) 8 km

29. Choose the incorrect match:

- | National Park | States |
|----------------------|---------------|
| a) Keoladeo Ghana | Rajasthan |
| b) Kanha | M.P. |
| c) Harike | Haryana |
| d) Gir | Gujarat |

30. In which of the following states, the Chilika lake is situated:
- a) Orissa
 - b) Andhra Pradesh
 - c) Tamil Nadu
 - d) Punjab

**Part-II (i) For CHARTED ACCOUNTANT DEGREE
(70 Questions)**

31. The accounts relating to all assets & properties are called:-
- a) Personal Accounts
 - b) Nominal Accounts
 - c) Real Accounts
 - d) None of the above
32. Income is recorded on cash basis but expenses are recorded on mercantile basis in the following basis of accounting system:-
- a) Cash Basis
 - b) Mercantile Basis
 - c) Hybrid Basis
 - d) None of the above
33. The final account of a business consists of :-
- a) Trading A/c
 - b) P & L A/c
 - c) Balance Sheet
 - d) All of the above
34. Statement A :- Balance Sheet is summary of the financial position as on date
Statement B :- Profit & Loss A/c shows profit or loss for the year
- a) Only A is true
 - b) Only B is true
 - c) Both are true
 - d) Neither of two
35. Which of the following is fundamental principle of accounting?
- a) Monetary unit
 - b) Going concern
 - c) Principle of conservation
 - d) All the above
36. As per which principle of accounting, the entity wants to hope for the best and be prepared for the worst-
- a) Going concern
 - b) Principle of conservatism
 - c) Cost principle
 - d) Matching principle

37. The full form of FASB is -
- a) Federal Accounting & Standards Board
 - b) Financial Accounting & Standards Board
 - c) Financial Accounting & Standards Bureau
 - d) Fiscal Accounting & Standards Board
38. Presentation/disclosures of prior period items is to be made as per -
- a) AS 29
 - b) AS 28
 - c) AS 5
 - d) AS 15
39. As per accounting standard, contingent liabilities are to be
- a) Recognized
 - b) Disclosed
 - c) Both A & B
 - d) Neither A nor B
40. As per AS 18 , which Statement is Correct-
- a) Discloser of transactions between members of a group is necessary in Consolidated Financial Statement
 - b) No Disclosure is required in Consolidated Financial Statement in respect of intra-group transactions
 - c) Discloser is required in the Financial Statement of state – controlled enterprises as regards related party relationships with other state- controlled enterprises and transaction with such enterprises
 - d) All of the above
41. Which is not the part of Six C's of TQM [Total Quality Management]?
- a) Commitment
 - b) Culture
 - c) Cost Object
 - d) Control
42. Porter's five forces model holds that state of competition in an industry is a composite of competitive pressures operating in 5 areas. One of the area is as:
- a) Socio – Cultural Force
 - b) Population in an area
 - c) Buyer's bargaining power
 - d) Market intermediaries
43. Organizational environment consists of
- a) Internal Factor
 - b) External Factor
 - c) Both Internal & External factor
 - d) None of the above

44. A Company's strategy is –
a) Reactive
b) Proactive
c) Partly proactive and partly reactive
d) None of the above
45. Culture exists in fast paced high risk organizations
a) Fortress
b) Club
c) Baseball
d) Academy
46. The traits or qualities that are considered as valuable are known as.....
a) Culture
b) Values
c) Ethics
d) All of these
47. The term 'value' is derived from the French word
a) Valoir
b) Valas
c) Velois
d) None of these
48. represent an individual's highest priorities and deeply held driving forces.
a) Values
b) Principles
c) Culture
d) Ethics
49. The 'guna' of dark force is
a) Raja Guna
b) SatvaGuna
c) Tams Guna
d) None of these
50. Indian model of management is
a) Value driven holistioc
b) Ratopnal holistic
c) Hybrid
d) None of these
51. Fundamental theories of Indian Model include
a) Purushartha Theory
b) Panchakosas Theory
c) Theory of Gunas
d) All of these

52. Every promise and every set of promises, forming the consideration for each other, is:
- a) Agreement
 - b) Contract
 - c) Sale of Good
 - d) Contingent Contract.
53. Maximum number of Public Companies in which a person can be appointed as Director:
- a) 12
 - b) 15
 - c) 10
 - d) 20
54. In which of the following way of allotment of shares by the Company Valuation Report is not necessary according to Companies Act, 2013:
- a) Right Issue
 - b) Preferential Allotment
 - c) Private Placement
 - d) Sweat Equity Shares
55. According to Partnership Act, 1932 section 2(b) the definition of “Business” includes:
- a) Trade
 - b) Occupation
 - c) Profession
 - d) All of Above
56. Where the goodwill of a firm is sold after dissolution, a partner may carry on a business competing with that of the buyer and he may advertise such business, but, subject to agreement between him and the buyer, he may not:
- a) Use the firm-name
 - b) Represent himself as carrying on the business of the firm
 - c) Solicit the custom of persons who were dealing with the firm before its dissolution
 - d) All of the above
57. The payee or the holder in due course of the cheque as the case may be, makes a demand for the payment of the said amount of money by giving a notice, in writing, to the drawer of the cheque, within days of the receipt of information by him from the bank regarding the return of the cheque as unpaid:
- a) 15
 - b) 30
 - c) 7
 - d) 21

58. Apex Private Limited wishes to become publicly traded without initiating an IPO, this can be done only with the help of strategy called :
- Preferential Allotment
 - Reverse Merger/Takeover
 - Acquisition
 - Diversification
59. 'London interbank Exchange Rate' (LIBOR) is based on which of the following currencies:
- U.S. Dollar
 - Japanese YEN
 - Pound Sterling
 - All of Above
60. Which one of the following is not a type of merger and acquisition ?
- Conglomerate takeover
 - Horizontal integration
 - Vertical integration
 - Diversification
61. Over Capitalisation is a situation where :
- Capital Structure consist more Equity Share capital contribution than debt Funds
 - Capital structure consist less Equity Share capital contribution is less than debt funds
 - profit is not sufficient to pay interest and a fair return to shareholders of the company
 - company has ability to pay interest and a fair return to its shareholders
62. Process when a Corporate uses debt fund or Preferred Stocks to increase its EPS is known as :
- Trade on Equity
 - Trade Off
 - Capitalisation
 - None of above
63. Interest Coverage ratio greater than 1 implies :
- The current finance cost of the company is greater than its current year earning before interest
 - The finance cost of the company is less than its current year earning before interest
 - The current finance cost of the company is greater than its previous year earning before interest
 - The finance cost of the company is less than its previous year earning before interest

64. Which designation is not included in Structure of Directorate of Income Tax (Tax Payer Services I):

- a) Pr. DGIT (Admin. & TPS)
- b) ADGIT (Tax payers Services-I)
- c) Add. DIT (Tax Payers Services)
- d) Joint DIT (Tax Payers Services)

65. BD Ltd. Is ordered to be liquidated. The following is a list of payments in the process:

- A. Preferential Creditors
- B. Preference Shareholders
- C. Equity shareholders
- D. Legal charges
- E. Liquidator's expenses
- F. Liquidator's remuneration

The correct order of these payments is the following:

- a) E, F, D, A, B, C
- b) E, F, D, B, A, C
- c) D, E, F, A, B, C
- d) D, E, F, B, A, C

66. When profit is loaded on departmental transfers, the following year-end adjustment is done:

- a) Debit P & L A/c and credit Stock Reserve a/c for value = (opening stock minus closing stock qty) x profit loaded on inter departmental transfer
- b) Debit P & L A/c and credit Stock Reserve a/c for value = (closing stock qty) x value of inter departmental transfer
- c) Debit P & L A/c and credit Stock Reserve a/c for value = (opening stock qty) x profit loaded on inter departmental transfer
- d) Debit P & L A/c and credit Stock Reserve a/c for value = closing stock qty) x profit loaded on inter departmental transfer

67. A Head Office supplies goods to its retail branches at wholesale price (WSP), which is cost + wholesale profit (C + WPr). The branches sell the goods at a retail price (RP), which consists of (WSP + BM), where BM is the Branch Margin. There is a theft in the Branch stock. This stock will be credited to the Branch Stock account or Branch trading account at:

- a) RP
- b) C
- c) WSP
- d) Will not be credited to the Branch Stock Account

68. In a cash flow statement, the following is true:
- Increase in accounts payable results in decrease in cash and is part of 'Operating Activities'
 - Increase in accounts payable results in decrease in cash and part of 'Financing Activities'
 - Increase in accounts payable results in increase in cash and is part of 'Operating Activities'
 - Increase in accounts payable results in increase in cash and is part of 'Financing Activities'.
69. The following information is available for a company (figs. Rs. lacs)
- | | |
|--|-------|
| NOPAT (Net Operating profit after tax) | = 171 |
| Depreciation | = 100 |
| Fixed Assets acquired for operation | = 230 |
- (net after deducting depreciation)
- Total operating capital = Net operating Working Capital + Net Fixed Assets was 1450 at the beginning and 1800 at the end of the period.
- Then, Free Cash Flow will be:
- 620
 - 391
 - 291
 - 179
70. There are two investment opportunities X and Y, available to an investor. X has higher rate of return and a lower risk. Y has a lower return and higher risk. The investor would use the following measure to arrive at the appropriate decision:
- Expected Return
 - Standard Deviation
 - Coefficient of variation
 - Rate of return x risk
71. The reference date is 1st July 2017. A sum of Rs. 1,00,000/- was borrowed on 1st January 2015 at 16%p.a. compound interest with half yearly rests. If you are to settle the load on 1st July 2017, what would be the amount that is payable?
- $1,00,000 \times (1 + 8/100)^5$
 - $1,00,000 \times (1 + 16/100)^{2.5}$
 - $1,00,000 \times (1 + 16/100)^{2 \times 5}$
 - $1,00,000 \times (1 + 16/200)^{5/2}$
72. The yield to Maturity of a bond that sells higher than its par value will be:
- Equal to the coupon rate of interest of the bond
 - Higher than the coupon rate of interest
 - Lower than the coupon rate of interest
 - Equal to the market rate of interest

73. A company sells products with a six-month warranty of free replacement against manufacturing defects. The following is the appropriate treatment:
- Based on the sales made within six months prior to the Balance Sheet date estimate the number of warranty replacements that may have to be made and make a provision in the accounts for the replacement cost.
 - Do not make a provision, but treat it as a contingent liability and disclose by way of a note to the accounts.
 - Replacements until balance sheet date would have already been expensed. Only the remaining claims are possible. Hence charge the expense as and when they arise in the period they arise. Hence no provision is to be made. No disclosure is required.
 - Charge off to the current year's profit an estimated amount of expense without having a provision account. In case the claims do not materialize, the excess charged can be credited to the next period's P & L account. This will take care of prudence.
74. Where division are encouraged to perform with autonomy, the following is not a natural outcome:
- Divisional interests may give to decisions that are in conflict with what is the overall good for the company
 - Sum of the divisional performance will be more than the total overall performance
 - Management's interference or mediation will often be necessary to pacify fighting divisions
 - The advantage seen in the synergistic approach by the Management will result in the dissatisfaction of a section of managers
75. Mr. P wants to dispose of his Car. He offered his Car to Mr. S for Rs. 5 Lakhs subject to the condition that Mr. S's acceptance should be communicated to him through an individual messenger only. Mr. S accepted the offer of Mr. P through email only. Next day Mr. S paid Rs. 5 Lakhs to Mr. P, who handed over the car to Mr. S. In the instant case:
- The contract is void;
 - The contract is voidable at the option of Mr. P;
 - The Contract is valid;
 - The acceptance is void.
76. Mr. A promised Mr. B that he will sell his Horse to him for a consideration of Rs. 2 Lakhs after the marriage ceremony of Mr. A is over, which is scheduled after three months. But before his son's marriage, Mr. A sold the horse to Mr. C for Rs. 3 Lakhs. Which option is available to Mr. B now?
- Mr. B can claim the horse from Mr. C;
 - Mr. B can claim Mr. A to take back the horse from Mr. C and give it to him as promised;
 - Mr. B can claim the excess profit of Rs. 1 Lakhs earned by Mr. A;
 - Mr. B can claim damages due to the sale of the horse by Mr. A to Mr. C.

77. As per the provisions of the Companies Act, 2013, a company shall re-open its books of account and recast its financial statements if ordered by the Tribunal on an application made by some authorities in this regard. Which among the following is not a proper authority to apply to the Tribunal for the above purpose?
- The Central Government;
 - The CSR committee of the Company;
 - The Income Tax authorities;
 - The Securities and Exchange Board.
78. A partnership firm, which is not registered, suffers from certain disabilities. Which among the following is not considered as a disability?
- No suit in a civil court by the firm or other co-partners against third party can be initiated;
 - The right to sue or claim a set-off if the value of suit exceeds Rs. 100 in value;
 - The right of third parties to sue the firm or any partner;
 - An aggrieved partner cannot bring legal action against another partner or the firm.
79. Mr. NIHAR, a dealer of Refrigerators, purchased two Refrigerators. One for his personal use and the other for resale purpose. Both the refrigerators were found defective after fifteen days elapsed from purchase. Referring to the provisions of the Competition Act, 2002, state the recourse available to him from the following:
- He will be considered as “Consumer” for both the refrigerators and thus he can claim for the damage of both the refrigerators;
 - He will be considered as “Consumer” for the refrigerator which he has purchased for personal consumption and thus he can claim for the damage for that only;
 - He will be considered as “Consumer” for the refrigerator which he has purchased for resale and thus he can claim for the damage for that only;
 - He will not be considered as “Consumer” for any of the refrigerators and thus he cannot claim for any damage.
80. For an individual assessee who has paid medical insurance premium of Rs 35,000 for a non-resident mother aged 66 by way of an account payee cheque, the deduction available u/s 80D of the Income-tax Act, 1961 is Rs
- 25,000
 - 30,000
 - 35,000
 - None of the above
81. A resident individual borrowed a sum of Rs. 7,00,000 at the rate of 10% from a bank towards construction of house on 1-4-2016. The house was completed on 23-3-2017 and occupied for own use. The amount which can be claimed as interest while computing income from house property is
- 35,000
 - 14,000
 - 70,000
 - None of the above

82. A manufacturing company has acquired new machinery for Rs 400 lakhs on 12-3-2016 and put the same to use on 30-3-2016, in its factory at Chennai. In respect of this machinery, the additional depreciation allowable during the AY 2017-18 will be Rs. (in lakhs)
- a) 40
 - b) 20
 - c) Nil
 - d) None of the above
83. Beneficial circulars issued by the CBDT, even if they deviate from the provisions of the Act, are binding on
- a) None
 - b) All income-tax authorities
 - c) Income-tax Appellate Tribunal
 - d) Assessee only
84. A student has received a sum of Rs 1,00,000 from State Government as scholarship for pursuing education in the University of Chennai. He has spent Rs 80,000 towards the study expenses. The amount which will be chargeable to income-tax is Rs.
- a) 1,00,000
 - b) 80,000
 - c) Nil
 - d) 20,000
85. A domestic company has incurred an expenditure of Rs 10 lakhs towards skill development project, notified by the CBDT. Same was not on land or building. Deduction available while computing the business income is Rs (Lakhs)
- a) 10
 - b) 15
 - c) 17.5
 - d) None of the above.
86. Relief u/s 89 of the Income-tax Act, 1961 is available in respect of
- a) Arrears of family pension received
 - b) Arrears of salary received;
 - c) Both of above;
 - d) None of above.
87. An individual assessee has filed the return of income on 29-12-2017. The unabsorbed depreciation of Rs. 10 lakhs can be carried forward for
- a) 4 assessment years
 - b) 8 assessment years
 - c) Without time limit
 - d) Cannot be carried forward, since the return was filed belatedly

88. An assessee is desirous of filing an appeal against the order of the Assessing Officer for levy of penalty of Rs 45,000 for failure to deduct tax at source. The fee payable for filing such appeal will be
- a) Rs 250
 - b) Rs 1,000
 - c) Rs 2,000
 - d) 1% of such penalty
89. In the context of transfer pricing, Advance Pricing Agreement is valid for a period of ___ consecutive years
- a) 4
 - b) 5
 - c) 6
 - d) Till such period as is specified in the Agreement
90. Comparable Uncontrolled Price method of transfer pricing is often made use of in cases of
- a) Royalty transactions
 - b) Purchase transactions
 - c) Sales transactions
 - d) All of above

Each question has 4 statements, of which only 1 statement is correct/appropriate. Identify that statement. (91-99)

91. Which of the following matters do not affect auditor's opinion?
- a) Qualified opinion
 - b) Adverse opinion
 - c) Emphasis of matter
 - d) Disclaimer of opinion
92. Number of days from the date of registration of a company within which the first auditor of the company is to be appointed by the Board of Directors:
- a) 90 days
 - b) 30 days
 - c) 45 days
 - d) 60 days
93. Cut-off arrangement is:
- a) Separation of transactions of one period from another period
 - b) Separation of regular transactions from extraordinary items
 - c) Separation of work in progress from Finished goods
 - d) Separation of purchases, from goods received on sale or return basis

94. Letter of weakness is issued by _____
- Management to Auditor
 - Auditor to Management
 - Bank to its clients
 - Insurance company
95. Responsibility to prepare financial statements and to adopt appropriate accounting policies is on:
- Statutory auditor
 - Internal auditor
 - Management of the company
 - Concurrent auditor
96. Fraud is committed in the following manner:
- Overcasting of receipt side of the cash book
 - Undercasting of payments side of the cash book
 - Fictitious entries of deposits in the cash column of cash book
 - Offering discount for payment made without availing credit period
97. Auditor of a public company has to report to Central Government of any fraud within
- 15 days
 - 30 days
 - 45 days
 - 60 days
98. Examples of inflating the payment:
- Teaming & lading
 - Not accounting cash sales fully
 - Making payment against fictitious vouchers
 - Non-accounting of miscellaneous receipts
99. Advantage of using statistical sampling technique
- Sample selection is more objective and based on law of probability
 - Sample size increases in proportion to the size of population
 - Non-sampling errors are large
 - No means to derive calculated risk

The following question has 4 statements, of which only 1 statement is incorrect/inappropriate. Identify that statement.

100. In case of statutory audit:
- Extent of work to be done upon the legal requirement
 - Approach is governed by his statutory duty to the shareholders
 - The auditor is responsible to the management
 - He has got independent status

**Part-II (ii) For M.COM DEGREE
(70 Questions)**

31. Which is not an assumption of Theory Y?
- a) Work is as natural as play
 - b) Motivation occurs at the societal, esteem and self actualizing levels as well as physiological and security levels
 - c) Most people have little capacity and creativity in solving organizational problems
 - d) People are self esteemed and creative at work
32. Management by exception includes:
- a) Selective, responsibility oriented reporting
 - b) Requirement of full reports on performance
 - c) Computation of actual in different spheres of performance
 - d) Reporting of significant variances
33. Hawthorne studies have underlined the significance of which of the following?
- a) System approach to management
 - b) Contingency approach to management
 - c) Modern approach to management
 - d) Human Relations approach to management
34. The company forfeited 2,000 shares of Rs.10 each (which are issued at par) held by Mr. John for non-payment of allotment money of Rs. 4 per share. The called-up value per share was Rs. 9. On forfeiture, the amount debited to share capital will be
- a) Rs. 10,000
 - b) Rs. 8,000
 - c) Rs. 2,000
 - d) Rs. 18,000
35. The following information pertains to X Ltd:
- Equity Share Capital called up : Rs. 5,00,000
 - Calls in arrear: Rs. 40,000
 - Calls in advance: Rs. 25,000
 - Proposed Dividend: 15%
 - The amount of dividend payable will be:
- a) Rs. 75,000
 - b) Rs. 72,750
 - c) Rs. 71,250
 - d) Rs. 69,000

36. In order to assess a company's ability to fulfill its long-term obligations, an analyst would most likely examine:
- Activity ratios
 - Liquidity ratios
 - Solvency ratios
 - Debt equity ratios
37. W Ltd. issued 20,000, 8% debentures of Rs.10 each at par, which are redeemable after 5 years at a premium of 20%. The amount of loss on redemption of debentures to be written off every year will be:
- Rs. 40,000
 - Rs. 10,000
 - Rs. 20,000
 - Rs. 8,000
38. Which of the following recognizes risk in capital budgeting analysis by adjusting estimated cash flows and employs risk-free rate to discount the adjusted cash flows?
- RADR
 - Certainty Equivalent Approach
 - Discounted Payback Period
 - All of the above
39. At the point of producer equilibrium
- Isoquant is tangent to the Isocost
 - $MRTS_{LK}$ equals P_L/P_K
 - $MP_L/P_L = MP_K/P_K$
 - All of the above
40. The Engel curve for a giffen good is
- Negatively sloped
 - Positively sloped
 - Vertical
 - Horizontal
41. If there are constant returns to scale and if the quantity of labour used per unit of time is increased by 10% but the amount of capital remains constant, the output will:
- Increase by 10%
 - Decrease by 10%
 - Increase by more than 10%
 - Increase by less than 10%
42. _____ is used for people associated with and benefitted from computer system
- Software
 - Firmware
 - Liveware
 - Hardware

43. Internet Protocols comprise:
- Hypertext Transfer Protocol
 - File Transfer Protocol
 - Post Office Protocol
 - All of these
44. If sales are Rs.15,00,000; fixed cost is Rs.5,00,000 and P/V ratio is 40%, what would be profit?
- Rs.1,00,000
 - Rs.2,50,000
 - Rs.2,00,000
 - Rs.3,00,000
45. Cost volume profit analysis is based on several assumptions. Which of the following is not one of these assumptions?
- Sales mix of the products is constant
 - Inventory quantities change during the year
 - Behaviour of both cost and revenue is linear throughout the relevant range
 - Material prices and wage rates remain unchanged
46. The budgeted fixed overheads amounted to Rs.84,000. The budgeted and actual production amounted to 20,000 units and 24,000 units respectively. This means there will be:
- Under-absorption of Rs.16,800
 - Under-absorption of Rs.14,000
 - Over-absorption of Rs.14,000
 - Over-absorption of Rs.16,800
47. Which of the following should not be considered in a make or buy decision?
- Potential use of manufacturing capacity
 - Variable costs of production
 - Potential rental income from space occupied by production area
 - Unchanged fixed cost
48. Which among the following is not true with regard to merchant banker?
- It can accept deposit
 - It can advance loans
 - It can do other banking activities
 - It can be manager to a public issue
- (i), (ii) & (iii)
 - (ii), (iii) & (iv)
 - (i), (iii) & (iv)
 - (ii) & (iv)

49. What is Call Money?

- a) Money borrowed or lent for a day or overnight
- b) Money borrowed for more than one day but up to 3 days
- c) Money borrowed for more than one day but up to 7 days
- d) Money borrowed for more than one day but up to 14 days

50. Consider the following characteristics

- (i) High Risk, High Return Opportunity
- (ii) Small and Medium Sized Enterprise
- (iii) Private Equity Stakes in Startups
- (iv) Investment Fund

The above attributes are found in

- a) Mutual Fund
- b) Venture Capital Fund
- c) Qualified Institutional Buyers
- d) Domestic Institutional Investors

51. Arrange the following acts in the order in which they came into force

- 1. The Monopolies & Restrictive Trade Practices Act
 - 2. The Indian Contract Act
 - 3. The Sale of Goods Act
 - 4. The Foreign Exchange Management Act
- a) 2, 3, 1 and 4
 - b) 3, 1, 4 and 2
 - c) 1, 2, 3 and 4
 - d) 4, 3, 2 and 1

52. _____ error is committed when the hypothesis is true but test rejects it

- a) Type II
- b) Type I
- c) None of these
- d) Both 1 and 2

53. For the discharge of its functions efficiently, SEBI has been vested with the following powers

- (i) To approve bye-laws of stock exchange
- (ii) To direct the stock exchanges to amend their bye-laws
- (iii) Inspect the books of account and call for periodical returns from recognized stock exchanges
- (iv) Inspect the books of account of financial intermediaries
- (v) Registration of brokers

- a) (i), (ii), (iii) & (iv)
- b) (i), (iii), (iv) & (v)
- c) (ii), (iii), (iv) & (v)
- d) (i), (ii), (iii), (iv) & (v)

54. Which of the following are the instruments of money markets?
- (i) Call Money Market
 - (ii) Commercial Bill Market
 - (iii) Industrial Securities Market
 - (iv) Short-term Loans Market
 - (v) Treasury Bill Market
- a) (i), (ii), (iv) & (v)
 - b) (i), (ii) & (v)
 - c) (i), (ii), (iii), (iv) & (v)
 - d) (i), (ii), (iii) & (iv)
55. The IT Act, 2000 is applicable to the following:
- a) A negotiable instrument as defined in Section 13 of the Negotiable Instruments Act, 1881
 - b) Any contract for sale or conveyance of immovable property
 - c) Any trust defined in Section 3 of the Indian Trust Act, 1882
 - d) None of these
56. Where the paid-up share capital of a One Person Company exceeds _____ or its average annual turnover during the relevant period exceeds _____, it shall cease to be entitled to continue as a One Person Company.
- a) Rs.50 lakh; Rs.2 crore
 - b) Rs.50 lakh; Rs.1 crore
 - c) Rs.25 lakh; Rs.2 crore
 - d) Rs.25 lakh; Rs.1 crore
57. Following cost centre consists of a location or an item of equipment or group of these:
- a) Personal cost centre
 - b) Impersonal cost centre
 - c) Production cost centre
 - d) Service cost centre
58. Equivalent production is:
- a) Completed Units + (Number of units of work in progress)*(Degree of incompleteness in %)
 - b) Completed Units + (Number of units of work in progress)*(Degree of completion in %)
 - c) (Number of units of work in progress)*(Degree of incompleteness in %)
 - d) (Number of units of work in progress)*(Degree of completion in %)
59. Loss on sale of Capital Assets can be carried forward for how many assessment years and be set off against capital gains in those assessment years?
- a) 1 assessment year
 - b) 2 assessment years
 - c) 4 assessment years
 - d) 8 assessment years

60. Where the karta is not available, the return of wealth of an HUF can be signed by:
- Any adult member of the family;
 - Any adult coparcener of the family;
 - The male member who is next in seniority to the karta;
 - None of the above
61. In response to giant retailers and category killers, entrepreneurial retailers are building entertainment into stores with coffee bars, lectures, demonstrations, and performances. They are marketing _____ rather than a product assortment.
- Experience
 - customer value
 - customer delight
 - total service solution
62. Critics of sales promotions contend the increase in sales promotions is leading to a decrease in:
- retailer power
 - ad readership scores
 - brand equity
 - consumer primacy
63. According to whom, the decision making power in modern organization rests with “techno structure”?
- Peter F. Drucker
 - Joel Dean
 - John K. Galbraith
 - None of the above
64. Which of the following statement is incorrect?
- Assignment in insurance involves transfer of beneficial interest, rights and title under policy from assignee to assignor
 - Assignor must be a major
 - Assignment can be made only after acquiring a policy
 - Assignment can be done only for consideration
65. As per Sec 139(1) of Income Tax Act,1961 a company shall have to file return of income
- When its total income exceeds Rs 50000
 - When its total income exceeds the maximum amount which is not chargeable to income tax
 - In all cases irrespective of any income or loss earned by it
 - None of the above
66. Unabsorbed depreciation which could not be set off in the same assessment year can be carried forward up to
- 4 years
 - 8 years
 - 10 years
 - Indefinite period

67. Which of the following are true in tax planning
1. It is futuristic in its approach
 2. It has limited scope compared to tax management
 3. The benefits arising from it are limited particularly in the short run
 4. Its main objective is to reduce the tax liability
- a) 1, 2 and 3
 - b) 1 and 2
 - c) 1 and 4
 - d) 2, 3 and 4

68. Consider the following basic steps involved in the process of control:
1. Identifying the strategic control points
 2. Establishing the standards
 3. Measuring performance against standards
 4. Correcting deviations from the standards

The correct sequence of the above steps in the process of control is:

- a) 1,4,3,2
 - b) 2,3,1,4
 - c) 4,3,2,1
 - d) 2,1,4,3
69. Which of the following assets would be taken into account for current ratio?
- i. Stock, ii. Creditor, iii. Mortgage, iv. Cash, v. Bills Payable, vi. Bank
- a) i, iv, and v
 - b) i, iii, and v
 - c) i, iv, and vi
 - d) ii, iii, and v
70. Which of the following items is not an operating expense?
- a) Advertisement
 - b) Depreciation of office equipment
 - c) Salaries of the managerial staff
 - d) Loss incurred on the sale of old motor vehicle
71. AS 26 is related with:
- a) Intangible Assets
 - b) Tangible Assets
 - c) Transfer Pricing
 - d) None of the above
72. Business conglomerates have different names in different countries. Which country's conglomerates are called 'Chaebols'?
- a) Japan
 - b) Germany
 - c) China
 - d) South Korea

73. Which one of the following institutions is promoted by the IFCI:
- Credit Analysis and Research Ltd (CARE)
 - Rashtriya Gramin Vikas Nidhi (RGVN)
 - Clearing Corporation of India Ltd (CCIL)
 - Small Industries Development Bank of India (SIDBI)
74. “Navratna” status is given to PSEs on the basis of
- Number of employees
 - Years of existence
 - Having comparative advantage and potential to become global player
 - Size, nature of activities and nature of organization
75. Which of the following statement is FALSE?
- ERP stands for Economic Resource Planning
 - Legacy system is a component of ERP
 - Warehousing is a function of ERP
 - All the above
76. Which of the following statement is FALSE?
- Compiler is a program which converts entire program into machine language at one time
 - Compiler is a program which translates one program instruction at a time into machine language
 - Interpreter is a program which converts entire program into machine language at one time
 - All the above
77. For testing of hypothesis $H_0 : M_1 = M_2$ and $H_1 : M_1 < M_2$, the critical value of Z at 5% level of significance when size of sample is more than 30 is
- 1.96
 - 2.32
 - 1.645
 - 2.5758
78. The regression equation of profits (X) on sales (Y) of a firm is given as: $3Y - 4X + 72 = 0$. If the sales of the firm is Rs.20,000, the profit will be:
- Rs. 14,988
 - Rs. 14,282
 - Rs. 14,982
 - Rs. 14,986
79. Which of the following is the non-random method of selecting samples from a population?
- Quota Sampling
 - Stratified Sampling
 - Systematic Sampling
 - Cluster Sampling

80. Public limited companies cannot issue:
- Deferred Shares
 - Equity Shares
 - Preference Shares
 - Sweat Equity Shares
81. Which of the following sections (Companies Act 1956) deal with qualifications of the auditor?
- Section 224 (1) and section 224 (2)
 - Section 226 (1) and section 226(2)
 - Section 226 (3) and section 226(4)
 - Section 224(3) and section 224 (2)
82. Which of the following shows a variable cost structure?
- 4,6,8,12,14
 - 3,5,7,9,11
 - 5,10,17,20,25
 - None of the above
83. Flexible budget is a budget that:
- Remains unchanged with the varying level of production
 - A technique of controlling manufacturing overheads
 - Both (a) and (b)
 - Changes with the change in the production level.
84. If the total cost is Rs. 500 and the total variable cost is Rs. 100, what will be total fixed cost if output is (a) 100 units and (b) 200 units?
- Rs. 400 and Rs. 400
 - Rs. 400 and Rs. 500
 - Rs. 300 and Rs. 600
 - Rs. 300 and Rs. 400
85. Statement (S): Sales promotion has a strong impact on consumer behaviour in rural India.
Reason (R): Rural people in India give utmost significance to sales promotion schemes.
- Statement (S) is correct but Reason (R) is incorrect.
 - Statement (S) is incorrect, but Reason (R) is correct.
 - Both Statement (S) and Reason (R) are correct.
 - Both Statement (S) and Reason (R) are incorrect.
86. Non-store marketing includes –
- Home Selling
 - VPP
 - Vending Machines
 - All of the above

87. Which of the following statement is FALSE?

- a) Setting of Price is based on Production
- b) Setting of Price is based on Cost analysis
- c) Setting of price is based on dealers' reaction
- d) None of the above

88. 'Piece Wages' provides:

- a) Encouragement to efficient hard workers
- b) Discouragement to efficient and hard workers
- c) Fair compensation to dull employees
- d) None of the above

89. According to Harvard model of HRM, which one from the following is not considered as HR outcome?

- a) Commitment
- b) Communication
- c) Congruence
- d) Cost Effectiveness

90. Which one of the following is not a criterion for effective HR strategy?

- a) Focused on staff employees
- b) Satisfying business needs
- c) Founded on detailed analysis and study as against wishful thinking
- d) Coherent and integrated

91. Set off of losses includes –

- a) Speculation losses
- b) Lottery losses
- c) Horse race losses
- d) All of these

92. Minimum Alternate Tax (MAT) is applicable to –

- a) Joint stock company
- b) Co-operative society
- c) Partnership firm
- d) Sole proprietary concern

93. Match the items of List – I with List – II:

List – I

List – II

- | | |
|------------------------|---|
| I. Tax Planning | 1. Making suitable arrangement of TDS |
| II. Tax Avoidance | 2. Understatement of Income |
| III. Tax Evasion | 3. Availing deduction under Section 10A of IT Act |
| IV. Tax Administration | 4. Misinterpreting the provisions of the IT Act |

Codes:

	I	II	III	IV
a)	2	1	4	3
a)	1	4	3	2
b)	3	4	2	1
c)	4	1	3	2

94. Which of the following statement is FALSE?

- a) Noida is established as a Free Trade Zones (FTZs).
- b) No excise duty is levied on goods manufactured in FTZs provided it is made for export purpose.
- c) Customs duty is paid on imported raw material and components used in manufacturing of goods for export from FTZs.
- d) If entire production (produced at FTZs) is not sold outside the country, the unit has the provision of selling 25% within India.

95. Narsimham Committee made recommendations on financial reforms in 1991. Which of the following was not recommended by the committee?

- a) Branch licensing system for opening new bank branches should be abolished
- b) SLR for banks should be curtailed to the level of 10% within next 5 years
- c) Banks should be given more autonomy and the directed credit should be abolished
- d) Primary targets for credit should be redefined and such credit should be managed

96. Which one of the following does not fall within the purview of IRDA?

- a) Investment advocacy
- b) Issuing license to companies to operate
- c) Safeguard policyholders' interest
- d) Levying fees and other charges

97. BOLT system in the Indian Securities market is related to –

- a) National Stock Exchange
- b) Bombay Stock Exchange
- c) Over The Counter Exchange of India
- d) Multi Commodity Stock Exchange

98. Which one of the following statement is TRUE?
- a) Commercial Banks and merchant banks deal in debt and debt related finance.
 - b) Merchant banks deal with equity and equity related finance.
 - c) Commercial banks and merchant banks generally avoid risk.
 - d) All of the above.
99. Which one of the following statement is TRUE?
- a) The difference between lending and deposit rates is called Spread.
 - b) The risk that promised cash flows from loans and securities held by FIs may not be paid in full is called Credit Risk
 - c) The risk incurred from assets and liabilities in FIs trading book due to changes in interest rates, exchange rates and other prices is called Market Risk.
 - d) All the above
100. Which composition of firms is not part of BSE 30 (SENSEX)?
- a) BHEL, Tata Steel, Wipro, NTPC
 - b) ICICI Bank, HLL, L&T, Bajaj Auto
 - c) Bharti Airtel, Infosys, ACC, ONGC
 - d) GAIL, IOC, P&G, Idea
