

Sample Questions

For

B.Com. (Accounting & Finance) -Sem V

2019-2020

Following sample questions are provided for the benefits of students. They are indicative only.

Subject : Financial Accounting V

Q1. Multiple Choice Questions:

- 1) Two companies amalgamation to secure various advantages like
- 2) In merger difference between purchase consideration and share taken over and normally deducted as under:
- 3) If all reserves are used up and balance in reserve a/c is nil in merger excess difference in purchase consideration shown in the balance of new company under:
- 4)
- 5) If shares taken over value is more than the purchase consideration than surplus than surplus arising in merger transferred to
- 6) Which of the following are not a statutory reserve
- 7) Disclosures under AS 14 should be made in the First Final A/c prepared after amalgamation

- 8) At the time of amalgamation, purchase consideration does not include
- 9) As per AS14, purchase consideration is the amount agreed payable to
- 10) The term 'amalgamation' contemplates kinds of activities
- 11) The Institute of Chartered Accountants of India has introduced AS 14 on 'Accounting for Amalgamations'. The standard recognizes.
- 12) Amalgamation in the nature of merger is an amalgamation which satisfies following conditions:
- 13) As per AS-14 purchase consideration is what is payable to
- 14) When amalgamation is in the nature of the merger, the accounting method to be followed is:
- 15) Amalgamation adjustment account is opened in the books of transferee company to incorporate
- 16) Under the 'Purchase method of accounting', the transferee company incorporates in its books:
- 17) Goodwill arising on amalgamation is to be

- 18) Under the pooling of interests method the difference between the purchase consideration and share capital of transferor company should be adjusted to:
- 19) At the time of amalgamation, purchase consideration does not include
- 20).
- 21) The asset which is not taken under the Net assets method of calculating purchase consideration is
- 22) 'Pooling of interest' is a method of
- 23) 21 . In which of the following methods, the purchase consideration is calculated on the basis of agreed value of the shares of the transferor company?
- 24) The adjustment entry passed to eliminate the inter-company bills of exchange is
- 25) Under 'Purchase method', any excess of the amount of purchase consideration over the net acquired assets of the transferor company should be recognised as;
- 26) If there is a provision (RDD) against the debtors, such debtors are transferred to the Realisation a/c at
- 27) Purchase consideration for the amalgamation means
- 28) Loss or profit on realization a/c is transferred by the transferor company, under amalgamation to

- 29) Intrinsic value of each equity share of the transferor company is Rs. 250 and that of the transferee company is Rs. 400. The ratio of exchange of shares on the basis of intrinsic value is
- 30) When the object of reconstruction is usually to re-organise capital or to compound with creditors or to effect economies then type of reconstruction is called
- 31) Reconstruction includes all of the following except
- 32). In internal reconstruction, methods of calculation of purchase consideration is
- 33) Methods of capital reduction
- 34) While preparing Balance Sheet after reconstructed following points are to be kept in mind
- 35) 6. Accounting procedure when internal reconstruction made
- 36) 7. A company can alter its share capital if it is empowered by its Articles which may involve
- 37) 8. At the time of Internal Reconstruction Assets are written off except

38) 9. Need of Internal Reconstruction

39) 10. Entry of Dividend not declared but paid now

40) 11. Entry of expenses of reconstruction

41) 12. In Internal Reconstruction

42) 13. A limited company may alter the share capital so as to

43) 14. Reduction of share capital of a company means reduction in

44) 15. Balance in Capital Reduction A/c is generally transferred to

45) 16. The existing 1,000 shares of Re. 1 each are altered to 100 shares of 10 each. This is known as

46) 17. The existing 1,000 shares of Rs. 100 each are altered to 10,000 shares of 10 each. This is known as

47) 18. While granting approval to any scheme of Capital Reduction, the court may direct the company to add the following words to its name for such period as it thinks fit.

48) 19. Reconstruction refers to an arrangement, whereby

49) 20. The credit balance in capital reduction a/c is utilized for

50) 5. A company may purchase its own shares out of –

51) 6. Which of the following is not a ‘free reserve’ for the purpose of buy back of shares.

52) 7. Which of the following is a ‘free reserve’ for the purpose of buy back of shares.

53) 8. No company shall purchase its own shares unless the buy-back is of less than 25% of the

54) 9. Buy-back of equity shares in any financial year shall not exceed 25% of its

55) 10. On buyback of shares, there is a reduction in the share capital to the extend of the

56) 11. A buy-back of 10% of the total paid-up equity capital and reserves of the company

57) 12. No company shall purchase its own shares unless the buy-back is of less than 25% of the total.

58) 13. The Micro Corporation Ltd. is authorized to issue 1,00,000 shares of equity shares. It had issued 30,000 shares. It has bought back 5,000 shares. As a result of these transactions. The No. of shares i) in authorized share capital ii) and issued share capital will be

59) 14. A company may purchase its own share out of if

- 60) 15. Every buy back shall be completed within
- 61) 16. The Reserve which cannot be used for transfer to CRR on buy back.
- 62) 17. The debt equity ratio should not exceed, after buy back
- 63) 18. Buy back of equity shares have to with following conditions, except
- 64) A company can be liquidated in any of the three ways
- 65) List H shows _____ Account.
- 66) When a company is wound up all persons who ceased to be the shareholders within a year before the winding up are placed in the
- 67) If default is made in delivering the statutory report to the Registrar, the company is likely to face
- 68) Board of directors have to make a declaration of solvency in case
- 69) The official liquidator is appointed in case of
- 70) In case of Voluntary winding up by creditors the liquidation is carried out by the
- 71) Statement of affairs should be prepared in the format prescribed in
- 72) Remuneration to investigator upon investigation of the affairs of company is treated as
- 73) Amount of Govt. dues that arose within 12 months before the date of winding up is treated as
- 74) Amount of Retirement benefits of employees exceeding Rs. 20,000 per employee is treated as
- 75) Preference dividend in arrears on the date of winding up is
- 76) Amount of calls in advance is treated as
- 77) Interest on debentures and unsecured loan is payable upto the date of actual payment
- 78) Accrued holiday remuneration becoming payable to any workman is treated as
- 79) Liability for compensation under Workmen's Compensation Act is treated as
- 80) If the remuneration to liquidator is payable as a percentage of collection
- 81) If the remuneration to liquidator is payable on distribution.
- 82) All contributions payable during the 12 months next under the employees State Insurance Act, 1948
- 83) Liquidator's Final Statement of Account is prepared in the format prescribed as per
- 84) The underwriting commission in case of debentures as per the companies act shall not exceed
- 85) As per SEBI guidelines, the underwriting commission on equity shares

- 86) The underwriting commission in case of Rs. 4 lakh preference share capital subscribed to by the public under Ministry of finance guidelines, should not exceed
- 87) According to the companies act the underwriting commission on shares should not exceed
- 88) The underwriting commission is calculated on
- 89) Unmarked application refers to
- 90) When all the shares are underwritten by the underwriters, it is called
- 91) Marked applications refers to
- 92) R Limited issued a debenture of Rs. 100 each at Rs. 90. The underwriting commission will be paid on
- 93) M Limited issued shares at a face value of Rs. 100 with a premium of Rs. 20 per share. The underwriting commission will be calculated on

Subject : Cost Accounting III

1. In case of Non Integrated system we prepare _____ A/c to give second effect of financial items.
2. The production activity is covered in _____ A/c
3. There is no journal entry for _____ transaction in non-integrated cost accounting system.
4. When material is returned to supplier under non-integrated costing system, the journal entry is _____
5. _____ involves interlocking of cost and financial records.
6. Factory overhead incurred Rs. 5,000. Factory Overhead absorbed to WIP A/C 8,000. It refers to as
7. A document which is classified record of material issues, returns and transfers _____
8. _____ account is debited when direct material is issued for production.
9. This represents the value of finished goods
10. The balance in overhead account in non- integrated costing system is transferred to _____
11. When material is purchase for cash under integrated system accounting _____ account is debited.

12. When payment of rent is made under integrated system accounting _____ account is credited.
13. Selling overhead is absorbed to _____ account.
14. ____ account is credited when there is deficiency of material in stock taking.

15. Under integrated system, the entry for abnormal spoilage is debited _____ account.
16. Under integrated system, the entry for depreciation on P&M is debited _____ account.
17. Purchase of material of Rs. 5000 which represents 50% cash purchase and remaining credit purchase. Which account is debited for the above transaction.
18. Entry for Direct wages are absorption.
19. Identify the correct entry for transfer of goods from production to finished goods.
20. Integral accounting system eliminate the necessary of preparing _____ account.
21. _____ involves finding of cost of service provided
22. Cost unit of a Passenger transport company is _____
23. Diesel is _____ cost in operating costing
24. For Hotel industry _____ is calculate.
25. Cost of extra bed is _____ cost

26. _____ involves finding of cost of a transport company
27. Cost unit of a Goods transport company is _____
28. Repair of tyre _____ cost in operating costing
29. If cost is 2,00,000 and profit is 20% on Net takings, calculate profit.
30. Cost of oxygen is _____ cost

31. Cost of vehicle Rs. 20,00,000 Life of the asset 10 years, Salvage – Rs. 2,00,000.
Find out depreciation per month.

32. The bus runs between Mumbai and Alibaug for 30 days in a month covering a distance of 250 km. The bus makes two trips in a day. Find out effective Km. for the month
- a) 30,000
 - b) 15,000
 - c) 20,000
 - d) 10,000
- (a)
32. Lorry runs for the distance of 100 km reaching Ratnagiri and returns back on the same Day. It is operated for 20 days in a month and having the loading capacity of 5 tonns. Usage capacity is 80 %. Find out ton km.
33. Total effective km per month – 20,000 km. cost of 1 litre of petrol Rs. 75 and the vehicle covers a distance of 15 km per litre of petrol. Find out the cost of petrol.
34. Net takings of the hospital is Rs. 3,00,000 pm. Number of beds in the general ward – 10 Delux ward – 20. Assume 30 days in a month and occupied capacity of general ward is 100% and Delux ward is 50%. Find out cost per patient per day.
35. The bus travels between Mangalore and Goa covering a distance of 800 km for 10 days And returns back to Mangalore on the same day. Remaining 15 days it reaches Panchi And returns back on the same day covering a distance of 900 km. Seating capacity is 40 Passengers. Occupied capacity is 100% Find out passenger km
36. Operating cost incurred by Amrut Hotel is Rs. 1,00,000. Profit on Net takings 25%. Find Out the profit.
37. Operating costing is used to _____
38. Operating costing is applicable to _____

39. Cost of the lorry Rs. 20,00,000. Life of the lorry 1,00,000 km. Effective km 20,000

Find out depreciation.

Unit III

1. The process costing system is best suited for
2. Which of the following businesses is likely to adopt a process costing system?
3. An abnormal gain in a process occurs in which of the following situations?
4. Process cost is based on the concept of _____
5. In process costing what are equivalent units?
6. Normal loss is equal to _____
7. Normal output is equal to
8. _____ is loss of material in processing having no recoverable value is called _____
9. On sale of normal loss of material _____ account is debited.
10. Cost of material Rs. 3,00,000 transferred from Process A to Process B at a profit of 25% on selling price. Find out the profit.
11. Sale value of abnormal gain is credited to _____
12. Input of Material 1000 kg. Normal loss is expected 10%. Actual output is 1200 units. Find out abnormal gain.
13. Opening WIP 2000 units, Input of Material 1000 units, Normal loss 100 units, closing WIP 500 units, Calculate units completed and transferred to next process applying FIFO method.
14. _____ costing helps to find out the cost of product at different stages of production.
15. Process costing is a _____ of costing.

Unit IV

1. _____ is the use by several undertakings the same cost accounting Principles
2. Uniform Costing helps an individual firm in _____
3. Inter firm comparison is _____
4. _____ and Interfirm comparison are inter-related with each other

5. _____ enables the firm to aim for maximum profit

6. Uniform costing is the use by several undertakings the _____
7. Uniform Costing is _____ of costing
8. _____ requires mutual understanding among the firm to implement it successfully
9. _____ is a written document which is in the form of booklet which contains the principles in ascertainment of cost in uniform costing.

10. The important objective of Uniform Costing is to make available with reliable cost data for _____.

11. Uniform costing helps _____ in regulating the prices of production.
12. Uniform costing helps to create customer confidence and improve relation between the _____ and the business.
13. The adoption of Uniform costing is a _____ for the successful implementation of the Inter-firm comparison scheme.
14. One of the _____ of Inter-firm comparison is the difference in the nature and size of the member firms that make its operation difficult.
15. _____ is a management technique of efficiency improvement and identification of weaknesses.
16. There is a fear in the top management of losing _____ in inter-firm comparison

17. Uniform costing _____ cut-throat competition by ensuring the competition among member units.

18. Uniform costing is suitable for _____

19. There is need of _____ to implement Interfirm comparison.

20. Adopting of uniform costing _____ for any industry.

Subject : Financial Management II

1. The basic objective of Financial Management is:
2. Finance is vital for which of the following business activity (activities)?
3. Business Finance addresses which of the following?
4. What is the most appropriate goal of the firm?
5. _____ is concerned with acquisition, financing, and management of assets with overall goal in mind.
6. Functional strategy is a _____ plan for achieving one or more goals of a business by one or more functional areas.
7. _____ is the concept of increasing the value of a business in order to increase the value of the shares held by stockholders.
8. Which of the following item forms a part of Fixed Assets?
9. Which of the following is a tax-deductible expenditure?
10. Decision involving purchase of fixed assets are also termed as
11. Time Value of Money is based on the principle of
12. Present Value of a Rupee is always

13. Present Value of Re. 1 discounted @ 10% for "O" years Is ____.
14. Internal rate of return is the rate at which present value of Cash Inflows is _____ present value of Cash Outflows.
15. The payback period is the period _____
16. Method that does not consider cash inflows for the entire life of the project is _____
17. Project should be accepted if.
18. Present value of a rupee is always.
19. Capital Budgeting decisions involve risk due to _____
20. I.R.R. is the rate at which present value of inflow is _____ present value of outflows.
21. _____ is an example of traditional method of capital budgeting.
22. Investment objective is closely linked to
23. The assets of the mutual fund are held by _____
24. Minimum net worth requirement for AMC is _____
25. An investor under the new pension scheme can choose which of the following asset classes?
26. Providing funds for a daughter's marriage is an example of _____

27. According to the Certified Financial Planner - Board of Standards (USA) the first stage in financial planning is _____
28. Investor can get into long term investment commitments in _____
29. Risk appetite of investors is assessed through _____
30. The asset allocation that is worked out for an investor based on risk profiling is called _____
31. How much equity would you suggest for a young well settled unmarried individual?
32. Mutual Funds works on the principle of _____
33. The lock in period for equity linked saving scheme is _____
34. _____ funds will invest 65% - 80% of total assets in equities and 20% to 35% in debt instruments
35. Exit load is typically charged on _____ prevailing at the time of Sale of unit.
36. The level of risk premium depends upon the level of _____
37. The cost of security is Rs. 140, market price Rs. 200, dividend earned Rs.12 What is the capital gain to the investor?
38. Bonds can be _____.
39. In countries abroad there is literally no distinction between _____ and debentures.
40. The abbreviation YTM stands for _____

41. Which agencies have issued Bonds in India in the near past?
42. Returns on bonds are termed as _____
43. The higher the bond's duration, the _____ its sensitivity to the change (also known as volatility) and vice versa.
44. If sales is 100, variable cost is 66.67 the P/V ratio would be _____
45. If Gross margin is 25% on Cost and sales is Rs. 21,00,000 the gross profit would be _____
46. _____ refers to customers willingness to pay the debt.
47. The main objective in Accounts Receivable management is to _____ the Days Sales Outstanding (DSO) and processing costs whilst maintaining good customer relations.
48. "5/15 net 45" on an invoice represents discount provided by the seller to the buyer on account of prompt or pre-payment.
49. The most important ratio in case of granting of term loans is _____
50. Debentures is a _____ securities.
51. A type of preference shares which can be converted into Equity Shares _____
52. Which of the following is a tax - deductible expenditure?
53. Dividend declared between two Annual General Meetings (AGM's) is termed as _____

54. Capitalization of reserves is also termed as:
55. Decision involving purchase of fixed assets are also termed as:
56. Which of the following is an item of Current Assets?
57. A Balance Sheet tallies; because
58. Inventories are also termed as _____
59. Which of the following is a security on a moveable Property?
60. In which of the following case; the ownership of the goods passes on immediately on making the down payment from the seller
61. Which of the following factors influence the need of Working Capital of a firm?
62. The single most important ratio in case of Working Capital Management is
63. Ultimate objective of Financial Management is
64. _____ is a regulatory authority over the entire Capital Markets in India.
65. Which of the following is an item of current Liability?
66. An ideal liquid ratio must be _____
67. An ideal current ratio must be _____
68. In the Balance - Sheet stock is indicated.
69. A _____ tallies on its own.

70. The abbreviation “NAV” in a mutual fund stands for Lo
71. The abbreviation “IPO” stands for,
72. The abbreviation “SIP” in Mutual Funds stands for.
73. Internal Funds is also termed as
74. Rights issue is also called as
75. _____ shares are issued free of cost.
76. _____ increases the number of shares without actually Increasing the paid – up value of share capital
77. The term “Cum - Dividend” states _____
78. SEBI Act was passed in the year _____
79. A stock exchange is a _____ market.
80. Goodwill is an example of _____ asset.
81. A merchant banker _____
82. Dividend Payout ratio is _____
83. The cost of _____ capital is the highest.
84. Interest rate is fixed on the principle of
85. Traditionally UTI was a _____
86. Original investment of XYZ ltd is Rs.9,00,000 and its average annual cash inflows of Rs.75,000. Therefore, it’s payback period is _____
87. Annual Cash inflows for a project is Rs.32,500 and its initial investment is Rs. 2,00,000. Therefore, its ARR is _____
88. NPV of a project with Cash inflows of Rs.1,94,565 and a cash outlay of Rs.1,70,000 is _____

89. P/V Ratio of RAM Ltd with sales of Rs.85,00,000 and variable cost of Rs.47,00,000 is _____
90. Portfolio B has an average return of 15% and a standard deviation of 0.3. The risk-free rate of return is 8%. Its Sharpe's ratio is _____
91. Portfolio A has an average return of 12% and a beta of 1.3. The risk-free rate of return is 8%. Its Treynor's ratio is _____
92. Using CAPM, the expected rate of return of a security whose R_f is 7%, beta value is 1.5 and market returns of 15% is _____
93. Market price of TCS Ltd is Rs.160 and its EPS is Rs.20. Therefore, its P/E Ratio is _____
94. Dividend payout Ratio of M&M Ltd with EPS of Rs.50 and DPS of Rs.35 is _____
95. Kirti invested Rs.60,000 in a long-term mutual fund with tax benefits under section 80 C at NAV of Rs.45. Find the number of units acquired by him if there is an entry load of 3%
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Subject : Financial Accounting VI

In case of a nationalised banks, capital is fully owned by the _____

2. _____ refers to finance availed or provided by different branches of the same banking company.
3. Interest payable on deposits which is accrued but not due is shown under _____
4. Balance sheet of bank is in _____ form as per banking regulation act 1949
5. Other assets does not include _____
6. Schedule 8 includes _____
7. Deposits does not include Include _____
8. Bills purchased and discounted are shown in Balance sheet of a Bank _____ schedule
9. Claims against the bank not acknowledged as Debts appears under which schedule _____

10. Commission, exchange and brokerage should be treated as _____
11. A Banking company must hold a license issued by _____
12. Balance sheet & P & L A//C of banking companies must be prepared as per the form given in _____
13. Saving Bank deposit are disclosed under _____
14. Building Acquired in satisfaction of claim is shown by a bank under _____
15. Bills Payable is shown in final accounts of a Bank in _____
16. Calculate the interest expended if Interest on Loan is Rs.1000 and interest on deposit is Rs 5000.
17. Calculate the rebate on bill discounted on 31-3-2018, if the date of bill is 15-1-2018 and amount of bill is Rs.90000 and period of bill is 5 months and the rate of discount is 8%.
18. What is the maturity date of the bill drawn on 10-2-2018 and the period of bill is 4 months?
19. Rebate on bill discounted is _____
20. Loss on revaluation of investments _____
21. If sum of all associated insurance cost exceeds related reserves for unexpired risk it leads to _____.
22. When two or more insurance company share risk it is known as _____
23. Insurance business is controlled by _____
24. A assets would be one, which has remained NPA for a period less than or equal to twelve months is called _____
25. General insurance is defined by AS _____
26. The policy in which the liability of the insurer is limited is _____

27. Find the net premium when the Premium earned is 500000, Reinsurance accepted is 100000 and Reinsurance ceded is Rs 50000
28. Revenue A/c in insurance business accounting is prepared in the form _____
29. P & L A/c In insurance business accounting is prepared in the form _____
30. In the case of fire insurance, the provision for unexpired risk as per the Executive Committee of General insurance council is _____
31. Claim on Re-insurance accepted is added to _____
32. The total number of schedules to an insurance company's financial statements in India is _____
33. In the case of marine insurance, the provision for unexpired risk as per the Executive Committee of General insurance council is _____
34. Insurance business deals with _____
35. Non - banking financial company mostly cater to the _____.
36. Non- banking financial company are registered under _____.
37. The agency regulates and supervises NBFCs.
38. NBFCs are required to accept public deposit for a maximum period of _____
39. NBFC must have net owned funds of _____
40. Nidhi companies are regulated by _____
41. A systematically important NBFC must _____
42. What is the minimum net owned funds (NOF) mandatory for infrastructure finance company (IFC) in India?
43. NBFC's are required to accept public deposits for a minimum period of _____ months.
44. What is the present ceiling for limit of interest rate that NBFC can offer?

45. Chit fund companies are registered under the chit fund Act _____
46. An NBC is a company registered under _____
47. NBFC can accept public deposits for a minimum period of _____ months.
48. NBFC can accept public deposits for a maximum period of _____ months.
49. Core investment companies, infrastructure debt fund and micro finance institution
50. The most important element in valuation of goodwill is _____
51. Following are the factors affecting goodwill except _____
52. Super profit is the profit earned over and above the _____.
53. For valuation of shares on the basis of profits an investor compares expected rate of return with _____.
54. Goodwill as per purchase of average profit method is equal to _____
55. Goodwill as per purchase or super profit method is equal to _____
56. While calculating capital employed _____
57. The First Item under Assets in the balance sheet of a Bank is _____
58. Goodwill is _____.
59. Super profit is _____.
60. Normal profit is
61. Calculate the weighted average profits if three years' profits are 7000, 1000 and 3000 and the weights are 1, 2, and 3 respectively.
62. Normal Rate of Return depends on _____
63. Find the fair value of shares when Intrinsic value is 15, yield value is 12.46, and expected rate of return is 12%.
64. Under capitalisation of super profit method, Goodwill is equal to _____

65. Capital employed at the end of the year is ₹ 4,20,000. NRR is 10% calculate Normal profit

66. Rate of interest is 11% and the rate of risk is 9%. The normal rate of return is _____

67. Capital employed is Rs.1,50,000. The average profit for last 3 years is Rs. 22,000 and the normal Rate of return in the business is 8%. Calculate Goodwill at 3 years' purchase of Super Profit.

68. Quoted shares are those shares which are _____

69. While deciding net asset value, fictitious assets _____ .

70. Super Profit is ₹ 9,167 and the Normal Rate of Return is 10%. Goodwill as per capitalisation of Super Profit method is equal to _____

71. A Limited liability partnership cannot raise finance through _____.

72. In the absence of LLP agreement, the rights of partners are determined by _____ of LLP Act 2008

73. LLP has minimum----partners.

74. The maximum number of partners LLP can have is _____.

75. At least _____ of the designated partners of every limited liability partnership shall be a resident in India.

76. In the absence of LLP agreement the mutual rights of partners and in relation to LLP will be determined as per schedule _____ of the LLP Act 2008.

77. A Limited Liability partnership whose contribution exceeds Rs. _____ is required to annually get its accounts audited by any Chartered Accountant in practice.

78. Limited Liability Partnership is governed by _____

79. A partner of LLP has the following right only if provided in the LLP agreement ____

80. The Liability of the Partners in LLP is limited to the extent of their _____

81. Calculate the increase /decrease in stocks if the opening stock is Rs.20000 and closing stock is Rs.25000.

82. Calculate the purchases in income expenditure statement in LLP when the Gross purchases is Rs.1,30,000, return outward is Rs. 3,200, return inward is Rs. 5,200 and royalty is Rs.1000.

83. Calculate the selling expenses in income expenditure statement in LLP, when the advertisement expenses are Rs.4000, prepaid advertisement is Rs.3000 and bad debts is Rs.400,

84. ____days of notice to LLP for resignation of partner.

85. Annual return to be filed by LLP with registrar ____

Subject : International Finance

1. Standardized futures contracts exist for all of the following underlying assets except:
2. Which of the following is false?
3. Which one of the following actions will offset a long position in a futures contract that expires in June?
4. Which of the following does the most to reduce default risk for futures contracts?
5. Which of the following is most similar to a stock broker?
6. In futures trading, Marking To Market is also known as _____
7. Variation Margin, also known as _____ margin
8. Using futures contracts to transfer price risk is called:
9. Which of the following is best described as selling a synthetic asset and simultaneously buying the actual asset?
10. Which of the following causes the futures price of an asset to increase, everything else held constant?
11. The payoffs for financial derivatives are linked to

12. Which of the following is approximately true when size is measured in terms of the underlying principal amounts or value of the underlying assets
13. _____ is an OTC contract to buy an underlying asset at a specified date in the future at a price fixed to day.
14. A put option has a strike price of \$35. The price of the underlying stock is currently
15. The basis is defined as
16. The basis must equal _____ at the delivery date for the futures contract

17. Suppose you sell a call and buy one share of stock. What is your cash payoff when the option expires? (Ignore the costs of the call and the share of stock).
18. Which of the following has the right to sell an asset at a predetermined price?
19. Which of the following is potentially obligated to sell an asset at a predetermined price?
20. Which of the following is not a characteristic of option contracts that trade on the Chicago Board Options Exchange?
21. Which of the following actions will not close a long position in a call option?
22. Which of the following investment strategies has unlimited profit potential?
23. Which of the following is a major difference between swaps and futures contracts?
24. Which of the following contracts involves future exchange of assets at a specified price?
25. Which of the following units guarantees that all buying and selling will be made by traders?
26. Which of the following is an example of derivative securities?
27. An agreement between a buyer and seller to immediately exchange a specific asset for payment of cash is an example of:
28. Which entity takes counter party risk in a future contract?
29. Forward contracts are risky because they
30. An option that can be exercised profitably for the holder is said to be :
31. An option that can be exercised only at maturity is call as
32. In a forward contract the party who commits to sell an asset at a specified date in the future takes _____ position.
33. In a forward contract the party who commits to buy an asset at a specified date in the future takes _____ position.

34. An OTC forward contract is
35. Financial Derivatives include :
36. Which of the following is a reason to hedge a portfolio?
37. Hedging risk for a long position is accomplished by
38. A contract that requires the investor to buy securities on a future date is called a
39. A long contract requires that the investors:
40. Derivative contracts that have asymmetric payoff
41. On the expiration date of a futures contract, the price of the contract
42. Which of the following features of futures contracts were not designed to increase liquidity _____

43. An option that can be exercised at any time up to maturity is called _____
44. An option that gives the owner right to buy a financial instrument at the exercise price within a specified period of time is a _____
45. If you buy a call option on treasury futures at 115, and at the expiration the market price is 110,
46. If a bank manager wants to protect the bank against losses that would be incurred on its portfolio of treasury securities should interest rate rise, he could
47. Hedging by buying option
48. Spreads involving options of the same underlying asset with same expiration but different strike prices are
49. Put-Call parity was introduced by
50. Exchange rate are determined in _____
51. Which of the following activities doesn't generates an increase in a India's demand for foreign currency?
52. The immediate (T+N) exchange of one currency for another is a _____
53. The immediate (T+2) exchange of one currency for another is a _____
54. Interbank market deals are conducted mainly over the _____ .
55. In Holgate Principle, if $BID > ASK$, swap points for forward rate are to be _____.
56. It is a quote at which the market is willing to buy _____
57. By definition, currency appreciation occurs when _____

58. The date of settlement for a foreign exchange transaction is referred as _____
59. If the US dollar price of the Japanese yen changes from \$1 per 100 yen to \$1.50 per 100 yen, the dollar is said to have _____ and the yen has _____.
60. Assume there is an increase in the American demand for Japanese cameras. This results in:
61. Which of the following examples definitely illustrates a depreciation of the U.S. dollar?
62. Mean Rate is also known as _____.
63. If purchasing power parity were to hold even in the short run, then:
64. Given a home country and a foreign country, purchasing power parity suggests that:
65. When an enterprise has an unhedged receivable or payable denominated in a foreign currency and settlement of the obligation has not yet taken place, that firm is said to have:
66. Interest Rate Parity (IRP) implies that:
67. Covered interest rate parity occurs as a result of
68. One of the example of internal technique of hedging is _____.
69. Which of the following states that the equilibrium exchange rate is equal to the ratio of price levels in the two nations?
70. The potential for an increase or decrease in the parent's net worth and reported net income caused by a change in exchange rates since the last consolidation of international operations is a reflection of:
71. The risk that Government may default on its debt obligation_____.
72. Where supply and demand are allowed to determine a country's exchange rate, we say we have exchange rate is
73. If a farmer buys a corn option on futures:
74. 1 GBP= USD 0.739, it is a direct quote for
75. Spot rate is also called as

76. For quote GBP/ SEK 6.4750- 6.4850, Spread % is
77. For the indirect quote EUR 1= INR 82.6877 what is direct quote
78. What will be the inverse of the quote GBP 1= INR 99.1100 – 99.9900
79. A call option with a strike price of \$55 can be bought for \$4. What will be your net profit if you sell the call and the stock price is \$52 when the call expires?
80. The cash price of wheat today is 410 cents per bushel, and the three-month futures price of the same is 421 cents per bushel. The basis is:
81. A one-year call option on a stock with a strike price of \$30 costs \$3; a one-year put option on the stock with a strike price of \$30 costs \$4. Suppose that a trader buys two call options and one put option. The breakeven stock price above which the trader makes a profit is
82. When the exchange rate for the Mexican peso changes from 10 pesos to the dollar to 9 pesos to the dollar, then
83. In April 2000, one U.S. dollar traded on the foreign exchange market for about 7.2 French francs. Therefore, one French franc would have purchased about
84. According to the law of one price, if the price of Colombian coffee is 100 Colombian pesos per pound and the price of Brazilian coffee is 4 Brazilian reals per pound, then the exchange rate between the Colombian peso and the Brazilian reals is:
85. Spot price of a stock is 1100, risk free interest rate is 5%, fair value for a 6 month contract is:

Elective – Financial Analysis and Business Valuation

_____ provide a summary of the revenues, costs and expenses of an entity during an accounting period.

In _____ method of cash flow statements, it starts with Net Profit After Tax (NPAT) from the Income Statement

Select which of the following is not an attribute of a good Financial Model

FCFF stands for _____

NPV stands for _____

IRR stands for

_____ helps in identifying and evaluating capital projects. Decisions can be taken about whether to buy a new machine, or expand business in another geographic area, or replace an asset etc.

IRR is the rate at which NPV is _____ zero

GAAP stands for _____

The company earns profits which accumulate over time, called _____.

Which ratio indicates how fast inventory is sold?

Which ratio indicates how debt is collected?

The other name for Liquid Ratio is _____

_____ is also known as Investment Turnover Ratio

A and B share profits in the ratio of 2:1, if the net profit is Rs.9000, then share of A will be

FIFO stands for _____

Cash sales and Cash purchases of goods will be considered as _____

_____ ratio indicates the extent to which existing debt can be redeemed at once by the net cash generated from operations

_____ costs such as material cost, labour cost, do not change as Sales change

Office rent paid is an example of _____

_____ is a horizontal analysis which involves the calculation of percentage relation of necessary items with the same items of base year and the base year is generally taken as the earliest year.

The bonds which does not carry any coupon rate and are generally issued at a discount is known as _____

If earning per share is Rs. 100 and retention ratio is 40%, then dividend per share will be _____

_____ is an examination conducted towards rendering an estimate or opinion as to the fair market value of a business interest at a given point in time

Which of the following is not a standard of value used for Business Valuation?

_____ or fundamental value is used when an investor wants 'true' or 'real' value on the basis of an analysis of fundamentals without considering the prevailing price in the market. It is true economic worth of a share, business or property.

Which of the following is not a valuation model used in Business Valuation?

_____ is a measure of how much cash can be paid to the equity shareholders of the company after all expenses, reinvestment and debt repayment.

CAPM stands for _____

EVA stands for _____

If Net Sales is Rs.1500, Gross Profit is Rs. 1300, Operating Expenses is Rs. 300, then Cost of Goods Sold (COGS) will be _____

Select which of the following identifies Financial Modelling

- It is a process of using a financial model for financial decision making and analysis
- It is an abstract of a financial decision-making situation
- It illustrates relationships using real numbers so that it can make projections.
- It can be done only in Microsoft Excel

A machine is available at a cost of Rs.100000, the expected life is 5 years, scrap value at end of 5 years is Rs.20000, find the depreciation per year.

If the market price of a share is Rs. 80, earnings per share is Rs. 10 and dividend per share is Rs.8, then price earning ratio will be _____

If Current Ratio of 3 firms P, Q and R is 1.43:1, 0.89:1 and 2.14:1 respectively, then which firm is having a better liquidity position?

The current yield for a 15-year 7% coupon bond with a par value of Rs.1000 selling for Rs.769.40 is _____

If Net income is Rs.100000, Preference dividend is Rs.50000, number of equity shares is 13300, then earning per share will be _____

If Cash from operations is Rs.42000, cash from investments is Rs.10000, cash from financing activities is Rs.(-8500), then total cash flow will be _____

If Operating Leverage is 1.21 and Financial Leverage is 1.45, then Combined Leverage will be _____

If Book Value of share is Rs.96, Market value of share is Rs.230, Earnings after tax is Rs.30 then Price to Book value ratio will be _____

Subject : Taxation

1. GST was introduced in India with effect from__.
2. Constitution Amendment Act, 2016 for GST was__.
3. As a result of constitution amendment for GST a Separate List --- has been inserted in the constitution.
4. The incidence of tax on tax is called__.
5. Under GST, 'value addition' refers to__.
6. UTGST is applicable when__.
7. Integrated Goods and Services Tax is applicable when __.
8. SGST is applicable when__.
9. The tax which was not merged into GST__.
10. Goods and service tax is a __tax system
11. Goods and service tax is __based system.
12. Dealers whose annual turnover between Rs. 1.5 crore and Rs. 5 crore need to use__.
13. Dealers with annual turnover of Rs. 5 crore and above must use __for their invoices.
14. In the case of import or export of goods, using -- is compulsory.
15. The lowest tax rate under GST is --
16. Base metals, gold, silver, articles of jewellery are taxable in India at the rate of __.
17. The highest GST rate applicable now is --- .
18. Tax Deducted at Source at the rate of 1% is applicable in the case of supplies received by__.
19. Composite tax is applicable for dealer with turnover up to ____.
20. Under GST law Compensation cess is applicable on__.
21. Goods which get input tax credit without being liable to collect output tax is called__.
22. GST can be collected by__.
23. -- confers powers to Government of India to collect tax on intra-state supply of

goods or services or both.

24. Supply of goods provided, or agreed to be provided, continuously or on recurrent basis, under a contract, is___.

25. Any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business is ___.

26. A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drinks and fruit juices when supplied for a single price is___.

27. Any person who occasionally undertakes transactions involving supply of goods or services or both, but who has no fixed place of business or residence in India is___.

28. Supply of goods or services which constitutes the predominant element of a composite supply is called___.

29. A wholesaler in Ernakulam sends an agent to procure 1,000 bags of sugar from a factory in Chennai. The invoice and other documents are handed over to the agent in Theni as directed by the wholesaler. Later the sugar bags are brought to Ernakulam. Amount paid online from SBI branch Calicut. The place of supply is___.

30. The place of supply of goods imported into India shall be___.

31. Mr. C sold goods worth Rs. 30000 to Mr. D on 5.8.2017, which were sent on 6.8.2017, the invoice date being 15.8.2017 and the goods were received by Mr. D on 5.9.2017. Time of supply is___.

32. Mr. Kumar sold goods worth Rs. 40,000 to Mr. Lal on 2.8.2017, but the payment was received from Mr. Lal on 2.10.2017. Time of supply is ___.

33. A new mobile handset is supplied for Rs.10,000 exchanging an old phone. Without exchange offer the price of handset is Rs 25,000. Market Value of similar phones is Rs.20,000. What is the value of supply?

34. A laptop is supplied receiving Rs. 30,000 and a mobile phone worth Rs. 20,000. Value of supply –

35. GST registration is mandatory if the aggregate turnover in a financial year exceeds___.

36. A casual taxable person or a non-resident taxable person shall apply for registration at least --- prior to the commencement of business.

37. Every person who makes a supply from the territorial waters of India shall obtain the registration___.

38. Unique Identity Number' is not relevant in the case of___.

39. TAN refers to___.

40. GSTIN refers to___.

41. GST number does not include___.

42. The certificate of registration issued to a casual taxable person or a non-resident taxable person shall be valid for a period of__.
43. Which of the following is not a reason for cancellation of registration?
44. Which of the following is not a reason for cancellation of registration by proper officer?
45. Cancellation of registration can be ____.
46. Which among the following is not compulsory among he accounts and records maintained by the GST dealers?
47. Every registered person should keep and maintain the prescribed books of accounts and records at__.
48. Maintaining books of accounts in electronic form is__.
49. When turnover during a financial year exceeds --- the accounts and other records must be audited by a chartered accountant or a cost accountant.
50. Every registered person required to keep and maintain books of account or other records for __years.