

WRITTEN TEST FOR SELECTION TO THE POST OF

ACCOUNTANTQUESTION-CUM-ANSWER BOOKLET

Maximum Marks: 100

Total Time: 90 minutes

INSTRUCTIONS

1. This test consists of 100 multiple choice questions. Each question carries one mark.
2. Before you start answering, check whether your Question Booklet is in order and contains 14 pages.
3. Write your Roll Number in the space provided at the bottom of this page.
4. YOU MUST PUT A SMALL CIRCLE AROUND THE LETTER INDICATING THE CORRECT ANSWER FOR EACH OBJECTIVE TYPE QUESTION.

(eg. a. b. c. d.)

5. Use blue/black ball point pen only for answering.
6. Pen mark (answers) once made is final. No correction in choice of answers is allowed.
7. Question-cum-Answer Booklet issued will not be replaced unless there are defects in printing.
8. Rough work, if any, may be done in page 13 only.
9. Use of mobile phone, books or any other paper/material will not be permitted.
10. Put your signature in the space provided below, in the presence of the invigilator.
11. Hand over the Admit Card to the invigilator.
12. You are not permitted to leave the examination hall, till the completion of the test.
13. Hand over the used Question-cum-Answer Booklet to the invigilator before leaving the examination hall.
14. Follow the instruction of the invigilators in all matters inside the examination hall.

Roll Number

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Signature of Invigilator

Signature of Candidate

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Direction (Questions 1 to 83): Select the correct alternatives from the given choices

1. Premium on redemption of preference shares are:
a. Capital profit b. Revenue profit **c. Capital loss** d. Revenue loss
2. Which of the following practices is not in consonance with the convention of conservatism
a. Creating provision for bad debts
b. Creating provision for discount on creditors
c. Creating provision for discount on debtors
d. Creating provision for tax
3. Outstanding expenses are accounted on the basis of _____ concept.
a. Dual aspect **b. Accrual** c. Money measurement d. Matching
4. Revenue is realised:
a. When sales order is received **b. When goods are sold**
c. When cash is received d. When goods are received by the purchaser
5. The term depletion is used in relation to:
a. Fixed assets **b. Wasting assets** c. Current assets d. Tangible assets
6. Discount given for prompt payment is called
a. Trade discount **b. Cash discount** c. Material discount d. Bonus
7. Payment of salary is a
a. **Revenue Expenditure** b. Capital Expenditure
c. Deferred Revenue Expenditure d. Income
8. Loose tools are:
a. Current asset **b. Fixed asset** c. Stationery d. Fictitious Asset
9. Stock is valued at
a. Cost price
b. Market Price
c. Cost or market price whichever is higher
d. Cost or market price whichever is lower

10. Trial Balance shows the following
- a. **Arithmetical accuracy of balance of accounts**
 - b. Net Profit of the firm
 - c. Excess of income over expenditure
 - d. Financial position of the firm
11. Du Pont analysis related to
- a. **Ratio analysis**
 - b. Profitability analysis
 - c. Productivity analysis
 - d. Variance analysis
12. Current ratio is a:
- a. Long term solvency ratio
 - b. **Short-term solvency ratio**
 - c. Activity ratio
 - d. Profit ratio
13. P/V ratio is 50% and variable cost is 6000. If the current loss is 1000, what the sales to be achieved to earn a profit of 1000?
- a. 12000
 - b. 14000
 - c. **16000**
 - d. 18000
14. A company maintains a margin of safety of 25% on its current sales and earns a profit of Rs. 30 lakhs per annum. If the company has a profit volume (P/V) ratio of 40%, its current sales amount to
- a. Rs. 200 lakhs
 - b. **Rs. 300 lakhs**
 - c. Rs. 325 lakhs
 - d. None of these
15. The difference between standard cost of standard materials and standard cost for actual materials is_____.
- a. Material cost variance
 - b. Material price variance
 - c. **Material usage variance**
 - d. Material yield variance
16. Working capital gap means:
- a. Total current assets minus total current liabilities
 - b. Total assets minus intangible assets
 - c. Total liabilities minus term liabilities
 - d. **Total current assets minus current liabilities (other than bank borrowing)**
17. Variance analysis is a
- a. **Cost control technique**
 - b. Cost reduction technique
 - c. Cost ascertainment technique
 - d. None of the above

18. Collection of debtors would
- a. Increase current ratio
 - b. Decrease current ratio
 - c. No effect on current ratio**
 - d. Increase working capital
19. That part of basic raw material lost in processing and does not have any recovery value:
- a. **Waste**
 - b. Scrap
 - c. Spoilage
 - d. Defectives
20. Opportunity cost helps in
- a. Ascertainment of cost
 - b. Controlling cost
 - c. Taking management decisions**
 - d. None of these
21. Which of the following is not an approach to the capital structure?
- a. **Gross Profit Approach**
 - b. Net operating income Approach
 - c. Net Income Approach
 - d. Modigliani and Miller Approach
22. The operating Leverage and Financial Leverage of a firm are 3 and 2, respectively. If sales increase by 6%, earning before tax will rise by:
- a. 18 per cent
 - b. 12 per cent
 - c. 36 per cent**
 - d. 30 per cent
23. Cost of equity share capital is more than cost of debt because:
- a. Equity shares are not easily saleable
 - b. Equity shares do not provide the fixed dividend rate
 - c. Generally the face value of equity shares is less than the face value of debentures
 - d. Equity shares have high risk than debts**
24. From the investor's point of view, the cost of capital is:
- a. Interest rate
 - b. Market value
 - c. Yield of capital sacrifice**
 - d. Stock exchange value
25. Which one of the following methods of capital budgeting assumes that cash-inflows are reinvested at the project's rate of return?
- a. Net present Value
 - b. Accounting Rate of Return
 - c. Internal Rate of Return**
 - d. Discounted Pay Back Period
26. In certainty-equivalent approach, risk adjusted cash flows are discounted at:
- a. Accounting Rate of Return
 - b. Internal Rate of Return
 - c. Hurdle rate
 - d. Risk-free Rate**

27. Concentration Banking is a method of:
- a. **Decentralised collection**
 - b. Centralised collection
 - c. Direct collection
 - d. Payment only through cheques
28. Dividend irrelevance argument of MM model is based on:
- a. Hedging
 - b. Issue of Debentures
 - c. Liquidity
 - d. Arbitrage**
29. Dividend capitalisation model was developed by:
- a. Ezra Solomon
 - b. Myron J Gordon**
 - c. James E Walter
 - d. Modigliani and Miller
30. Negative Net Working Capital implies that:
- a. Long-term funds have been used for fixed assets
 - b. Short-term funds have been used for fixed assets**
 - c. Long-term funds have been used for current assets
 - d. Short-term funds have been used for current assets
31. Income tax Act extends to:
- a. **Whole of India**
 - b. Whole of India except Jammu and Kashmir
 - c. Whole of Maharashtra only
 - d. None of these
32. Total income of a person is determined on the basis of his:
- a. **Residential status in India**
 - b. Citizenship in India
 - c. None of these
 - d. Both of the above
33. Where the amount of an expenditure claimed as deduction exceeds Rs. 20,000 and it is not made by account payee cheque/draft
- a. 20% of such amount shall be disallowed
 - b. 100% of such payment shall be disallowed**
 - c. 20% of the excess over Rs.20,000 of such payment shall be disallowed
 - d. None of the above
34. Due date for filing return is _____, in case of an employee
- a. 31st October
 - b. 30th June
 - c. 31st July**
 - d. 31st March

35. A person who is liable on the income or loss of another person is called:
- a. Assessee
 - b. Ordinary Assessee
 - c. Assessee-in-default
 - d. Representative Assessee**
36. PAN denotes
- a. Present Account Number
 - b. Personal Account Number
 - c. Permanent Account Number**
 - d. None of these
37. TDS on salary deducted and remitted by:
- a. Employee
 - b. Employer**
 - c. Bank
 - d. Government
38. Mode can be found out by drawing:
- a. Frequency curve**
 - b. Ogive
 - c. Frequency polygon
 - d. Histogram**
39. The standard deviation is:
- a. The square root of the variance
 - b. A measure of variability
 - c. An approximate indicator of how numbers vary from the mean
 - d. All of the above**
40. For finding average speed, the appropriate average is
- a. Geometric mean
 - b. Harmonic mean**
 - c. Arithmetic mean
 - d. Combined mean
41. Internal audit is meant for
- a. Management**
 - b. Shareholders
 - c. Customers
 - d. Supplier
42. The main object of auditing is
- a. To verify statement**
 - b. To discover errors and frauds
 - c. To prevent errors and frauds
 - d. All of the above
43. First auditor of a Company is appointed by
- a. Registrar
 - b. Shareholders
 - c. Promoters
 - d. Board of Directors**
44. Management audit otherwise known as:
- a. Final audit
 - b. Efficiency audit**
 - c. Cost audit
 - d. Cash audit

45. Auditing begins where _____ ends.
- a. Selling b. Inventory valuation **c. Accounting** d. Purchases
46. An auditor is accountable to
- a. Creditor of the company **b. Shareholders of the company**
- c. Director of the company d. To Government
47. Statutory audit is compulsory for
- a. **All public limited company** b. All partnership firm
- c. All sole trading concern d. None of the above
48. Verification of evidence in support of an accounting transaction is known as
- a. **Vouching** b. confirmation c. Valuation d. None of these
49. A detailed plan of audit work and procedure is called
- a. Inspection b. Checking
- c. Audit programme** d. Monitoring
50. Management audit related to evaluation of
- a. Financial performance of a company
- b. Cost performance of a company
- c. Corporate goal performance of the company**
- d. Selling goal performance of the company
51. What is the full form of NAV?
- a. Net Actual Value b. Net Annual Value
- c. Net Asset Value** d. Net Average Value
52. Which organization provides credit history of the borrowers?
- a. **CIBIL** b. CII c. FRBI d. IRDA
53. Who regulates the Mutual Funds in India?
- a. FRBI **b. SEBI** c. SIDBI d. RBI
54. Which of the following is not the part of organized sector of India Money Market?
- a. **Chit Funds** b. Mutual Funds
- c. Non-Banking Financial Companies d. Reserve Bank of India

55. Lead bank system was started in:
a. 1967 b. 1968 **c. 1969** d. 1970
56. What is 'Repo rate'?'
a. It is the rate at which the RBI lends to the State Government
b. It is the rate at which the international aid agencies lend to RBI
c. It is the rate at which the RBI lends to banks
d. It is the rate at which the banks lend to RBI
57. Where is the Head Quarter of Reserve Bank of India?
a. **Mumbai** b. Delhi c. Kolkata d. Ahmedabad
58. Who regulates the money circulation in India?
a. SBI **b. RBI** c. Central Govt d. NABARD
59. Which one of the following is a Nationalised bank?
a. Federal Bank **b. Syndicate Bank**
c. ICICI Bank d. HDFC Bank
60. NPA stands for
a. Net present Assets b. Never Performing Assets
c. Non-Participating Assets **d. Non-Performing Assets**
61. Recruitment is a
a. **Positive process** b. Negative process
c. Neutral process d. None of these
62. When trainees are attached to senior workers, it is called
a. **Apprenticeship training** b. Vestibule training
c. On the job training d. None of the above
63. "Microcredit" refers to:
a. Instalments given by farmers against loans
b. Small credit given to poor
c. Credit given by government to improve industrialisation
d. None of these

64. The authoritarian leadership style goes with:
a. **Theory X** b. Theory Y c. Theory Z d. None of these
65. The term grape wine is used for
a. Formal communication **b. Informal communication**
c. Non-monetary benefits d. Bonus
66. The process for searching for prospective employees and stimulating them to apply for jobs is called:
a. Selection **b. Recruitment** c. Placement d. Job rotation
67. Forecasting is most closely associated with
a. Organising b. Directing c. Staffing **d. Planning**
68. Job analysis includes job description and _____
a. Job evaluation b. merit rating
c. job identification **d. Job specification**
69. Supervision is an element of
a. Planning b. Organising **c. Directing** d. Controlling
70. Span of management/control means
a. Number of subordinates in a department
b. Number of subordinates working under a supervisor
c. Number of employees in a department
d. Number of superiors in a department
71. In Tally the option ' statutory compliance for ' is appear in
a. **Company creation screen** b. GST classification screen
c. F11 Statutory and Taxation Features d. Account creation screen
72. An account that the user need not create in Tally is
a. Cash at Bank b. Sundry creditors
c. Cash in hand d. Balance sheet
73. The voucher type for recording goods received in Tally is
a. Rejection in **b. Receipt Note** c. Purchase order. d. Stock voucher

74. Which Shortcut key is used to create a new company in Tally?
a. Ctrl+F3 **b. Alt+F3** c. Ctrl+F4 d. Alt+F4
75. In Tally the option used to copy company's data into pen drive or CD is:
a. Copy Data b. Move Data **c. Backup** d. Restore
76. For detailed view of any report which key is used in Tally?
a. **Alt+F1** b. Alt+F2 c. Ctrl+F1 d. Ctrl+F2
77. Which is the function of tally vault?
a. Ledger account b. Cost category
c. Company Configuration **d. Security mechanism**
78. Suspense Account Group is defined in Tally under
a. Assets b. Income c. Expenditure **d. Liabilities**
79. While exporting Ledgers from Tally to Web Page, we use
a. ASCII Format b. XML Format c. SDF Format **d. HTML Format**
80. In Tally TDS deduction can be made through
a. Payment Voucher **b. Journal Voucher**
c. Receipt Voucher d. All of these
81. Correct the sentence:
I would pay up if I was you.
a. **I would pay up if I were you** b. I would pay up if I am you
c. I would paid up if I were you d. I would pay up if I are you
82. Find out the sentence in past perfect tense:
a. When I arrived Raju has just left
b. When I arrived Raju had just left
c. When I arrived Raju was just left
d. When I arrived Raju was just leaving
83. Identify the sentence which is in passive voice?
a. The boy is climbing the cliff b. They made him king
c. They painted the house red **d. Alice was not much surprised at this**

Directions (Question 84) : Choose the word opposite in meaning to the given word

84. Validate

- a. **disprove** b. authenticate c. ingenuine d. legalise

Directions (Question 85): Choose the alternative which best expresses the meaning of the idiom/phrase.

85. He was progressing *by leaps and bounds* because of his hard work.

- a. **rapidly** b. slowly c. peacefully d. Strongly

Direction (Questions 86 to 100): Select the correct alternatives from the given choices

86. You can trust her. She _____ not cheat you

- a. **Will** b. Would c. Could d. Ought

87. He admitted his _____.

- a. Guilty b. Innocent **c. Guilt** d. Happy

88. If you started early, you _____ on time.

- a. Will reach **b. Would reach**
c. Would have reached d. Might have reached

89. Pick out the singular form from the given words

- a. Stadia b. Bacteria c. Criteria **d. Radius**

90. Devika enjoys _____ the dramas of Shakespeare

- a. **Reading** b. Read c. To read d. To reading

91. Sangeetha is 11th from either end of a row of girls. How many girls are there in the row?

- a. 19 b. 20 **c. 21** d. 22

92. In a certain code "CALANDER" is written as 'CLANAEDR'. How is 'CIRCULAR' written in that code?

- a. **CRIUCALR** b. CRIUCLRA c. CRIARLCU d. ICCRLURA

93. If DISC coded as 8749 and ACHE is coded as 3950, then HEAD is coded as _____

- a. 5308 b. 3508 c. 3805 **d. 5038**

94. A man said to a woman "The only son of your brother, is the brother of my wife". How is that woman related to the wife of that man?

- a. Sister b. Mother **c. Aunt** d. Grand mother

95. Find the odd one.
- a. DZ **b. AR** c. JT d. SK
96. By selling an article for Rs. 700, a man lost 30%. At what price should he have sold it to gain 30%
- a. Rs.910 b. Rs.1200 **c. Rs. 1300** d. Rs.1232
97. The number of positive integers less than 100 divisible by neither 5 nor 3 is _____
- a. 52 **b. 53** c. 46 d. 47
98. If 4 men or 7 women can finish a work in 60 days, then in how many days the same work can be finished by 8 men and 7 women?
- a. 16 days **b. 20 days** c. 24 days d. 18 days
99. A man buys a house and pays Rs. 8000 cash and Rs. 9600 at 5 years credit at 4% per annum simple interest. Find the cash price of the house?
- a. Rs.16000** b. Rs.17600 c. Rs.9600 d. Rs.15000
100. P, Q and R enter into a partnership with a capital in which P's contribution is Rs.10000. If out of a profit of Rs.1000, P gets Rs.500 and Q gets Rs.300, then the contribution of R in the capital is
- a. Rs. 5000 b. Rs.9000 c. Rs.6000 **d. Rs.4000**

Rough Work

