



**PHASE 02**  
**PAPER 02**

-

**YEAR**

**2022**

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## Commerce and Accountancy

**Q.1)**

70,000 shares of Rs 10 each = 7,00,000; NP after tax = 1,75,000; Market price = 13

Calculate book value of share.

- (a) 12.5 (d) 11.5  
(b) 14.5 (e) 9.5  
(c) 10.5

**Q.2)**

Cost of machine = Rs 12 lakh Life = 10 Years. SLM method of depreciation is used. Salvage value = nil. After 5 years, machine is revalued and its value is increased by 1,20,000 at the end of 5th year. The remaining life has now been calculated as 8 years. Find the depreciation for the 6th year.

- (a) Rs 90,000 (d) Rs 95,000  
(b) Rs 1,00,000 (e) Rs 9,000  
(c) Rs 80,000

**Q.3)**

A company has taken a Rs 70 crore loan from a foreign company. The contract is denominated in dollars. Exchange rate as on 31-03-2020 was \$1 = Rs 70. Exchange rate as on 31-03-2021 was \$1 = Rs 72.5. Payment of loan has to be made in 3 equal instalments. What is the profit or loss as per AS-11?

- (a) Profit of Rs 2.5 crore (d) Loss of Rs 1 crore  
(b) Loss of Rs 2.5 crore (e) Profit of Rs 1 crore  
(c) Loss of Rs 1.5 crore

**Q.4)**

What is incorrect about provision?

- (a) It is a present obligation of the enterprise arising from past events.  
(b) It is a liability which can be measured only by using a substantial degree of estimation.  
(c) It refers to an amount that is kept aside from a company's profit.  
(d) It appears in the income statement in the form of expenses.  
(e) It can be either short term or long term.

**Q.5)**

Calculate gross profit ratio from the following data:

- (1) Sales = Rs 1,00,000  
(2) Purchase = Rs 75,000  
(3) Purchase return = Rs 2,000  
(4) Carriage inwards = Rs 2,000  
(5) Wages = Rs 5,000  
(6) Decrease in inventory = Rs 10,000

- (a) 10% (d) 20%  
(b) 12% (e) 100%  
(c) 15%

**Q.6)**

Calculate Interest coverage ratio from the following data:  
NP after tax = 60,000; Tax = 40%; 15% debt = 10,00,000

- (a) 1.50 (d) 2.50  
(b) 1.67 (e) 1.57  
(c) 1.75

**Q.7)**

Calculate net profit as per cash basis of accounting for 2020-21:

- (1) Credit sales = Rs 90,000  
(2) Cash paid in salary = Rs 25,000  
(3) Advance received for 2022-23 = Rs 40,000  
(4) Ticket of airline purchased in March 2021 for travel in October 2022 = Rs 6500

- (a) 850 (d) 8500  
(b) 7500 (e) 8000  
(c) 9500

**Q.8)**

A company purchased 1000 units from outside vendor @ Rs 1200 per unit. The vendor allowed trade discount of 5%. The vendor said if payment is made in 45 days, he is eligible for cash discount @ 3%. Company decided to avail that. Custom duty is Rs 50 per unit and delivery charges is Rs 6000 as a whole. Find the value of inventory as per AS-2.

- (a) Rs 11,96,000 (d) Rs 9,56,000  
(b) Rs 10,96,000 (e) Rs 11,86,000  
(c) Rs 10,86,000

## Management

**Q.9)**

Which of the following is true for morale but not for motivation?

- (a) Things tied to it are part of work environment
- (b) Direct relation with productivity
- (c) It is an inner drive that keeps you going until you reach your goal
- (d) It produces a goal directed behaviour
- (e) It can be positive as well as negative

**Q.10)**

Anger, frustration, and humour are examples of which type of communication barrier?

- (a) Emotional
- (b) Psychological
- (c) Cultural
- (d) Linguistic
- (e) Ethnic

**Q.11)**

Which of the following function of HRD is concerned with increasing performance of employee with increase in his ability and knowledge?

- (a) Training and development
- (b) Motivation
- (c) Increase in workload
- (d) Increase in wages
- (e) Enrolling him in MBA course

**Q.12)**

Which of the following is connected to incentives but not rewards?

- (a) Forward-looking motivation
- (b) To appreciate and recognize people for the work done.
- (c) Prize given to someone, so as to recognize an employee's hard work or achievement
- (d) It is a tangible item that is given to congratulate and celebrate success or achievement.
- (e) It is retrospective in nature.

**Q.13)**

Identify the role of manager in which he seeks and receives wide variety of special information to develop a thorough understanding of the organization and environment:

- (a) Figurehead
- (b) Leader
- (c) Monitor
- (d) Resource allocator
- (e) Disseminator

**Q.14)**

Which of the following is a modern technique of managerial

control?

- (a) Responsibility accounting
- (b) Budgetary control
- (c) Break-even analysis
- (d) Personal observation
- (e) Statistical reports

**Q.15)**

According to South Pacific Commission 'human resource development is equipping people with relevant skills to have a healthy and satisfying life'. Which of the following is not the feature of human resource development?

- (a) Systematic approach
- (b) Continuous process
- (c) All pervasive
- (d) Performance appraisal
- (e) Equipping people with skills to extract resources to live a satisfying life

**Q.16)**

Which of the leadership theories talks about a leader who has an inspirational and charismatic approach and does not micromanage the workforce?

- (a) Transactional theory
- (b) Transformational theory
- (c) Great man theory
- (d) Contingency theory
- (e) Management theory

## Finance

**Q.17)**

Where any trade receivables are financed through a Trade Receivables Discounting System (TReDS), the concerned TReDS on behalf of the Factor shall, within a period of \_\_\_\_\_ days from the date of such assignment or satisfaction thereof, as the case may be, file with the Central Registry the relevant details.

- |             |             |
|-------------|-------------|
| (a) 20 days | (d) 10 days |
| (b) 30 days | (e) 15 days |
| (c) 7 days  |             |

**Q.18)**

Which of the following apps is launched by SEBI?

- |             |           |
|-------------|-----------|
| (a) SaaRthi | (d) UMANG |
| (b) YONO    | (e) MANI  |
| (c) BHIM    |           |

**Q.19)**

\_\_\_\_\_ is defined as the ability of a government to sustain smooth monetary operation and long-standing fiscal condition.

- |                       |                             |
|-----------------------|-----------------------------|
| (a) Fiscal prudence   | (d) Fiscal policy           |
| (b) Fiscal federalism | (e) Fiscal decentralization |
| (c) Fiscal stimulus   |                             |

**Q.20)**

In 15th Finance Commission, performance-based incentives had 4 themes. Which of the following is not one of those?

- (a) Social sector with focus on health and education
- (b) Rural economy
- (c) Governance and administrative reforms
- (d) Performance-based incentive system for the power sector
- (e) Manufacturing

**Q.21)**

Which of the following is correct about Dynamic QR code on B2C invoices under GST applicable from 1st July 2021?

- (a) Supplying services by way of admission to exhibition of cinematograph in films in multiples screen
- (b) Supplying passenger transportation service
- (c) Taxpayers with an annual turnover of more than five hundred crore rupees have to compulsorily generate a Dynamic QR code on their B2C invoices
- (d) An insurance or banking company or a financial institution, including NBFC
- (e) A goods transport agency supplying services in relation to transportation of goods by road in a goods carriage.

**Q.22)**

Which of the following is incorrect about NBFC?

- (a) It does not need to maintain CRR and SLR
- (b) It can accept demand deposits
- (c) It can give only medium and long-term loans
- (d) It is allowed to accept/renew public deposits
- (e) It cannot offer interest rates higher than the ceiling rate prescribed by RBI

## Costing

**Q.23)**

Calculate the value of closing stock using simple average method from the below information (the transactions are given in chronological order):

- (1) Purchase: 100 units at Rs 20 per unit
- (2) Purchase: 200 units at Rs 22 per unit
- (3) Issue: 250 units

- |          |          |
|----------|----------|
| (a) 1150 | (d) 1000 |
| (b) 1250 | (e) 1200 |
| (c) 1050 |          |

**Q.24)**

Calculate BEP in units from the following data:

- (1) Direct material cost per unit = Rs 12
- (2) Direct Labour cost per unit = Rs 6
- (3) Fixed Overheads = 60,000
- (4) Variable Overheads = 50% of direct labour
- (5) Selling Price = 30
- (6) Trade disc = 10%

- |            |            |
|------------|------------|
| (a) 8,000  | (d) 11,000 |
| (b) 9,000  | (e) 20,000 |
| (c) 10,000 |            |

**Q.25)**

Which of the following is not a feature of cellular manufacturing?

- (a) Reduce over-production
- (b) Increase in expense
- (c) Move as quickly as possible
- (d) Make a wide variety of similar products
- (e) Making as little waste as possible

**Q.26)**

Which of the following is an example of Notional price method?

- |                           |                             |
|---------------------------|-----------------------------|
| (a) FIFO method           | (d) LIFO method             |
| (b) Simple average method | (e) Weighted average method |
| (c) Standard price method |                             |

**Q.27)**

What is incorrect about marginal costing?

- (a) It is a method of costing like job or batch costing.
- (b) Contribution = Sales – cost of sales
- (c) It facilitates control over variable costs by avoiding arbitrary apportionment or allocation of fixed cost.
- (d) It is very useful tool of profit planning.

(e) It is very valuable technique in decision making.

**Q.28)**

Calculate prime cost from the following data:

- 1) Direct material = 10,00,000
- 2) Direct labour = 6,80,000
- 3) Fixed factory overheads = 50,000
- 4) Variable factory overheads = 40,000

- |               |               |
|---------------|---------------|
| (a) 10,40,000 | (d) 17,20,000 |
| (b) 17,70,000 | (e) 10,00,000 |
| (c) 16,80,000 |               |

**Q.29)**

Which of the following is not a method of splitting semi-variable cost?

- |                          |                              |
|--------------------------|------------------------------|
| (a) Least squares method | (d) Level of activity method |
| (b) Graphical method     | (e) Straight piece method    |
| (c) High and low method  |                              |

**Q.30)**

From the following information calculate the unit cost under absorption costing:

- 1) Direct material cost = 15,000
- 2) Direct labour = 20,000
- 3) Variable factory overhead = 8,000
- 4) Variable selling cost = 5,000
- 5) Fixed factory overhead = 10,000
- 6) Fixed selling cost = 1,000
- 7) Admin Expenses = 15,000
- 8) Number of units produced = 1,000

- |        |        |
|--------|--------|
| (a) 68 | (d) 43 |
| (b) 45 | (e) 35 |
| (c) 53 |        |

## Companies Act

**Q.31)**

How many directors can be appointed by small shareholders?

- (a) One (d) Four  
(b) Two (e) Five  
(c) Three

**Q.32)**

All shares in respect of which dividend has not been paid or claimed for \_\_\_\_ consecutive years or more shall be transferred by the company to IEPF.

- (a) 7 years (d) 10 years  
(b) 5 years (e) 6 years  
(c) 3 years

**Q.33)**

A meeting of the Board shall be called by giving not less than \_\_\_\_ days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means.

- (a) 30 days (d) 15 days  
(b) 7 days (e) 20 days  
(c) 10 days

**Q.34)**

The tenure of independent directors is for \_\_\_\_ consecutive years and if he is to be appointed for second term, special resolution needs to be passed.

- (a) 5 years (d) 7 years  
(b) 6 years (e) 3 years  
(c) 4 years

**Q.35)**

Where an application is made by the transferor alone and relates to partly paid shares, the transfer shall not be registered, unless the company gives the notice of the application to the transferee and the transferee gives no objection to the transfer within \_\_\_\_ from the receipt of notice.

- (a) One week (d) Four weeks  
(b) Two weeks (e) 15 days  
(c) Three weeks

**Q.36)**

The amount payable on application on every security shall not be less than \_\_\_\_ of the nominal amount of the security for such other percentage or amount, as may be specified by SEBI.

- (a) 1% (d) 5%  
(b) 4% (e) 2%  
(c) 3%

**Q.37)**

The President of the Tribunal and the chairperson and Judicial Members of the Appellate Tribunal, shall be appointed after consultation with

- (a) The Chief Justice of India  
(b) The President of India  
(c) The Vice President of India  
(d) The Chief Justice of High Court  
(e) The Prime minister of India

**Q.38)**

The audit committee shall consist of minimum \_\_\_\_ directors with independent directors forming a majority.

- (a) 3 (d) 4  
(b) 2 (e) 6  
(c) 5

**Q.39)**

Who can be an auditor of a company?

- (a) Practicing Chartered Accountant or Company Secretary  
(b) Practicing Company Secretary  
(c) Practicing Chartered Accountant  
(d) Practice Cost Accountant  
(e) Practicing Corporate Lawyer

## Economics

**Q.40)**

Which of the following is not a cause of demand-pull inflation?

- (a) Increase in export demand
- (b) Increase in money supply
- (c) Increase in govt spending
- (d) Increase in administered price
- (e) Overall economic growth, technological innovations, or a rising inflation rate

**Q.41)**

Calculate NNP at FC from GNP at MP.

- (1) GNP at MP - 5069
- (2) Depreciation - 626
- (3) Indirect tax - 475
- (4) Subsidies - 49

- (a) 4000
- (b) 5000
- (c) 4015
- (d) 4017
- (e) 5017

**Q.42)**

Which of the following statements is correct if  $D = 18 - 3P$ ?

- (1) Slope = -3; Linear curve
- (2) Max price = 6
- (3) Slope = -3; Non-linear curve
- (4) Slope = -1/3; Non-linear curve

- (a) 1 and 2
- (b) 2 and 3
- (c) 2 and 4
- (d) None of the above
- (e) Only 2

**Q.43)**

Which of the following is incorrect?

- (a) Demand for salt is perfectly elastic
- (b) If price of Colgate increases, demand of Closeup increases
- (c) Demand for medicines is perfectly inelastic
- (d) If price of coffee rises, demand of tea will rise
- (e) If there is rise in income of consumers, then there can be inflation in economy

**Q.44)**

Which of the following is not a non-plan expenditure?

- (a) Subsidies
- (b) Expenditure on electricity generation
- (c) Interest payment
- (d) Debt repayment
- (e) Defence expenditure

**Q.45)**

Which of the following is not a method of quantitative control by RBI?

- (a) Credit rationing
- (b) Open market operations
- (c) CRR
- (d) Repo and reverse repo
- (e) SLR

**Q.46)**

What is monetary base?

- (a) Currency in circulation + commercial bank deposits held in RBI's reserves
- (b) Currency in circulation
- (c) Currency in banks
- (d) Savings with the public
- (e) Demand deposit + Post office deposits

**Q.47)**

What is incorrect about Phillips curve?

- (a) Philips curve is an economic model hypothesizing a positive correlation between inflation and unemployment.
- (b) As per Friedman, there is no trade-off between unemployment and inflation in the long-run
- (c) As per Friedman, economy would always return to its natural rate of unemployment.
- (d) It is used to guide macroeconomic policy.
- (e) It is the connective tissue between a Central Bank's dual mandate goals of maximum employment and price stability.

**Q.48)**

Which of the following is not correct about monopoly?

- (a) A bilateral monopoly exists when a market has only one supplier and one buyer.
- (b) In the monopoly, the products produced through the monopolist pose no quicker replacement.
- (c) Companies have control over the good's availability.
- (d) The firm's demand curve is identical to or almost similar to the industry's demand curve.
- (e) Product differentiation is the main feature of monopoly.

**Q.49)**

Which of the following is incorrect?

- (a) In case of monopolistic competition, there are only normal profits in the long-run and there is no excess capacity.
- (b) Long-run equilibrium under monopolistic competition is given by the point of tangency of LAC and AR curve of the firm.
- (c) Consumer surplus reduces in monopolistic competition as compared to perfect competition.
- (d) In case of monopolistic competition, there are many sellers of any commodity but commodity of every seller is different from commodities of other sellers in any way.



- (e) Every firm in monopolistic competition spends more money in promoting its products.

**Q.50)**

**Which of the following correctly describes interest rate parity?**

- (a) It is the fundamental equation that governs the relationship between interest rates and currency exchange rates.  
 (b) It is a popular metric used by macroeconomic analysts that compares different countries' currencies through a basket of goods.  
 (c) It is the number of bits with a value of one is an even number.  
 (d) It is the exchange rate between the currencies of two countries making the purchasing power of both currencies.  
 (e) Interest rate parity is the potential for investment losses that result from a change in interest rates.

## ANSWERS

### Commerce and Accountancy

Q.1) (a)

Explanation:

This question was asked from the commerce and accountancy section of the syllabus. The level of this question is moderate. You need to know the formula of book value of share to solve this question.

The formula for the book value per share involves **taking the book value of equity and dividing that figure by the weighted average of shares outstanding**. Make sure you don't forget to add the net profit after taxation in value of shares for reaching the book value of the share.

$$7,00,000 + 1,75,000 = 8,75,000/70,000 = 12.5$$

Q.2) (a)

Explanation:

This question was asked from the commerce and accountancy section of the syllabus. It is an easy question if you know the basic formula to calculate depreciation then you can do it.

$$5 \text{ years depreciation} = 1,20,000 \times 5 = 6,00,000$$

$$\text{The value of remaining asset} = 12,00,000 - 6,00,000 = 6,00,000$$

As the value has increased by 1,20,000 we need to add this amount in 6,00,000

$$1,20,000 + 6,00,000 = 7,20,000$$

$$7,20,000/8 = 90,000$$

Q.3) (b)

Explanation:

This question was asked from the commerce and accountancy section of the syllabus. This question is meant to check conceptual clarity of the candidate.

As you can see, the value of the rupee has depreciated so, there is a loss. With this information, you can eliminate the options which are showing profit.

Now, there is a loss of 2.5 crores (72.5 – 70).

So, option (b) will be the answer.

Q.4) (a)

Explanation:

This question was asked from the Commerce and Accountancy section of the syllabus. The level of this question is moderate.

The thing worth noticing in this question is, you have to find the INCORRECT statement not the correct one. So, please be careful with KEYWORDS while approaching any question.

Otherwise, you will end up wasting your time. So, you should make a habit of reading every question twice before going through the options to save your time later.