



# Phase 1 Paper 2 Questions - 2024

## Commerce & Accountancy

### Q.1)

In terms of Ind AS 36, an asset is impaired when \_\_\_\_\_.

- (a) the asset's market value is higher than its historical cost.
- (b) the asset's carrying amount exceeds its recoverable amount.
- (c) the asset has been fully depreciated.
- (d) the asset's fair value is equal to its carrying amount.
- (e) the asset is revalued upwards as per the revaluation model.

### Q.2)

Which of the following is a limitation of the fund flow statement?

- (a) It fails to capture the effects of non-operating financial activities such as issuance of shares.
- (b) It considers depreciation as a source of fund, which may distort fund generation analysis.
- (c) It provides excessive focus on liquidity by analyzing only cash equivalents.
- (d) It does not distinguish between capital and revenue expenditures.
- (e) It gives equal emphasis to both cash flow and working capital changes.

### Q.3)

The preparation of consolidated financial statements is mandatory for\_\_\_\_\_?

- (a) All companies listed on a stock exchange
- (b) A company having one or more associates, regardless of control

- (c) A holding company having one or more subsidiaries
- (d) Any company with joint ventures or partnerships
- (e) Companies that follow the cash basis of accounting

**Q.4)**

**Account entries are recorded using which of the following bases to ensure accuracy and completeness?**

- (a) Single-entry bookkeeping
- (b) Cash flow mapping
- (c) General ledger referencing
- (d) Accrual balancing technique
- (e) Double-entry bookkeeping

**Q.5)**

**Which activity is classified as investing activity in a cash flow statement?**

- (a) Payment of dividends to shareholders
- (b) Purchase of machinery for production
- (c) Issue of equity shares
- (d) Repayment of long-term borrowings
- (e) Payment of salaries and wages

**Q.6)**

**A company pays royalty to the state government on the basis of production. It will be classified under \_\_\_\_\_ in the company's books.**

- (a) Administrative Expense
- (b) Selling Overhead
- (c) Production Overhead
- (d) Direct Expense
- (e) Capital Expenditure

**Q.7)**

**A firm has current assets of ₹900,000, inventory worth ₹200,000, and current liabilities of ₹500,000. What is the quick ratio?**

- (a) 1.0 : 1
- (b) 1.2 : 1
- (c) 1.4 : 1
- (d) 1.5 : 1
- (e) 1.8 : 1

## **Management**

**Q.8)**

**Human Resource Development aims at upskilling and reskilling the workforce which increases production and efficiency and reduces errors. The tangible benefit to the organization's bottom line is:**

- (a) Improved employee retention
- (b) Attraction of top talent
- (c) Increased competitive advantage
- (d) Foster a learning culture
- (e) Improved performance

**Q.9)**

**Relationship theories which focus upon the connections formed between leaders and followers where leaders motivate and inspire members by helping them see the importance and higher good of the tasks are also known as:**

- (a) Management Theories of Leadership
- (b) Contingent Theories of Leadership
- (c) Transactional Theories of Leadership
- (d) Transformational Theories of Leadership

(e) Situational Theories of Leadership

**Q.10)**

**Which of the following types of compliance refers to job specific qualities and behavior unique to each job posting which are necessary for an individual to succeed at the job and for performance expertise?**

- (a) Intelligence
- (b) Functional
- (c) Social
- (d) Motivational
- (e) Emotional

**Q.11)**

**Which school of management outlines the framework for studying the more recent trends in management, such as the impact of global business?**

- (a) Behavioural School of Thought
- (b) Contemporary School of Thought
- (c) Organisation School of Thought
- (d) Scientific School of Thought
- (e) Integrated School of Thought

**Q.12)**

**Which of the following is the process of evaluating an employee's ability to take on higher responsibilities and leadership roles within an organisation?**

- (a) Potential Appraisal
- (b) Performance Appraisal
- (c) Quality Circle
- (d) Organisational Development
- (e) Groupthink

**Q.13)**

**Organising is an important function of management. It is a function in which the**

**synchronization and combination of human, physical and financial resources takes place. All the three resources are important to get results. Which of the following is correct about Organising?**

- (a) It involves deciding in advance as to what is to be done, how, and when.
- (b) It involves identification of activities to be carried out, grouping of similar activities and creation of departments.
- (c) It involves manpower planning, employment of personnel and their training, appraisal, remuneration, etc.
- (d) It involves communication with subordinates, providing them leadership and also motivating them.
- (e) It involves comparing the actual performance with the plans or standards.

**Q.14)**

**What role does a leader play when they select the best course of action from multiple alternatives?**

- (a) Decision Maker
- (b) Coach/Mentor
- (c) Communicator
- (d) Mentor
- (e) Innovator

**Q.15)**

**Which of the following is a barrier of communication that hinders the interpretation of the message which is related to the background and experience of the sender and receiver?**

- (a) Attitudinal Barrier
- (b) Linguistic Barrier
- (c) Physical Barrier
- (d) Emotional Barrier
- (e) Cultural Barrier

## Finance

**Q.16)**

**In the call money market, money is lent for more than 1 day but less than 15 days, which is referred to as:**

- (a) Call money
- (b) Term money
- (c) Hot money
- (d) Cold money
- (e) Notice money

**Q.17)**

**Market borrowing raised by the RBI on behalf of the state government, to the extent of the allocation, is under the market borrowing programme as approved by the Ministry of Finance in consultation with \_\_\_\_\_.**

- (a) FIMMDA
- (b) DIPAM
- (c) SEBI
- (d) CAG
- (e) NITI AAYOG

**Q.18)**

**Which of the following regulatory bodies is involved in the regulation of microfinance in India?**

- (a) SEBI
- (b) NABARD
- (c) NHB
- (d) RBI
- (e) IRDAI

**Q.19)**

**What is a forward rate agreement?**

- (a) A contract to trade a particular asset at a specified price on a pre-determined date.
- (b) An agreement where two parties exchange payments based on rates determined by different benchmarks.
- (c) A derivative contract between two parties, where they agree to exchange an interest rate differential on a specified notional amount over a predetermined period in the future.
- (d) A standardised forward contract traded on an exchange, where the counterparty is the exchange.
- (e) A contract that grants the right but not the obligation to buy or sell an asset at a specified price before a certain date

**Q.20)**

**As per the supervisory role of NABARD, it conducts statutory inspection of which of the following?**

- (a) District Central Co-operative Banks
- (b) Scheduled Commercial Banks
- (c) NBFCs
- (d) Local Area Banks
- (e) Primary (Urban) Co-operative Banks

**Q.21)**

**Which of the following day count conventions is followed in the government securities market in India to calculate the yield?**

- (a) 30/actual
- (b) 30/360
- (c) actual/actual
- (d) actual/360
- (e) actual/365

**Q.22)**

**Which security carries absolutely no risk of default?**

- (a) Commercial Paper
- (b) Bank Fixed Deposits
- (c) Mutual Fund Units
- (d) Gilt Securities
- (e) Non-convertible Debentures

**Q.23)**

**Which of the following is the primary function of IOSCO?**

- (a) Setting global standards for the securities sector
- (b) Auditing public sector companies worldwide
- (c) Regulating insurance companies globally
- (d) Monitoring foreign exchange reserves of member countries
- (e) Managing monetary policy coordination among central banks

**Q.24)**

**Any public/private company raising money through Commercial Paper should have a minimum net worth of \_\_\_\_\_ crore.**

- (a) 8
- (b) 5
- (c) 6
- (d) 7
- (e) 4

**Q.25)**

**What is the current yield on a 10% bond with a face value of Rs 100 bought at a price of Rs 80?**

- (a) 12%

- (b) 12.5%
- (c) 11.5%
- (d) 11%
- (e) 13%

## Costing

### Q.26)

**In Activity-Based Costing (ABC), which of the following refers to the grouping of individual costs that are aggregated for assignment to cost objects such as services or procedures?**

- (a) Cost objects
- (b) Cost absorption
- (c) Cost pools
- (d) Cost driver
- (e) Cost unit

### Q.27)

**Which of the following refers to the activity that involves determining the specific time when tasks or operations should begin and end in a production or project environment?**

- (a) Scheduling
- (b) Planning
- (c) Follow up
- (d) Routing
- (e) Timing

### Q.28)

**\_\_\_\_\_ is an approach to equipment maintenance and productivity improvement.**

- (a) Total Product Maintenance

- (b) Total Service Maintenance
- (c) Total Productive Maintenance
- (d) Total Equipment maintenance
- (e) Total Corrective Maintenance

**Q.29)**

**In the context of quality management and process improvement strategies, which of the following primarily focuses on the elimination of waste to enhance efficiency and value in operations?**

- (a) Continuous Improvement Process
- (b) Lean system
- (c) Six sigma
- (d) Kaizen system
- (e) Total Quality Management

**Q.30)**

**\_\_\_\_\_ is the group technology which is a subsection of Lean and Just-in-time (JIT) manufacturing systems?**

- (a) Total Productive Maintenance
- (b) Cellular Manufacturing
- (c) Six Sigma
- (d) Business Process Reengineering
- (e) Benchmarking

**Q.31)**

**In the context of standard costing, which type of cost is estimated before the actual production begins and is used as a benchmark for measuring performance?**

- (a) Predetermined cost
- (b) Historic cost
- (c) Direct Cost

- (d) Actual cost
- (e) Fixed cost

**Q.32)**

**If the PV ratio is 30% of the sales, then what is 70% of the sales?**

- (a) Material cost
- (b) Variable cost
- (c) Fixed cost
- (d) Selling cost
- (e) Direct cost

**Q.33)**

**In ABC Costing, the costs are allocated based on:**

- (a) Cost unit
- (b) Cost Drivers
- (c) Cost centers
- (d) Cost absorption
- (e) Cost Pool

## **Companies Act**

**Q.34)**

**Within how many days should money be deposited in the Special Account (unpaid dividend account) after expiry of 30 days from the date of declaration of dividend?**

- (a) 10 days
- (b) 5 days
- (c) 7 days
- (d) 15 days
- (e) 3 days

**Q.35)**

**Section 186(4) of the Companies Act, 2013 mandates certain disclosures in the financial statements. Which of the following is not required to be disclosed under this section?**

- (a) Loans given
- (b) Investments made
- (c) Guarantees given
- (d) Security provided
- (e) Director's remuneration

**Q.36)**

**As per Section 139 of the Companies Act, 2013, an auditor appointed for a government or non-government company can be removed from office before the expiry of their term only by passing a special resolution and after obtaining prior approval from which of the following authorities?**

- (a) Comptroller and Auditor General of India (CAG)
- (b) National Financial Reporting Authority (NFRA)
- (c) Central Government
- (d) Securities and Exchange Board of India (SEBI)
- (e) Registrar of Companies (RoC)

**Q.37)**

**The notice of the Board Meeting refers to a document that is sent to all directors of the company. The Notice of Board Meeting and the Agenda of Board Meeting are to be prepared and issued to every director at their registered address at least \_\_\_\_\_ before the date of the meeting.**

- (a) 5 days
- (b) 7 days
- (c) 3 days
- (d) 2 days
- (e) 10 days

**Q.38)**

**As per the Companies Act, 2013, what is the maximum age limit for the Chairperson of the National Company Law Appellate Tribunal (NCLAT)?**

- (a) 65 years
- (b) 67 years
- (c) 68 years
- (d) 70 years
- (e) 72 years

**Q.39)**

**As per the Companies Act, 2013, a listed company may appoint one director elected by which category of shareholders?**

- (a) Institutional shareholders
- (b) Majority shareholders
- (c) Small shareholders
- (d) Preference shareholders
- (e) Debenture holders

**Q.40)**

**Within how many days can a person appeal against the order of the National Company Law Tribunal (NCLT) to the National Company Law Appellate Tribunal (NCLAT)?**

- (a) 90 days
- (b) 15 days
- (c) 60 days
- (d) 30 days
- (e) 45 days

**Q.41)**

**For how many days should the offer for a rights issue be open?**

- (a) Minimum 15 days and maximum 30 days
- (b) Minimum 10 days and maximum 25 days

- (c) Minimum 7 days and maximum 21 days
- (d) Minimum 20 days and maximum 35 days
- (e) Minimum 30 days and maximum 45 days

**Q.42)**

**What is the lock-in period of sweat equity shares issued by a company?**

- (a) 1 year from the date of allotment
- (b) 2 years from the date of allotment
- (c) 3 years from the date of allotment
- (d) 5 years from the date of allotment
- (e) No lock-in period is applicable

**Q.43)**

**Notwithstanding the provisions of the Companies Act, 2013, companies can issue securities in dematerialized form by complying with the provisions of \_\_\_\_\_.**

- (a) Securities Contracts (Regulation) Act, 1956
- (b) SEBI Act, 1992
- (c) Depositories Act, 1996
- (d) Indian Contract Act, 1872
- (e) Banking Regulation Act, 1949

## **Economics**

**Q.44)**

**Which of the following indices measures the total monetary value of all final goods and services produced within a country during a specific period?**

- (a) Gross GDP
- (b) Ecological Footprint
- (c) Human Development Index (HDI)
- (d) Inflation Rate
- (e) Unemployment Rate

**Q.45)**

**Which of the following is a characteristic of a perfectly competitive market?**

- (a) monopoly power
- (b) Price discrimination
- (c) Barrier to entry
- (d) Many buyers and sellers
- (e) Product discrimination

**Q.46)**

**How is per capita income measured?**

- (a)  $PCI = \text{Total income} / \text{Total Expenditure}$
- (b)  $PCI = \text{Total household} / \text{Total population}$
- (c)  $PCI = \text{Total profit} / \text{Total population}$
- (d)  $PCI = \text{Total Expenditure} / \text{Total Population}$
- (e)  $PCI = \text{Total income} / \text{Total Population}$

**Q.47)**

**The IS-LM Curve model is used to analyze the equilibrium in which of the following?**

- (a) Labour market
- (b) Goods market
- (c) Stock market
- (d) Simultaneously in goods and money market
- (e) Real market

**Q.48)**

**Stagflation refers to an economic situation where there is**

- (a) Low inflation and low unemployment
- (b) Stable prices and stable employment
- (c) High inflation and low unemployment
- (d) High inflation and high unemployment

(e) Low inflation and high unemployment

**Q.49)**

**In economics, the functional relationship between the quantity of a good demanded and its price is known as:**

- (a) Elasticity
- (b) Demand
- (c) Supply
- (d) Surplus
- (e) Equilibrium

**Q.50)**

**What is the main cause of structural unemployment?**

- (a) Seasonal fluctuations in business
- (b) Technological change making certain skills obsolete
- (c) Lack of motivation among workers
- (d) Temporary layoffs due to business cycles
- (e) Excessive demand in the labor market