

MULTIPLE CHOICE QUESTIONS AND ANSWERS (MCQs) INTERMEDIATE EXAMINATION

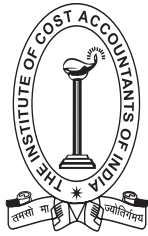
(Syllabus 2022)

WESTERN INDIA REGIONAL COUNCIL OF
The Institute of Cost Accountants of India
(Statutory Body under an Act of Parliament)

Rohit Chambers, 4th Floor, Janmabhoomi Marg, Fort, Mumbai 400 001.
Mobile No. 8828061444 / 9372036890 / 7777088443
E-mail: wirc.admin@icmai.in / wirc@icmai.in
Website: www.icmai.in

Students & Members Facilitation Centres
Thane

Sumitra Arcade, 6th floor, Talav Pali,
Thane West



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Note : In case of discrepancies in answers, views expressed by Directorate of Examination are full and final.

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President's Message



Warm greetings to all CMA students,

I am delighted to share some exciting news with you all that the Western India Regional Council (WIRC) of ICAI is unveiling a comprehensive Multiple Choice Questions & Answers bank during the "Regional Students Cost Convention 2024" on 17th & 18th February, 2024 at Nashik.

As we all know, consistent preparation using various methods, including MCQs, is instrumental in our overall readiness for examinations. These objective questions play a crucial role in ensuring success in our academic pursuits.

I extend my heartfelt congratulations to CMA Chaitanya Mohrir, Chairman of WIRC - ICAI, and CMA Mihir Vyas, Chairman Students, Coordination Committee, WIRC - ICAI, for spearheading this commendable initiative. Their dedication and enthusiasm in implementing such a beneficial program for students deserve recognition.

I am confident that the Multiple Choice Questions and Answers bank will greatly aid in your exam preparation and pave the way for impressive scores in the upcoming examinations. This resource is equally valuable for the students of Intermediate and Final Course, offering concise and focused guidance for effective revision.

A special note of gratitude goes to CMA P. D. Modh, CMA Rajesh Kapadia and CMA Anil Kawade, who served as the resource persons for developing the MCQs. Their expertise and efforts have contributed immensely to this invaluable resource.

I want to reassure all students that WIRC remains committed to its mission of serving students and will continue to provide support and resources to enhance your learning journey.

With best regards,

CMA Ashwin G. Dalwadi

President, ICAI

FOREWORD



It is said that if a person can answer the objective type questions in a professional examination he/she has an edge to score high in the examination. However, it is a double edged sword as objective questions are sometimes tougher as they cover the nitty gritty of the syllabus. It is epitome for a student to study comprehensively to score high in the multiple choice questions. The objective of this publication is to enable the students to help them in the process of understanding and preparing for the examination.

The Multiple Choice Question Answers papers are set in different styles i.e. true or false statements, multiple choice etc. question paper is having due weightage to objective type.

This book is an attempt by WIRC to provide questions of various types in varied subjects of our Institute's Intermediate Course.

I acknowledge the valuable support of all well experienced faculties in the respective fields for their whole hearted support to WIRC for publishing this book. I have the great pleasure in associating with them in their attempt. I am confident that this monumental collective work will receive accord and appreciation from the students and teaching fraternity. I thank the Students' Coordination Committee for their efforts in materializing this publication for the benefit of the students.

I wish all success to the students and wish them all the best for the upcoming examination.

CMA Chaitanya Laxmanrao Mohrir

Chairman

Western India Regional Council

The Institute of Cost Accountants of India

Students Committee Chairman's Message



I am deeply pleased to state that it gives me immense pleasure to state that the Western India Regional Council had released the publication of Multiple Choice Questions & Answers at the Students Regional Cost Conference 2024 held at Nashik from the hands of Shri Hemant Godse, Hon'ble Member of Parliament, Chief Guest and CMA V.P.Shenoy, Assistant Vice President, Finance, Graphite India Ltd. Guest of Honour for the event. CMA Ashwin G. Dalwadi, President, ICAI was also present for the occasion to bless the occasion.

The publication is very useful as multiple type of questions are a mandatory part for the examination of the Intermediate Students and the scores are very much important for overall evaluation of the performance of the students.

I would like to thank our faculties who had contributed for the publication which is useful for the preparation of the students and thank the contribution of CMA P D Modh, CMA Rajesh Kapadia & CMA Anil Kawade respectively.

I would also like to thank CMA Chaitanya Laxmanrao Mohrir, Chairman, WIRC-ICMAI, CMA Arindam Goswami, Vice-Chairman, WIRC- ICAI and CMA Nanty Shah, Treasurer, WIRC-ICMAI and all the Council Members.

I would like to state the support of CMA Ashwin G Dalwadi, Hon'ble President, ICAI for his wholehearted support.

I wish all the students all the best for the upcoming examination and hope that they take the best from the MCQs for their preparation for the examination.

Warm Regards,

CMA Mihir Narayan Vyas

Hon Secretary &

Chairman, Students Co-ordination Committee

ICMAI - WIRC

MULTIPLE CHOICE QUESTIONS AND ANSWERS (MCQS) INTERMEDIATE EXAMINATION

(Syllabus 2022)

Paper - 9 : Operation Management and Strategic Management
Paper - 10: Corporate Accounting and Auditing

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Operation Management & Strategic Management Intermediate – Paper - 9

- (1) Act of assigning specific task to specific work center to be performed in a specific sequence
 - (a) Scheduling
 - (b) Despatching
 - (c) Following
 - (d) Routing
- (2) Arrangement of different machines involved in manufacturing
 - (a) Scheduling
 - (b) Routing
 - (c) Follow-up
 - (d) Inspection
- (3) Block control is useful
 - (a) Textile industry
 - (b) Pharma industry
 - (c) Engineering industry
 - (d) Chemical industry
- (4) In chemical industries most suitable control is
 - (a) Flow Control
 - (b) Load Control
 - (c) Order Control
 - (d) Project Control
- (5) North West corner rule is concern
 - (a) Transportation
 - (b) Assignment
 - (c) Simulation
 - (d) Queing
- (6) Mr. M is promoted from supervisor to Manager, This process is
 - (a) Job evaluation
 - (b) Job enrichment
 - (c) Merit rating
 - (d) Job assignment
- (7) Ranking, Grading and Weighing work characteristics of all jobs in order to find out or rate the worth of job
 - (a) Job evaluation
 - (b) Job assignment
 - (c) Merit rating
 - (d) Job description
- (8) Point rating method for
 - (a) Job evaluation
 - (b) Merit rating
 - (c) Job enhancement
 - (d) Job assignment

- (9) Productivity is ratio of
- (a) Output of volume / Input of volume
 - (b) Input of volume / output of volume
 - (c) Input of value / output of volume
 - (d) Output of value / input of volume
- (10) Generally thought of items of plant or assets that periodically are changed out for repair or overall called
- (a) Rotable spares
 - (b) Regular spares
 - (c) Insurance spares
 - (d) Capital spares
- (11) The most powerful and popular method for solving liner programming problems
- (a) Simplex method
 - (b) Vogel's approximation method
 - (c) North-West corner method
 - (d) Breakeven analysis
- (12) Intermediate term planning decision is called
- (a) Aggregate planning
 - (b) Accurate planning
 - (c) Overall planning
 - (d) Temporary planning
- (13) Manufacturing Resource Planning is
- (a) MRP I
 - (b) MRP II
 - (c) Both MRPI & II
 - (d) None MRPI & II
- (14) When low volume of high variety goods are needed used
- (a) Repetitive Process
 - (b) Batch Process
 - (c) Job shop Process
 - (d) Project Process
- (15) Batch Process is used when
- (a) Moderate volume of goods required
 - (b) High volume of goods required
 - (c) Low volume of goods required
 - (d) When continuous product is required
- (16) When higher volumes of more standard goods required useful
- (a) Repetitive process
 - (b) Batch process
 - (c) Continuous process
 - (d) Job shop Process

- (17) Minimum level of stock
- (a) Re-order level – (Normal usage x Normal delivery period)
 - (b) Re-order level – (Min. usage x Min. Delivery period)
 - (c) Re-order level – (Max. usage x Max. delivery period)
 - (d) Re-order level + (Max. usage x Max. delivery period)
- (18) Aim of work study is to
- (a) Systematic Investigation of existing method of doing job
 - (b) Finding the best and most efficient way of using available resources
 - (c) Minimize the movement of employee
 - (d) Study of wasting time
- (19) Arranging a production line so that there is an even flow of production from one work station to the next is called
- (a) Line balancing
 - (b) Operation research
 - (c) Work study
 - (d) Method study
- (20) Balancing efficiency
- (a) Practical capacity / Installed capacity
 - (b) Installed capacity / Practical capacity
 - (c) Output of task time / Input of work station time
 - (d) Input by work station time / Output of task time
- (21) PERT is
- (a) Suitable for non-repetitive projects
 - (b) Suitable for repetitive project
 - (c) It concern when time estimate is certain
 - (d) Statistically cannot analyzed
- (22) TQM stands for
- (a) Total Quantity Management
 - (b) Total Quality Management
 - (c) Total Quality Measurement
 - (d) Total Quality Measurement
- (23) Who is Quality Guru
- (a) Danning
 - (b) Petere Druckur
 - (c) Warren Buffet
 - (d) Fedric Taylor
- (24) Six Sigma is a part of
- (a) TQM
 - (b) TPM
 - (c) LPP
 - (d) ISO

- (25) Operation Management applicable
- (a) only for service
 - (b) only for production
 - (c) both service and production
 - (d) not service not production
- (26) KAIZEN is a technique of improvement
- (a) Quantum jump
 - (b) Slow improvement
 - (c) One time improvement
 - (d) None of above
- (27) Capacity in unit per day A-(380) → B-360 → C-340 → D-400
Identify bottleneck center
- (a) A
 - (b) B
 - (c) C
 - (d) D
- (28) System efficiency is
- (a) Actual output / System capacity
 - (b) Actual output / Max. capacity of Machine center
 - (c) Actual output / Average capacity of all the Machine center
 - (d) System capacity / actual output
- (29) When system efficiency is 70% and actual production is 420 units, means system capacity will be
- (a) 284 units
 - (b) 430 units
 - (c) 500 units
 - (d) 600 units
- (30) When variable cost per unit Rs.5; P/v Ratio in 50%; Fixed cost is Rs.5000, what will be BEP
- (a) 10,000 units
 - (b) 1000 units
 - (c) 100 units
 - (d) 1,00,000 units
- (31) Who initiate Quality Circle
- (a) Joseph Juran
 - (b) Ishikawa
 - (c) Daming
 - (d) Subramanyan
- (32) Machine A where operator efficiency is 80%, Std. Man hour per component is 0.20. Machine availability 100%, so actual hours required is (required production 4800 units)
- (a) 1200 hours
 - (b) 1000 hours
 - (c) 800 hours
 - (d) 1600 hours

- (33) Two location A and B. Variable cost per unit for location A is Rs.5 and Rs.10 for location B. Fixed cost for location A is Rs.5000 and for location B is Rs.10,000. When production is 5000 units, which location is economical
- A
 - B
 - A or B
 - None
- (34) When fixed cost for location A is Rs.5000 and for location B is Rs.10,000, variable cost for A is Rs.5 and for B is Rs.10. How many units produce when both the plants having equal total cost
- 1000 units
 - 10000 units
 - 1500 units
 - 15000 units
- (35) Which is not rule for scheduling
- FCFS
 - LCFS
 - EDD
 - PERT
- (36) Critical Ratio means
- Available time till due date / Operation time still needed to complete jobs
 - Operation time still needed to complete the job / Available time till due date
 - Available time till due date / Remaining time to complete the job
 - Available time till due date / Total time to complete job
- (37) There are four job, A B C D – slack time for A is 3; for B is 1; for C is 2 and D is 4. Sequence will be
- A, B, C, D
 - B, C, D, A
 - C, D, A, B
 - C, B, A, D
- (38) Efficiency for labour
- Std. labour hours / Actual labour hours
 - Actual labour hours / Std labour hours
 - Std. Labour hours to produce / Total labour hours
 - Total Labour hours / Std. labour hours to produce
- (39) ISO 9002 model for
- Quality assurance of design
 - Quality assurance for production and installation
 - Quality assurance for final production
 - Quality management and quality system

- (40) EFT is stands for
- (a) Economic flow time
 - (b) Earliest flow time
 - (c) Earliest finish time
 - (d) Economic finish time
- (41) Free float equal
- (a) Total float - slack time of head event
 - (b) Total float – Tail slack
 - (c) Total float + slack time
 - (d) Independent float – Tail slack
- (42) Spares which are required in substantial numbers for production called
- (a) Capital spares
 - (b) Regular spares
 - (c) Insurance spares
 - (d) Rotable spares
- (43) Generally small Number of units produced in
- (a) Job Production
 - (b) Continuous Production
 - (c) Repetitive Production
 - (d) Mass Production
- (44) When Govt regulations for stock of material are frequently change you will prefer to keep
- (a) Minimum stock
 - (b) Average stock
 - (c) Maximum stock
 - (d) Zero stock
- (45) F.W. Taylor is concern with
- (a) TQM
 - (b) Scientific Management
 - (c) Project Management
 - (d) Productivity Management
- (46) Which is not aspect of customer service
- (a) Manufacturing
 - (b) Transport
 - (c) Supply
 - (d) Project
- (47) PERT and CPM is stand for
- (a) Project Evaluation and Review Technique and Critical Period Method
 - (b) Project Evaluation and Critical Path Method
 - (c) Project Evaluation Review Technique and Critical Project Method
 - (d) Project Evaluation Review Transaction and Critical Path Method

- (48) Line Layout is most suitable for
- (a) Continuous Production
 - (b) Job Production
 - (c) Repetitive Production
 - (d) Batch Production
- (49) Powerful and popular method for solving the problem is
- (a) Simplex Method
 - (b) Assignment Method
 - (c) Queuing Method
 - (d) Replacement Method
- (50) Value analysis is technique of
- (a) Cost control
 - (b) Cost reduction
 - (c) TQM
 - (d) LPP
- (51) A firm sells 5000 units and loss is Rs.10,000. But if it sells 9000 units. Profit is Rs.10,000, so fixed cost
- (a) 30,000
 - (b) 35,000
 - (c) 40,000
 - (d) 20,000
- (52) Last stage of production control
- (a) Inspection
 - (b) Follow-up
 - (c) Dispatching
 - (d) Routing
- (53) The first stage in production planning
- (a) Selection of location of plant
 - (b) Layout
 - (c) Man power planning
 - (d) Material planning
- (54) JIT stands for
- (a) Just in Time Manufacturing
 - (b) Just in Time Purchase
 - (c) Just in Time Manpower
 - (d) Just in Time for Sale
- (55) The act of assessing the future and make provision for it is known as
- (a) Forecasting
 - (b) Line Balancing
 - (c) LPP
 - (d) TQM

- (56) Few variety in large volume production is
 (a) Mass production
 (b) Job production
 (c) Batch production
 (d) Repetitive production
- (57) PERT is
 (a) Activity Oriented Techniques
 (b) Program Oriented Techniques
 (c) Event Oriented Techniques
 (d) Skill Oriented Techniques
- (58) Operating cost for Machine A is Rs.16000 and Production rate is 20 Pcs per hour, setup cost is Rs.600. What will be cost per unit operating hour/setup. 8000 pcs what will be cost per piece?
 (a) Rs.2 . 075
 (b) Rs.2 . 750
 (c) Rs.3 . 0
 (d) Rs.2 . 0
- (59) Formula for EBQ is
 (a) $\sqrt{2 \times \text{Annual output} \times \text{setup cost} / \text{Annual Cost of Carrying one unit}}$
 (b) $\sqrt{2 \times \text{Annual Cost} \times \text{Setup cost} / \text{Annual Production}}$
 (c) Both are true
 (d) None
- (60) The time study of a machinery operation recorded cycle times of in minute 8.0, 7.0, 8.0 and 9.0 rated observed worker as 90% what will be normal time
 (a) 8.0
 (b) 9.0
 (c) 7.0
 (d) 7.2

Answer :

1	(b)	2	(a)	3	(a)	4	(a)	5	(a)	6	(c)	7	(a)	8	(a)
9	(a)	10	(a)	11	(a)	12	(a)	13	(b)	14	(c)	15	(a)	16	(a)
17	(a)	18	(b)	19	(a)	20	(c)	21	(a)	22	(b)	23	(a)	24	(a)
25	(c)	26	(b)	27	(c)	28	(a)	29	(d)	30	(b)	31	(b)	32	(a)
33	(a)	34	(a)	35	(d)	36	(a)	37	(d)	38	(a)	39	(b)	40	(c)
41	(a)	42	(b)	43	(a)	44	(a)	45	(b)	46	(d)	47	(b)	48	(a)
49	(a)	50	(b)	51	(b)	52	(a)	53	(a)	54	(a)	55	(a)	56	(a)
57	(c)	58	(a)	59	(a)	60	(d)								

Strategic Management

- (1) Strategic Management for
 - (a) One year
 - (b) Two to three years
 - (c) Less than one year
 - (d) Long term
- (2) Vision is a
 - (a) Agenda to complete the work
 - (b) Philosophy of founder
 - (c) Planning – how to achieve the target
 - (d) None of above
- (3) SWOT analysis for
 - (a) Strength, Weakness, Opportunity & Threat
 - (b) Strength, Wildness, Opportunity & Threats
 - (c) Superiority, Weakness, Opportunity and Threats
 - (d) Strength, Weakness, Obsolesce and Threats
- (4) One of the most important frame work of strategic management
 - (a) Where we want to go
 - (b) When we want to go
 - (c) How we will go there
 - (d) Why we want to go there
- (5) Vision and mission is
 - (a) different
 - (b) same
 - (c) can be same
 - (d) cannot be different
- (6) In a statement it is mention company will provide at affordable price of its product statement will be
 - (a) Mission statement
 - (b) Vision statement
 - (c) Budget
 - (d) Financial Reports
- (7) Digital Strategy tend to rely on short term month to month road map is
 - (a) true
 - (b) false
 - (c) true and false
 - (d) cannot say
- (8) Artificial Intelligence is
 - (a) Information Technology tools
 - (b) Advance application of computer
 - (c) Exhibited machines and system with imitating function which are mostly related with human cognition
 - (d) Digitalization in practice

- (9) Big data is
- (a) Collection of data that is huge in volume and growing exponentially with time
 - (b) Means big objectives
 - (c) Means big picture
 - (d) Means big views
- (10) Cloud computing is a general term
- (a) for anything involves delivering hosted services over the internet
 - (b) analysis of collected data
 - (c) sources where data to be collected
 - (d) distribution of data
- (11) Agency theory
- (a) Executives are agent of company
 - (b) Stock holders are take decisions
 - (c) Shareholders and executive take joint decision
 - (d) None of three
- (12) KRA means
- (a) Key Result Area
 - (b) Key Resource Area
 - (c) Key Reward Area
 - (d) Key Recognition Area
- (13) KPA means
- (a) Key Production Area
 - (b) Key Productivity Area
 - (c) Key Performance Area
 - (d) Key Profitability Area
- (14) KPI means
- (a) Key Production Indicator
 - (b) Key Performance Indicator
 - (c) Key Productivity Indicator
 - (d) Key Profitability Indicator
- (15) Which is not strategic control
- (a) Premise Control
 - (b) Strategic Surveillance
 - (c) Special Alter Control
 - (d) Budgetary Control
- (16) BPR means
- (a) Business Performance Report
 - (b) Business Process Reengineering
 - (c) Business Productivity Review
 - (d) Business Profitability Report

- (17) BPR emphasis on
- (a) Slow changes
 - (b) Radial changes
 - (c) Moderate changes
 - (d) None of above
- (18) BPR is elimination process to improve
- (a) Cost Quality, Speed and service
 - (b) Productivity & Profitability
 - (c) Cash flow and funds flow
 - (d) Production and Sales
- (19) For special project suitable organization structure is
- (a) Line
 - (b) Line and Staff
 - (c) Committee
 - (d) Matrix
- (20) For implementation of Strategy require
- (a) CEO, Structure and culture
 - (b) Directors, Structure and culture
 - (c) CEO, Structure and production team
 - (d) CEO, mission and culture
- (21) In BCG matrix two factors are considered
- (a) Investment and divestment
 - (b) Market share and growth
 - (c) Cash flow and funds flow
 - (d) Profitability and productivity
- (22) BCG means
- (a) Boston consolidated group
 - (b) Bostan consulting group
 - (c) Boston corporate group
 - (d) Boston coordinated group
- (23) Which is not a part of five forces of porter's framework
- (a) Threat of entries
 - (b) Possibility of losses
 - (c) Bargaining power of Budget
 - (d) Bargaining power of supplier
- (24) Which is support activity of value chain
- (a) directly concern with creation or delivery of product
 - (b) directly improve profitability
 - (c) help to improve effectiveness of primary activities
 - (d) transform input into final product

- (25) Technology development of value chain
- (a) Primary activity
 - (b) supporting activity
 - (c) Both primary and supporting
 - (d) None
- (26) Setting of standard is
- (a) Strategic control
 - (b) Task control
 - (c) Operation control
 - (d) Management control
- (27) Which is not covered under Balance Score card
- (a) Financial perspective
 - (b) Leadership perspective
 - (c) Customers perspective
 - (d) Learning and growth
- (28) BCG Model is
- (a) strategic tool
 - (b) tactical tool
 - (c) operating tool
 - (d) none
- (29) Step which is not the part of process of Strategic Management
- (a) Environmental scanning
 - (b) Preparing Budgets
 - (c) Strategy formulation
 - (d) Implementation of Strategy
- (30) Strategic Management is useful for
- (a) Manufacturing industries
 - (b) Service industry
 - (c) both service and manufacture
 - (d) none of above
- (31) The goal of digital transformation is
- (a) To create an appropriate foundation for digital business
 - (b) To reduce the cost of transaction
 - (c) To increase the scope of IT
 - (d) None
- (32) Example of BPR is
- (a) ATM Card
 - (b) Process Card
 - (c) Punching Card
 - (d) Process Card
- (33) Fundamental rethinking and radical redesign of business process to achieve dramatic improvement is called
- (a) Benchmarking
 - (b) BPR
 - (c) Kaizen
 - (d) Productivity

- (34) Value chain is developed by
 (a) Peter Drucker
 (b) Boston Consulting Group
 (c) Michel Hammer
 (d) Porter
- (35) Which is production strategy
 (a) Choice of Technology
 (b) Quality control
 (c) Distribution of work for machine
 (d) Production reports
- (36) Under BCG model cash cow is
 (a) high market share and high growth
 (b) Low market share and low growth
 (c) high market share and low growth
 (d) low market share and high growth
- (37) Under BCG model situation of High Growth and Low Market share is
 (a) Cash cow
 (b) Question mark
 (c) Star
 (d) Dogs
- (38) For steel industries emergence of China as a global exporter of steel is
 (a) threats
 (b) opportunity
 (c) weakness
 (d) none
- (39) VRIO frame work means
 (a) Value, Reporting, Improvement and odd
 (b) Value, Rareness, Imitability, and organization
 (c) Value, Revenue, Improvement and organization
 (d) None
- (40) Which is not type of strategy
 (a) Corporate
 (b) Business
 (c) Operating
 (d) Planning

Answer :

1	(d)	2	(b)	3	(a)	4	(a)	5	(a)	6	(a)	7	(a)	8	(c)
9	(a)	10	(a)	11	(a)	12	(a)	13	(c)	14	(b)	15	(d)	16	(b)
17	(b)	18	(a)	19	(d)	20	(a)	21	(b)	22	(b)	23	(b)	24	(c)
25	(b)	26	(c)	27	(b)	28	(a)	29	(b)	30	(c)	31	(a)	32	(a)
33	(b)	34	(d)	35	(a)	36	(c)	37	(b)	38	(a)	39	(b)	40	(d)

Operation Management & Strategic Management Intermediate – Paper - 9

- (61) Downsizing or right sizing forced on firms to shed their obesity is
- (a) True
 - (b) False
 - (c) True & False both
 - (d) None
- (62) Production system have become which use minimum amount of resources to produce a high volume of high quality good with some variety is called
- (a) Flexible production
 - (b) Lean Production
 - (c) Just in Time Production
 - (d) None
- (63) A steel plant design capacity of 50,000 tons of steel per day effective capacity of 40,000 tons of steel per day and actual output 36000 compute efficiency of plant
- (a) 90%
 - (b) 75%
 - (c) 72%
 - (d) 100%
- (64) Encompasses all the activities that are performed to produce the final products as per the specification in time with the requirement of customer is called
- (a) Process design
 - (b) Process layout
 - (c) Process strategy
 - (d) None
- (65) Tradeoff between make or buy fully or partially decision is termed as
- (a) Process design
 - (b) Process Strategy
 - (c) Process Layout
 - (d) None
- (66) Which methods is not concern with transportation problems
- (a) VAM
 - (b) Monto Carlo
 - (c) Minimum row column method
 - (d) Minimum column cost method
- (67) Relation between time and cost is concern in
- (a) PERT
 - (b) Network
 - (c) CPM
 - (d) None of above
- (68) Monto Carlo is concern with
- (a) Assignment problem
 - (b) Queuing
 - (c) Simulation
 - (d) None of above

- (69) Company wants to classified under ABC. Inventory approx. 10%, but value is 80% fall under category
- (a) A class
 - (b) B class
 - (c) C class
 - (d) A and B class
- (70) An inventory system that records each new addition and withdrawal as it occur is known as
- (a) Just in Time system
 - (b) ABC System
 - (c) A periodic inventory system
 - (d) A continuous inventory system
- (71) Find out the pair which is odd
- (a) Simplex – graphical
 - (b) Routine – followup
 - (c) Method study – Job Evaluation
 - (d) System efficiency – System capacity
- (72) Which writer on TQM advocated zero defects philosophy?
- (a) Juran
 - (b) Crosby
 - (c) Taylor
 - (d) Drucker
- (73) Aim of operations management is to
- (a) Production run very speedy
 - (b) New technology must be used
 - (c) Awaring about new development
 - (d) Tries to ensure operations are run as efficiently as possible
- (74) Operations may vary according to four V, which V is not include
- (a) Value
 - (b) Volume
 - (c) Variety
 - (d) Variation
- (75) What is the first step in product development
- (a) Product design
 - (b) Considering customers' needs
 - (c) Plant Layout
 - (d) Availability of required staff
- (76) Job No. of days until due date – A-6; B-4; C-2; D-8; E-7. Sequence according to EDD rule
- (a) A-B-C-D-E
 - (b) C-B-A-E-D
 - (c) C-B-A-D-E
 - (d) A-C-D-B-E

- (77) Points rating method is closely associated with
- (a) Job Evaluation
 - (b) Merit rating
 - (c) Method study
 - (d) Work study
- (78) The ratio of actual production to standard production is referred as to
- (a) Productivity
 - (b) Input / Output ratio
 - (c) Efficiency
 - (d) Effectiveness
- (79) Not concern relationship between time and cost is
- (a) PERT
 - (b) CPM
 - (c) Network
 - (d) None of above
- (80) Conversion of Input into output is known as
- (a) Operations Management
 - (b) Operations Research
 - (c) Advanced Technology
 - (d) Process design

Answer :

61	(a)	62	(b)	63	(a)	64	(a)	65	(b)	66	(b)	67	(c)	68	(c)
69	(a)	70	(d)	71	(c)	72	(b)	73	(d)	74	(a)	75	(b)	76	(b)
77	(a)	78	(a)	79	(a)	80	(a)								

True or False

- (1) Project process is characterized by high degree of job customization.
- (2) After maturity the product starts losing their attractiveness in the market.
- (3) Unnecessary inventory is a waste.
- (4) In mass production large varieties in small volume
- (5) Generally continuous production for stock and supply
- (6) Market research is strategy point of production cycle
- (7) Variety reduction is generally known as simplification
- (8) More than 5 years for long range for costing
- (9) Most suitable layout for Job Production is Line Layout
- (10) The lead time is the time for receiving the material
- (11) EBQ is ascertained for manufacturing
- (12) EOQ is ascertained for purchase activity
- (13) PV ratio can be ascertained $\text{Changed in profit} / \text{Change in sales}$
- (14) BEP increase margin of safety increased
- (15) BEP is units can be ascertained as $\text{Fixed Cost} / \text{Unit contribution}$
- (16) $\text{System efficiency} = \text{Actual output} / \text{System capacity}$
- (17) Optimum task size is one of the principle of scheduling
- (18) Quality is force – is statement of Daming
- (19) FCFS means first come first serve
- (20) $\text{Critical ratio} = \text{Available time} / \text{Operation time}$
- (21) TQM means total quality management
- (22) Kaizen involves every employee in process of change mostly in small, incremental change.
- (23) Insurance spare are irregularly consumed
- (24) Breakdown maintenance is carried out as when machine is breakdown
- (25) AMC is given when preventive maintenance policy is adopted
- (26) Transport is one of the factor for customer service
- (27) Disappearance of smoke stacks is one of the character of modern operations function.

- (28) Lean production is recent trend of production and operation management.
- (29) Adaptive model of time series $y_1 = T + S + I$
- (30) Multiple shift operation is a factor influence effective capacity.
- (31) System efficiency always higher than system capacity.
- (32) Type of industry – Synthetic, analytical, conditioning and extractive.
- (33) Produce layout for serialized manufacture
- (34) One of the aim of layout is to avoidance of bottlenecks
- (35) Carrying cost of average inventory means order units/2

Answer – True & False:

1	T	2	T	3	T	4	F	5	T	6	T	7	T	8	T
9	F	10	T	11	T	12	T	13	T	14	F	15	T	16	T
17	T	18	F	19	T	20	T	21	F	22	T	23	T	24	T
25	T	26	T	27	T	28	T	29	T	30	T	31	F	32	T
33	T	34	T	35	T										

Strategic Management

- (1) Strategic Management for
 - (a) One year
 - (b) Two to three years
 - (c) Less than one year
 - (d) Long term
- (2) Vision is a
 - (a) Agenda to complete the work
 - (b) Philosophy of founder
 - (c) Planning – how to achieve the target
 - (d) None of above
- (3) SWOT analysis for
 - (a) Strength, Weakness, Opportunity & Threat
 - (b) Strength, Wildness, Opportunity & Threats
 - (c) Superiority, Weakness, Opportunity and Threats
 - (d) Strength, Weakness, Obsolesce and Threats
- (4) One of the most important frame work of strategic management
 - (a) Where we want to go
 - (b) When we want to go
 - (c) How we will go there
 - (d) Why we want to go there
- (5) Vision and mission is
 - (a) different
 - (b) same
 - (c) can be same
 - (d) cannot be different
- (6) In a statement it is mention company will provide at affordable price of its product statement will be
 - (a) Mission statement
 - (b) Vision statement
 - (c) Budget
 - (d) Financial Reports
- (7) Digital Strategy tend to rely on short term month to month road map is
 - (a) true
 - (b) false
 - (c) true and false
 - (d) cannot say
- (8) Artificial Intelligence is
 - (a) Information Technology tools
 - (b) Advance application of computer
 - (c) Exhibited machines and system with imitating function which are mostly related with human cognition
 - (d) Digitalization in practice

- (9) Big data is
- (a) Collection of data that is huge in volume and growing exponentially with time
 - (b) Means big objectives
 - (c) Means big picture
 - (d) Means big views
- (10) Cloud computing is a general term
- (a) for anything involves delivering hosted services over the internet
 - (b) analysis of collected data
 - (c) sources where data to be collected
 - (d) distribution of data
- (11) Agency theory
- (a) Executives are agent of company
 - (b) Stock holders are take decisions
 - (c) Shareholders and executive take joint decision
 - (d) None of three
- (12) KRA means
- (a) Key Result Area
 - (b) Key Resource Area
 - (c) Key Reward Area
 - (d) Key Recognition Area
- (13) KPA means
- (a) Key Production Area
 - (b) Key Productivity Area
 - (c) Key Performance Area
 - (d) Key Profitability Area
- (14) KPI means
- (a) Key Production Indicator
 - (b) Key Performance Indicator
 - (c) Key Productivity Indicator
 - (d) Key Profitability Indicator
- (15) Which is not strategic control
- (a) Premise Control
 - (b) Strategic Surveillance
 - (c) Special Alter Control
 - (d) Budgetary Control
- (16) BPR means
- (a) Business Performance Report
 - (b) Business Process Reengineering
 - (c) Business Productivity Review
 - (d) Business Profitability Report

- (17) BPR emphasis on
- (a) Slow changes
 - (b) Radial changes
 - (c) Moderate changes
 - (d) None of above
- (18) BPR is elimination process to improve
- (a) Cost Quality, Speed and service
 - (b) Productivity & Profitability
 - (c) Cash flow and funds flow
 - (d) Production and Sales
- (19) For special project suitable organization structure is
- (a) Line
 - (b) Line and Staff
 - (c) Committee
 - (d) Matrix
- (20) For implementation of Strategy require
- (a) CEO, Structure and culture
 - (b) Directors, Structure and culture
 - (c) CEO, Structure and production team
 - (d) CEO, mission and culture
- (21) In BCG matrix two factors are considered
- (a) Investment and divestment
 - (b) Market share and growth
 - (c) Cash flow and funds flow
 - (d) Profitability and productivity
- (22) BCG means
- (a) Boston consolidated group
 - (b) Bostan consulting group
 - (c) Boston corporate group
 - (d) Boston coordinated group
- (23) Which is not a part of five forces of porter's framework
- (a) Threat of entries
 - (b) Possibility of losses
 - (c) Bargaining power of Budget
 - (d) Bargaining power of supplier
- (24) Which is support activity of value chain
- (a) directly concern with creation or delivery of product
 - (b) directly improve profitability
 - (c) help to improve effectiveness of primary activities
 - (d) transform input into final product

- (25) Technology development of value chain
- (a) Primary activity
 - (b) supporting activity
 - (c) Both primary and supporting
 - (d) None
- (26) Setting of standard is
- (a) Strategic control
 - (b) Task control
 - (c) Operation control
 - (d) Management control
- (27) Which is not covered under Balance Score card
- (a) Financial perspective
 - (b) Leadership perspective
 - (c) Customers perspective
 - (d) Learning and growth
- (28) BCG Model is
- (a) strategic tool
 - (b) tactical tool
 - (c) operating tool
 - (d) none
- (29) Step which is not the part of process of Strategic Management
- (a) Environmental scanning
 - (b) Preparing Budgets
 - (c) Strategy formulation
 - (d) Implementation of Strategy
- (30) Strategic Management is useful for
- (a) Manufacturing industries
 - (b) Service industry
 - (c) both service and manufacture
 - (d) none of above
- (31) The goal of digital transformation is
- (a) To create an appropriate foundation for digital business
 - (b) To reduce the cost of transaction
 - (c) To increase the scope of IT
 - (d) None
- (32) Example of BPR is
- (a) ATM Card
 - (b) Process Card
 - (c) Punching Card
 - (d) Process Card
- (33) Fundamental rethinking and radical redesign of business process to achieve dramatic improvement is called
- (a) Benchmarking
 - (b) BPR
 - (c) Kaizen
 - (d) Productivity

- (34) Value chain is developed by
(a) Peter Drucker
(b) Boston Consulting Group
(c) Michel Hammer
(d) Porter
- (35) Which is production strategy
(a) Choice of Technology
(b) Quality control
(c) Distribution of work for machine
(d) Production reports
- (36) Under BCG model cash cow is
(a) high market share and high growth
(b) Low market share and low growth
(c) high market share and low growth
(d) low market share and high growth
- (37) Under BCG model situation of High Growth and Low Market share is
(a) Cash cow
(b) Question mark
(c) Star
(d) Dogs
- (38) For steel industries emergence of China as a global exporter of steel is
(a) threats
(b) opportunity
(c) weakness
(d) none
- (39) VRIO frame work means
(a) Value, Reporting, Improvement and odd
(b) Value, Rareness, Imitability, and organization
(c) Value, Revenue, Improvement and organization
(d) None
- (40) Which is not type of strategy
(a) Corporate
(b) Business
(c) Operating
(d) Planning
- (41) Strategic Management and Strategic Planning is
(a) same
(b) different
(c) cannot be same
(d) none of above
- (42) Which is not a Character of Business environment
(a) Environment is complex
(b) Environment is dynamic
(c) Environment is easy to predict
(d) Environment is multifaceted

- (43) Which is not type of Strategy
- (a) Corporate
 - (b) Business
 - (c) Operating
 - (d) None of above
- (44) How managers and employees should conduct themselves is considered as
- (a) Values
 - (b) Vision
 - (c) Mission
 - (d) Portfolio
- (45) Which is not component of emotional intelligence
- (a) Self Awareness
 - (b) Self regulation
 - (c) Self responsibility
 - (d) Social awareness
- (46) Who is the pioneer of emotional intelligence
- (a) Petre Drucker
 - (b) Taylor
 - (c) Goleman
 - (d) Maslow
- (47) Which is not covered 7-S frame work
- (a) Style
 - (b) Skills
 - (c) Staff
 - (d) Sensitivity
- (48) Which approach Balance Score card to performance management
- (a) Top down
 - (b) Bottom up
 - (c) Direct
 - (d) None of above
- (49) The Micro environment is
- (a) Higher level
 - (b) Lower level
 - (c) Middle level
 - (d) None of above
- (50) Operation transform these input into the final product or service is category of value chain
- (a) Primary activities
 - (b) Supporting activities
 - (c) Both
 - (d) None of above

Answer :

1	(d)	2	(b)	3	(a)	4	(a)	5	(a)	6	(a)	7	(a)	8	(c)
9	(a)	10	(a)	11	(a)	12	(a)	13	(c)	14	(b)	15	(d)	16	(b)
17	(b)	18	(a)	19	(d)	20	(a)	21	(b)	22	(b)	23	(b)	24	(c)
25	(b)	26	(c)	27	(b)	28	(a)	29	(b)	30	(c)	31	(a)	32	(a)
33	(b)	34	(d)	35	(a)	36	(c)	37	(b)	38	(a)	39	(b)	40	(d)
41	(d)	42	(c)	43	(d)	44	(a)	45	(c)	46	(c)	47	(d)	48	(a)
49	(a)	50	(a)												

State True or False

- (1) Digital Strategy focuses on technology and culture
- (2) A distributed ledger technology acts a set of rules and allows fastest transactions.
- (3) Email marketing allows marketing teams to be proactive in answering their user's questions.
- (4) Influencer marketing campaign allow organizations to stay connected with prospects and customers, sending them customized newsletters or offers based on past shopping history or brand engagements.
- (5) Deep learning describes automated learning of implicit properties of or underlying rules for data.
- (6) Machine learning is a branch of AI which mainly deals with neural networks that consist of many layers.
- (7) Narrow AI systems can make deductions about unknown environments.
- (8) Velocity refers to heterogeneous sources and the nature of data, both structured, unstructured and semi structured.
- (9) Internet of Things allows users to access data from anywhere with any device with just an internet connection.
- (10) Cloud computing is a system of interrelated computing devices, mechanical and digital machines, objects, animals or people that are provided with unique identifiers and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction.

Answer :

1	2	3	4	5	6	7	8	9	10
F	F	F	F	F	F	F	F	F	F

Paper 9 – Operation Management & Strategic Management

- (1) In Program, control Z chart is used in
 - (a) Correct
 - (b) Not correct
 - (c) Both correct and not correct
 - (d) None of above
- (2) To show process used in production is
 - (a) Z chart
 - (b) Pie chart
 - (c) Bar chart
 - (d) Graphic chart
- (3) Threat of Entry is concern with
 - (a) BCG Model
 - (b) Value Chain Model
 - (c) Porter's five forces frame work
 - (d) PESTEL
- (4) Invariability is not a character of Bid data is
 - (a) True
 - (b) False
 - (c) True and False
 - (d) None of about it
- (5) Big data also huge data include stock exchange, social media, networking, jet engine is
 - (a) True
 - (b) False
 - (c) Both true and false
 - (d) None of above
- (6) Cloud can be private or public is
 - (a) True
 - (b) True and False
 - (c) False
 - (d) Cannot say
- (7) Which not the component of block chain
 - (a) Machine learning
 - (b) Distributed ledger technology
 - (c) Smart contracts
 - (d) Greater security
- (8) Which is not a method of transportation?
 - (a) Simplex
 - (b) VAM
 - (c) West-corner
 - (d) Minimum Raw Cost

- (9) Which one is odd in group (Mismatch)
- (a) Job valuation and Job allocation
 - (b) Simplex – Graphical solution
 - (c) Work study – Process layout
 - (d) System capacity – bottleneck
- (10) Root of Lean operation in
- (a) Toyato
 - (b) Ford
 - (c) General Motors
 - (d) GE
- (11) Artificial intelligence is a
- (a) Digital tools
 - (b) Planning tools
 - (c) Software technology
 - (d) None of above
- (12) MS Project is stands for
- (a) Micro soft
 - (b) Management Strategy
 - (c) Micro System
 - (d) Management System
- (13) Which is not the type of Data Analytics
- (a) Descriptive analysis
 - (b) Diagnostic analysis
 - (c) Predictive analysis
 - (d) Preventive analysis
- (14) BI solution pulls internal data produced by a company is
- (a) True
 - (b) False
 - (c) True and False
 - (d) Cannot say
- (15) One of the product examples line layout is
- (a) Repair workshop
 - (b) Welding shop
 - (c) Engineering college
 - (d) Cement
- (16) The card which is prepared by the dispatching department is book the labour involved in each operation is :
- (a) Labour card
 - (b) Wage Card
 - (c) Credit Card
 - (d) Job Card

- (17) Cost reduction can be achieved through
- (a) Work sampling
 - (b) Value analysis
 - (c) Quality assurance
 - (d) Supply chain management
- (18) Addition of value to raw materials through application of technology is
- (a) Product
 - (b) Production
 - (c) Advancement
 - (d) Transformation
- (19) The following establishes time sequence of operations
- (a) Routing
 - (b) Sequencing
 - (c) Scheduling
 - (d) Dispatching
- (20) Linear programming is a technique used for determining
- (a) Production Program
 - (b) Plant Layout
 - (c) Product Mix
 - (d) Manufacturing sequence
- (21) MRP stands for
- (a) Material requirement planning
 - (b) Material reordering planning
 - (c) Material requisition procedure
 - (d) Material Recording procedure
- (22) The lead-time is the time
- (a) To placeholders for materials
 - (b) Time of receiving materials
 - (c) Time between receipt of mat using materials
 - (d) Time between placing the order and receiving the materials
- (23) In process planning we plan
- (a) Different machines required
 - (b) Different operations required
 - (c) We plan the flow of material department
 - (d) We design the product
- (24) Fixing the flow lines of materials in production is known as
- (a) scheduling
 - (b) logging
 - (c) planning
 - (d) routing

- (25) In continuous manufacturing system we need
- (a) General purpose machines and skilled labours
 - (b) Special machine tools and highly skilled labour
 - (c) Semi-automatic machines and unskilled labours
 - (d) General purpose machines and unskilled labour
- (26) Number of product varieties that can be manufactured in job production is
- (a) Limited to one or two
 - (b) Large varieties of products
 - (c) One only
 - (d) None of the above
- (27) Number of product varieties that can be manufactured in Mass production is
- (a) one only
 - (b) two only
 - (c) few varieties in large volumes
 - (d) large varieties in small volumes
- (28) Inventory cost per product in intermittent production is
- (a) higher
 - (b) lowest
 - (c) medium
 - (d) abnormal
- (29) Variety reduction is generally known as
- (a) Less varieties
 - (b) Simplification
 - (c) Reduced varieties
 - (d) None of the above
- (30) As most AI system is based on ML
- (a) True
 - (b) False
 - (c) Cannot say
 - (d) Both true and false
- (31) No participant can change or temper with a transaction after it has been recorded to the share ledger is called
- (a) Smart contract
 - (b) Distributed ledger technology
 - (c) Immutable records
 - (d) None of above

Fill in the blanks :

- (32) White under Red ocean strategy there is a current customer in ____ strategy,
Focus on non-customer
- (33) Intensity of competition ____ in low return industry.
- (34) Under BCG model last matrix is ____.
- (35) Statistical analysis is used to determine the optimum policy of ____ maintenance.
- (36) Factor comparison is a method of ____
- (37) Taylor originated the idea of ____ relationships in an organization.
- (38) Gantt chart is used for ____ control.
- (39) JIO by reliance JIO intercom Ltd (RJIL) provide interesting example to fit in the
BCG matrix as ____
- (40) **Match A with B**
- | | |
|--------------------------|---|
| 1. Data Mining | 1. Access at a glance |
| 2. Business Intelligence | 2. Data Discovery |
| 3. Dashboard | 3. Windows |
| 4. Programming | 4. Software is a set of business analytics solution |
- (41) **Match A with B**
- | | |
|--------------------------|---|
| 1. Survey Tech | 1. Forecasting |
| 2. Delphi Tech | 2. Extension of moving average method |
| 3. Exponential smoothing | 3. BI and analytics platform |
| 4. Zoho analytics | 4. More realistic judgment by Min. bias |
- (42) **Match A with B**
- | A | B |
|----------------|---------------------|
| 1. BCG Model | 1. Cashcow |
| 2. Vision | 2. Founders Philogy |
| 3. Mission | 3. Agenda |
| 4. Five forces | 4. Buyers pressure |
- (43) **Match A with B**
- | A | B |
|----------------------------|--------------------------|
| 1. Balance Score Card | 1. Culture |
| 2. BPR | 2. Customer perspective |
| 3. Value Chain | 3. ATM |
| 4. Strategy Implementation | 4. Primary and secondary |

- | | | |
|------|----------------------------|---------------------------|
| (44) | A | B |
| | 1. Montecarlo | 1. Network |
| | 2. VAM | 2. Simulation |
| | 3. Simplex | 3. Transportation |
| | 4. PERT | 4. LPP |
| (45) | A | B |
| | 1. Capital Spares | 1. Change our for repair |
| | 2. Insurance spare | 2. Normally not used |
| | 3. Regular spares | 3. Use substantial number |
| | 4. Rotable spares | 4. Long life |
| (46) | A | B |
| | 1. Make or buy decisions | 1. Design thinking |
| | 2. Presentation of product | 2. Process design |
| | 3. Maturity | 3. Product life cycle |
| | 4. Nonlinear | 4. Process Strategy |
| (47) | A | B |
| | 1. FCFS | 1. Method of sequence |
| | 2. MRPI | 2. Material planning |
| | 3. MRP II | 3. Mfg. planning |
| | 4. EAQ | 4. Carrying cost |

Whether following statement are True or False

- (48) Digital strategy sometimes called digital media strategy.
- (49) A distributed ledger technology acts a set of rules and allows fastest transaction.
- (50) First step in the control process involves actual performance.
- (51) Agency theory is commercial term.
- (52) Setting of standard is of two types quantitative and qualitative.
- (53) Approach to strategic control is of two types traditional and contemporary approach.
- (54) Michel Hammer is concern with BPR.
- (55) Strategic Planning and SBU both are same.
- (56) The term threat also can be termed as challenges.

Answer

1	(a)	2	(a)	3	(c)	4	(a)	5	(a)
6	(a)	7	(a)	8	(a)	9	(c)	10	(a)
11	(a)	12	(a)	13	(d)	14	(a)	15	(d)
16	(d)	17	(b)	18	(b)	19	(c)	20	(c)
21	(a)	22	(d)	23	(c)	24	(d)	25	(b)
26	(b)	27	(c)	28	(a)	29	(b)	30	(a)
31	(c)	32	Blue	33	High	34	Manage Dog	35	Preventive
36	Job evaluation	37	Functional	38	Production	39	Star	40	1 – 2; 2 – 4; 3 – 1; 4 – 3
41	1 – 1; 2 – 4; 3 – 2; 4 – 3	42	1-1; 2-2; 3-3; 4-4.	43	1-2; 2-3; 3-4; 4-1	44	1-2; 2-3; 3-4; 4-1	45	1-4; 2-2; 3-3; 4-1
46	1-4; 2-2; 3-3; 4-1	47	1-1; 2-2; 3-3; 4-4	48	T	49	F	50	F
51	F	52	T	53	T	54	T	55	F
56	T								

CMA Inter Paper 10 - Section A: Corporate Accounting

Q.1) Capital of the company is not raised only from the promoters but also from public at large. State whether True or False.

Q.2) Each part of the capital sold in the form of security or an instrument known as partial capital. State whether True or False.

Q.3) A financial instrument that is issued by company to its owner is called as

- a) Bond
- b) Debenture
- c) Share
- d) Capital

Q.4) "Share" means share in the capital of a company and includes stock as per which section of the Company Act 2013

- a) 2 (83)
- b) 2 (12)
- c) 2 (82)
- d) 2 (84)

Q.5) Share Represents only a ownership of share capital of a company

- a) Complete
- b) Partial
- c) Half
- d) 0.51

Q.6) In the balance sheet share capital is reported under the head

- a) Fixed Asset
- b) Trade payables
- c) Shareholders Fund
- d) Liabilities

Q.7) Preference shares are such where the capital is repaid on fixed date after period of time are called

- a) Redeemable
- b) Convertible
- c) Non-cumulative

d) Participative

Q.8) That part of issued capital for which application are received from the public is called

- a) Called up capital
- b) Paid up capital
- c) Issued Capital
- d) Subscribed Capital

Q.9) Which of the following is not a type of share issue

- a) public issue
- b) Specific issue
- c) Private placement
- d) Bonus issue

Q.10) OFS stands for

- a) Offer for Share
- b) Offer for sale
- c) Open for Share
- d) Option for sale

Q.11) Pro-forma of the statement of profit and loss is suggested in Company Act 2013 In Division of schedule III In which Part?

- a) Part I
- b) Part II
- c) Part III
- d) Part IV

Q.12) Pro-forma of the balance sheet is suggested in Company Act 2013 In Division OF schedule III In which Part?

- a) Part I
- b) Part II
- c) Part III
- d) Part IV

Q.13) Asset expected to be realised within twelve months after reporting date classified as

Q.14) Which of the following is not the criteria for current liability

- a) It is expected to be settled in company's normal operating cycle
- b) It is held primarily for the purpose of being traded
- c) It should not exceed the limit prescribed in the act i.e. Rs. 150000
- d) It is due to be settled within 12 months after the reporting period

Q.15)is Reserve of corporate enterprise which is not available for distribution as dividend

Q.16) Calls paid in advance are shown under.....

Q.17) Debenture redemption reserve is required to be created under section of the Company Act 2013

Q.18) AS 19 Excludes land leases from its scope. State whether True or False.

Q.19) Debit balance of statement of profit & loss account shall be shown as negative figure under the head 'Surplus'. State whether True or False.

Q.20) The term 'Continuing default' is used w.r.t Short Term Borrowings. State whether True or False.

Q.21) The activities of acquisition and disposal of long-term assets and other investments are cash equivalents are.....

- a) operational activities
- b) investing activities
- c) financial activities
- d) none of the above

Q.22) which among below is investing activities

- a) cash payments to acquire property, plant and equipment, intangibles and other long-term assets.
- b) cash receipts from sales of property, plant and equipment, intangibles and other long-term assets;
- c) cash advances and loans made to other parties (other than advances and loans made by a financial enterprise)
- d) all of the above

Q.23) which among the below is financing activities

- a) cash proceeds from issuing shares or other similar instruments;
- b) cash proceeds from issuing debentures, loans, notes, bonds, mortgages and other short-term or long-term borrowings;

- c) cash repayments of amounts borrowed
- d) all of the above

Q.24) Bonus shares issued comes under

- a) operating activities
- b) investing activities
- c) financing activities
- d) Not a Cash flow at all.

Q.25) GST paid is

- a) operating activities
- b) investing activities
- c) financing activities
- d) none of the above

Q.26) Acquired the assets of a company through issue of equity shares comes under

- a) operating activities
- b) investing activities
- c) financing activities
- d) not cash flow

Q.27) which among below is non cash transaction

- a) the acquisition of assets by assuming directly related liabilities
- b) the acquisition of an entity by means of an equity issue
- c) conversion of debt to equity.
- d) All of the above

Q.28) Profit on sale of equipment, in exchange of new equipment is investing activities whether True or False.

Q.29) Loss due to decrease in market value of the closing stock of furniture is financing activities.
State whether True or False.

Q.30) Cash flows arising from taxes on income shall be separately disclosed and shall be classified as cash flows from.....activities

Q.31) Before incorporating IRDA general insurance was administrated by

- a) GIIC
- b) GICI
- c) SEBI
- d) TATA AIG

Q.32) Claim is shown after deducting Re-insurance claim. State whether True or False.

Q.33) Surrender value is usually nil until at leastannual premiums are paid

Q.34) sum of expected claim costs, related expenses and maintenance costs exceeding the related unearned premium is

Q.35)reserve should be created by the insurers towards losses which might arise due to entirely unexpected set of events and not for any specific known purpose.

- a) general reserve
- b) special reserve
- c) catastrophe reserve
- d) none of the above

Q.36)is an insurance company that shifts part or all of a risk it has assumed to another insurance company

Q.37) Which of the following Bonus is a one-time bonus in insurance paid when the policyholder runs through the entire policy term or a period specified by the insurer

- a) simple revisionary bonus
- b) compound revisionary bonus
- c) interim bonus
- d) terminal bonus

Q.38) Every insurer and re-insurer shall at all times maintain an excess of value of assets over the amount of liabilities of, not less than% of the amount of minimum capital.

- a) 20
- b) 30
- c) 40
- d) 50

Q.39) Which of the following Books are required to be Maintained by Insurance Companies

- a) registrar of policies

- b) register of claim
- c) register of licensed insurance agents
- d) all of the above

Q.40)means the transfer of a part of risk by the insurer

Q.41) Which of the following statement is not true

- a) Financial statements must reflect true and fair view of the financial performance and position
- b) Financial statements are end product of accounting
- c) Financial statements must highlight organizations strengths only to satisfy the investors
- d) Financial statements should be prepared on certain well-defined principles

Q.42) When there is a retrospective restatement of item in the financial statements then the entity shall present a minimum of

- a) Four balance sheet
- b) Three balance sheet
- c) Two balance sheet
- d) Five balance sheet

Q.43) The estimated selling price in the ordinary course of a business less estimated cost of completion and the estimated cost necessary to make the sale is called

- a) Net realizable value
- b) Market value
- c) Fair value
- d) sale value

Q.44) Cost of conversion does not include

- a) Direct labour
- b) Production Overheads
- c) Selling overheads
- d) Direct material

Q.45) Fixed production overheads should be allocated based on

Q.46) When specific identification method is not applicable the cost of inventories is valued by which of the following methods

- a) LIFO/Weighted Average cost

- b) FIFO/Weighted Average cost
- c) FIFO/Simple Average cost
- d) FIFO/Standard Cost

Q.47) Ind AS 2 provides specific explanation for inventories of service providers whereas AS 2 does not contain such an explanation. State whether True or False.

Q.48) Net realizable value and fair value have same meaning. State whether True or False.

Q.49) Events after the reporting period are recognized as per

- a) IND AS 10
- b) IND AS 2
- c) IND AS 21
- d) IND AS 19

Q.50) Which of the following is not a type of Defined Contribution Plan

- a) Multi-Employer Plan
- b) State plan
- c) Central plan
- d) Insured benefits

Answer key : CMA Inter Paper 10 - Section A: Corporate Accounting

- Q.1. True
- Q.2. False
- Q.3. c) Share
- Q.4. a) 2 (83)
- Q.5. b) Partial
- Q.6. c) Shareholders Fund
- Q.7. a) Redeemable
- Q.8. d) Subscribed Capital
- Q.9. b) Specific Issue
- Q.10. b) Offer For Sale
- Q.11. b) Part II
- Q.12. a) Part I
- Q.13. Current Asset
- Q.14. c) It Should Not Exceed The Limit Prescribed In The Act i.e. Rs. 150000
- Q.15. Capital Reserve
- Q.16. Other Current Liabilities
- Q.17. 71
- Q.18. True
- Q.19. True
- Q.20. False
- Q.21. b) Investing Activities
- Q.22. d) All Of The Above
- Q.23. d) All Of The Above
- Q.24. d) Not a Cash flow at all
- Q.25. a) Operating Activities
- Q.26. d) Not A Cash Flow At All.
- Q.27. d) All Of The Above
- Q.28. False
- Q.29. False
- Q.30. Operating
- Q.31. b) GICI
- Q.32. True
- Q.33. 2

- Q.34. Premium Deficiency
- Q.35. c) Catastrophe Reserve
- Q.36. Ceding Company
- Q.37. d) Terminal Bonus
- Q.38. d) 50
- Q.39. d) All Of The Above
- Q.40. Re Insurance
- Q.41. c) Financial Statements Must Highlight Organizations Strengths Only To Satisfy The Investors
- Q.42. b) Three Balance Sheet
- Q.43. a) Net Realizable Value
- Q.44. c) Selling Overheads
- Q.45. Normal Capacity
- Q.46. b) FIFO/Weighted Average Cost
- Q.47. True
- Q.48. False
- Q.49. a) Ind As 10
- Q.50. c) Central Plan

CMA Inter – Paper 10 -Section B Auditing

MCQ

Q. 51 .The term “audit” has been derived from the Latin word “audire” which means ‘-----’.

- a) To listen
- b) To hear
- c) To read
- d) To check

Q.52 . According to -----, “an audit is independent examination of financial information of any entity, whether profit oriented or not, and irrespective of its size or legal form, when such examination is conducted with a view to expressing an opinion thereon”.

- a) SA 200, Basic Principles Governing an Audit
- b) SA 230 , Audit Documentation
- c) SA 210 Agreeing the Terms of Audit Engagements
- d) SA 500 Audit Evidence

Q.53 The main objective of an audit is to determine whether the financial statements present a -----of the financial position and financial performance of a business during the period

- a) Correct.
- b) Accurate
- c) Perfect
- d) True and Fair

Q.54 As per (Listing Obligations and Disclosure Requirements) Regulations 2015, a company shall submit its quarterly, year-to-date and annual financial results to the stock exchange in the manner prescribed in this clause.

- a) Clause 55 of PFRDA
- b) Clause 33 of Companies Act , 2013
- c) Clause 33 of SEBI
- d) Clause 44 of SEBI

Q.55 Which of the following is not the type of Audit

- a) Management Audit
- b) Statutory Audit
- c) Environment Audit

d) Benchmarking audit

Q.56 (IAASB) is

a) International Auditing and Assurance Standards Board

b) International Auditing and Accounting Standards Board

c) International Auditing Association Standards Board

d) Indian Auditing and Assurance Standards Board

Q.57 Which of the following is not the content of Audit Engagement Letter as per SA 210 - Agreeing the Terms of Audit Engagements.

a)Objective and Scope of Engagement

b)Management Responsibility

c)Employee Responsibility

d) Basis of Computation of Audit Fees

Q.58 In case of recurring audits, some working papers files may be classified intoaudit files and audit files.

a) Statutory and internal

b) Permanent and Current

c) Temporary and Final

d) Old and New

Q.59 Which of the following is not the method to obtain audit Evidence

a)Inspection

b)Observation

c)Analytical Review

d)Logical Estimate

Q.60refers to the possibility of material misstatement due to complex transactions or even due to organised fraud.

a)Inherent Risk

b) Genetic Risk

c) Detection risk

d) Market Risk

Q.61= Inherent Risk (I) × Control Risk (C) × Detection Risk (D).

a) Fraud Risk

b) Market Risk

c) Audit Risk

d) Accounting Risk

Q.62) Tax Audit is conducted under Section of Income Tax Act, 1961.

a) 43 AB

b) 44 AB

c) 44 BC

d) 43 AD

Q.63 Section 148(1) of the Companies Act 2013 authorizes the Central Government to make it mandatory, by order, the maintenance of cost records for certain class of companies.

a) 148(1)

b) 145 (2)

c) 143 (1)

d) 143 (2)

Q.64 Which assurance is not given by internal control procedure out of following objectives

a) Reliability of financial reporting,

b) Effectiveness and efficiency of operations, and

c) Compliance with applicable laws and regulations.

d) Sustainability of Business

Q.65 And are two types of internal control of organisation.

a) Domestic and Foreign

b) Accounting and Financial

c) Preventive and Detective

d) Micro and Macro

Q.66 Which one of the following is not the technique for evaluation of internal control system

- a) Narrative Records
- b) Check List
- c) Internal control Questionnaire
- d) Confirmation letters

Q.67 As per section 138 of companies Act , 2013 , in case of unlisted company which one of the following requires to appoint internal auditor

- a) Every Listed Company
- b) Every unlisted company having paid up share capital of fifty crore or above during last Financial year or turnover of two hundred crores or more during last financial year.
- c) Every private company having turnover of two hundred crore or more during last financial year
- d) all of above

Q.68 Internal Financial Control =+ Operational Controls + Anti-fraud Controls

- a) Internal Financial Control over Financial Reporting (IFC- FR)
- b) Internal Check
- c) Internal Audit
- d) Forensic Audit

Q.69 Which of the following are the methods of statistical sampling

- a) Random Sampling
- b) Monetary Unit Sampling
- c) Multi-Stage Sampling
- d) All of Above

Q.70 Routine checking is normally performed by

- a) Chartered Accountant
- b) Cost accountant
- c) Management

d) Audit Clerks

Q.71 Which of the following are audit Techniques

a) Routine Checking

b) Test checking

c) Cut-off Examination

d) all of Above

Q.72 is defined as a statement of debit and credit balances of individual general ledger accounts.

a) P and L account

b) Balance Sheet

c) Trial Balance

d) All of Above

Q.73

A scrutiny of the helps the auditor confirm that the composition of individual line items in the financial statements are appropriately computed and are in compliance with the organisational policy and provisions of relevant laws and regulations.

a) Trial balance

b) Grouping Schedule

c) Balance sheet

d) Cash flow Statement

Q.74 may be defined as the documents, records relating to transactions that enables an auditor to trace the transactions from the source documents to the summarised total in accounting reports.

a) Audit trail

b) Flow Chart

c) Trial Balance

d) Ledger

Q.75 Every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

- a) Audit trail
- b) Flow Chart
- c) Trial Balance
- d) Ledger

Q.76 Which of the following is disqualification for company auditor.

- a) an officer or employee of the company;
- b) a person who is a partner, or who is in the employment, of an officer or employee of the company;
- c) a person who, or his relative or partner.
- d) all of above.

Q.77 The first auditor of a company, other than a Government company, shall be appointed by thewithinfrom the date of registration of the company.

- a) Shareholders , 30 days
- b) Board of Directors , 30 days
- c) Employees , 60 days
- d) Board of Directors , 21 days

Q.78 In case of....., the first auditor should be appointed by govt within days of registration of company.

- a) Government company , 30 days
- b) Private company , 60 days,
- c) Listed company , 30 days
- d) Government company , 60 days

Q.79 Form No.is used for appointing is used for informing Registrar of companies of appointment of first auditor of company in its first Annual General Meeting

- a) ADT-1
- b) ADT-2
- c) ADT-3
- d) ADT-4

Q.80 Every Chartered accountant can hold appointment as statutory auditor of 20 companies other than

- a) One person companies
- b) small companies
- c) Private Companies having paid up capital of less than Rs. 100 cr.
- d) All of the above

Q.81 Every auditor, as an individual or as a partner of a firm can accept a maximum of tax audit assignments.

- a) 60
- b) 50
- c) 30
- d) 20

Q.82 The provisions for rotation of auditors shall be applicable to –

- a) Every listed company excluding one person companies and small companies.
- b) Every unlisted public company having paid up share capital of rupees ten crore or more.
- c) Every private limited company having paid up share capital of rupees fifty crore or more.
- d) All of the above.

Q.83 Which of the following is right of company auditor .

- a) Inspect Books of Accounts and Vouchers
- b) Obtain Information and Explanations
- c) Inspect Branch Offices and Branch Accounts:
- d) All of the above.

Q.84 Which of the following are duties of company Auditor

- a) Duty to inquire
- b) Duty to Report on Financial Statements of the Company

c) Duty Regarding Inclusion of Certain Matters in the Audit Report

d) All of the above.

Q.85 It is the duty of Company auditor to report fraud, which is expected to cross value of Rs. to Central Govt.

a) 2 Crores

b) 1 Crore

c) 10 Lacs

d) 50 Lacs

Q.86 As per Section 34, where the auditor has authorised the issue of any prospectus which includes any statement which is untrue or misleading auditor shall face

a) Civil Liability

b) Criminal Liability

c) Personal Liability

d) No Liability

Q.87) Every cost auditor, who conducts an audit of the cost records of a company, shall submit the cost audit report along with his or its reservations or qualifications or observations or suggestions, if any, in Form

a) CRA-1

b) CRA-2

c) CRA-3

d) CRA-4

State Whether following Are True or False

Q.88 . No audit firm shall be appointed or reappointed as auditor for more than two terms of five consecutive years.

Q.89 CRA-2 is for intimation of appointment of cost auditor by the company to Central Government.

Q.90 Accounting is It is the recording of transactions at the time of occurrence whereas auditing is the post mortem examination of recorded transactions.

Q.91 Auditor is sceptical and not suspicious whereas an investigator starts with suspicion and collects evidence to either confirm or dispel that suspicion

Q.92 Professional scepticism means an approach that would ensure that if something is wrong it is detected.

Q.93 Internal Audit is Compulsory to all organisations.

Q.94 The Institute of Chartered Accountants of India, defines cost audit as “a system of audit introduced by the Government of India for the review, examination and appraisal of the cost accounting records and attendant information, required to be maintained by specified industries.”

Q.95 Propriety audit is the independent and systematic evaluation of the appropriateness of management decisions on the basis of public interest, financial discipline and behavioural standards.

Q.96 As per SA-500, ‘Audit Evidence’, the term ‘audit evidence’ includes information used by the auditor in arriving at the conclusions on which the auditor’s opinion is based.

Q.97 Audit risk can broadly be classified into – Risk of Material Restatement and Detection Risk .

Q.98 Internal Check is a process in which the duties of various staff of a business are arranged in such way that work performed by one is automatically checked by the next staff while performing his duties.

Q.99 During the financial year 2021-22, ABC Private Ltd. had a paid-up share capital of `52 Crore and a turnover of 198 Crore. As per Provisions of Companies Act 2013 , it needs to appoint Internal Auditor .

Q.100 Internal audit, internal control and internal Check are synonymous terms.

Answer key CMA Inter – Paper 10 - Section B Auditing

MCQ

Q.51 a) To Listen

Q.52 a) SA 200, Basic Principles Governing an Audit.

Q.53 d) True and Fair

Q.54 c) Clause 33 of SEBI

Q.55 d) Benchmarking Audit

Q.56 a) International Auditing and Assurance Standards Board

Q.57 c) Employee Responsibility

Q.58 b) Permanent and Current

Q.59 d) Logical Estimate

Q.60 a) Inherent Risk

Q.61 c) Audit Risk

Q.62 b) 44 AB

Q.63 a) 148(1)

Q.64 d) Sustainability of Business

Q.65 c) Preventive and Detective

Q.66 d) Confirmation letters

Q.67 d) all of above

Q.68 a) Internal Financial Control over Financial Reporting (IFC- FR)

Q.69 d) All of Above

Q.70 d) Audit Clerks

Q.71 d) all of Above

Q.72 c) Trial Balance

Q.73 b) Grouping Schedule

Q.74 a) Audit trail

Q.75 a) Audit trail

Q.76 d) all of above.

Q.77 b) Board of Directors , 30 days

Q.78 d) Government company , 60 days

Q.79 a) ADT-1

Q.80 d) All of the above

Q.81 a) 60

Q.82 d) All of the above.

Q.83 d) All of the above.

Q.84 d) All of the above.

Q.85 b) 1 Crore

Q.86 b) Criminal Liability

Q.87 c) CRA-3

Q.88 b) 44 AB

Q.89 a) 148(1)

True Or False Answer key

Q.88 (TRUE)

Q.89 (TRUE)

Q.90 (TRUE)

Q.91 (TRUE)

Q.92 (TRUE)

Q.93 (FALSE)

Q.94 (FALSE)

Q.95 (TRUE)

Q.96 (TRUE)

Q.97 (TRUE)

Q.98 (TRUE)

Q.99 (FALSE)

Q.100 (FALSE)

CMA Inter Paper 10 - Section A: Corporate Accounting 2nd lot of Questions

Q.101) In a company, liability of the members is limited to the extent of the..... of shares held by them.

Q.102) The prescribed limit for paid up share capital of small company shall not be more than.....

- a) 10 crore
- b) 5 crore
- c) 20 crore
- d) 15 crore

Q.103) every company shall file with the Registrar a copy of the annual return, within from the date on which the annual general meeting is held.

- a) 60 days
- b) 90 days
- c) 120 days
- d) 30 days

Q.104) For Interest on call in advance, the company needs to follow 'Table F' according to which interest @..... from the date of receipt to the due date of the concerned installment is payable.

- a) 10%p.a.
- b) 12%p.a.
- c) 15%p.a.
- d) 5%p.a.

Q.105) shares are offered to the existing shareholders of the company at a price below the market price on the basis of their proportionate shareholding is called as.....

- a) Right Issue
- b) Bonus Issue
- c) Public Issue
- d) offer for sale

Q.106) Shares are not offered at any pre-determined price but the final share price is determined after collecting bids from the investors at various prices within a Price Band having a minimum price and a maximum price is known as.....

Q.107) The excess application money, after adjustment against the allotment money due, is transferred to a separate account called

Q.108) For Interest on call in arrears, the company needs to follow 'Table F' according to which interest @..... from the due date to the date of actual payment is payable by the shareholders

Q.109) Sinking fund is created by annual contributions out of

- a) Interest on investment
- b) Loan taken
- c) Profits
- d) capital reserve

Q.110) buy-back of equity shares in any financial year, shall not be more than..... of the total paid-up equity capital

Q.111) The ratio of the aggregate of secured and unsecured debts owed by the company after buy-back is shall not be more than twice the paid-up capital and its free reserves. State true or False

Q.112) company shall issue any debentures carrying any voting rights. State true or false

Q.113) In Balance Sheet, 'Debenture interest accrued and due' as well as 'Debenture interest accrued but not due' are shown under non-current liabilities. State true and false

Q.114) A company shall create DRR of an amount equal to at least 25% of the nominal (face) value of the debentures issued. State true and false.

Q.115) Underwriting commission may be paid out of proceeds of the issue or the profit of the company or both. State true and false.

Q.116) In India, preparation and presentation of financial statements is guided by –

- a) The Companies Act, 2013;
- b) The Companies (Accounts) Rules 2014;
- c) Accounting Standards (AS or Ind AS as applicable)
- d) All of the above

Q.117) A copy of the financial statements, including consolidated financial statement shall be filed with the Registrar within of the date of annual general meeting.

- a) 30 days
- b) 90 days
- c) 60 days
- d) 120 days

Q.118) Where the company covered under section 135 of the Companies Act, 2013, the following shall be disclosed with regard to CSR activities:

- a) amount required to be spent by the company during the year,
- b) amount of expenditure incurred,
- c) nature of CSR activities
- d) All of the above

Q.119) Where the Company has traded or invested in Crypto currency or Virtual Currency during the financial year, the following shall be disclosed:

- a) profit or loss on transactions involving Crypto currency or Virtual Currency
- b) amount of currency held as at the reporting date,
- c) deposits or advances from any person for the purpose of trading or investing in Crypto currency/virtual currency.
- d) All of the above

Q.120) is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

- a) Operating Cycle
- b) Investing Cycle
- c) Financial Cycle
- d) All of the above

Q.121) Contingent liabilities shall be classified as:

- a) Claims against the company not acknowledged as debt;
- b) Guarantees;
- c) other money for which the company is contingently liable.
- d) All of the above

Q.122) The company shall disclose ratios and explanations shall be provided for any change in the ratio by more than as compared to the preceding year.

- a)15%
- b)20%
- c)25%
- d)30%

Q.123) A Reserve specifically represented by Earmarked Investments shall be termed as a.....

- a) Reserve
- b) Fund
- c) Special fund
- d) Special Reserve

Q.124) On redemption of the Debentures, the amounts no longer necessary to be retained in Debentures Redemption Reserve Account should be transferred to the.....

- a) Catastrophe Reserve
- b) Special Reserve
- c) General Reserve
- d) None of the above

Q.125) Which of the following is the scheduled commercial bank.

- a) Public Sector Bank
- b) Foreign Bank
- c) Regional Rural Bank
- d) all of the above

Q.126)banks are not allowed to deal in foreign exchange.

Q.127) When a bank grant advance to its customers without taking any tangible security, it is called capital advance. State true or false.

Q.128) The objective of the Bank's book keeping system is

- a) to keep up-to-date detailed ledgers,
- b) to balance the trial balance every day,
- c) to keep all control accounts in agreement with the detailed ledgers.
- d) All of the above

Q.129) The main characteristics of a bank's system of book-keeping are....

- a) Voucher Posting
- b) Voucher Summary Sheet
- c) Daily Trial Balance
- d) All of the above

Q.130) As per the provision of section 17 of the Banking Regulation Act, 1949 amount to be transferred to Statutory Reserve should not be less thanof Net Profit.

- a) 15%
- b) 20%
- c) 25%
- d) 10%

Q.131) The Annual Fixed Cost (AFC) of a generating station or a transmission system including communication system shall consist of the following components:

- a) Return on equity;
- b) Interest on loan capital;
- c) Depreciation; Interest on working capital
- d) All of the above

Q.132) Energy charges shall consist of the following cost:

- a) Landed Fuel Cost of primary fuel;
- b) Cost of secondary fuel oil consumption
- c) Cost of limestone or any other reagent
- d) All of the above

Q.133) is a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control.

Q.134)is the contractually agreed sharing of power to govern the financial and operating policies of an economic activity to obtain benefits from it.

Q.135) investor holds, directly or indirectly through subsidiaries,or more of the voting power of the investee, it is presumed that the investor does have significant influence.

- a)10%
- b)15%
- c)20%
- d)25%

Q.136) General Insurance consists of:

- a) Fire
- b) Marine
- c)Accidental Insurance
- d)All of the above

Q.137) Accidental Insurance is not contract of indemnity. State true or false.

Q.138) Policyholders are given 95% of profits of L.I.C. by way of.....

Q.139) Commission on re-insurance ceded' is a..... to the company surrendering the business.

- a) Expense
- b) Gain
- c) Liability
- d) Asset

Q.140) Current value measurement bases include:

- a) Fair Value
- b) Value in use and fulfilment value
- c) Current cost
- d) All of the above

Q.141) is operating capability, capital is regarded as the productive capacity of the entity based on, for example, units of output per day.

Q.142) IND AS 1 does not apply to condensed/summarized financial statements covered by

- a) IND AS 34
- b) IND AS 16
- c) IND AS 21
- d) IND AS 115

Q.143) Which of the following is not the general feature of the financial statements?

- a) True and fair representation
- b) Offsetting
- c) Historical cost basis
- d) Accrual basis Accrual basis

Q.144) A provision shall be recognized when:

- a) an entity has a present obligation (legal or constructive) as a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation
- c) A reliable estimate can be made of the amount of the obligation
- d) All of the above

Q.145) Which of the following is not an inventory for noodle manufacturing factory as per **IND AS 2**?

- a) Wheat flour
- b) Masala tastemaker
- c) Spare part of dough mixing machine
- d) Noodle cake

Q.146). In periods of abnormally high production, the amount of fixed production overheads allocated to each unit of production is so that inventories are not measured above cost.

- a) increases
- b) decreases
- c) does not change
- d) increases in proportion to the volume

Q.147) An entity shall measure a liability to distribute non-cash assets as a dividend to its owners at the of the assets to be distributed.

- a) Net realizable value
- b) fair value
- c) book value
- d) Acquisition cost

Q.148) A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. State true or false

Q.149) A Provision can be utilised against any expenses other than the original expenditure for which it was created. State true or false.

Q.150) Insurance claim of AB Ltd. for loss of stock by fire is yet to be sanctioned by Insurance company is an example of

- a) Contingent liability
- b) Asset
- c) Contingent asset
- d) Current asset

CMA INTER ANSWER KEY - Corporate Accounting

- | | |
|-----------------------------|--|
| Q.101) Face value | Q.134) Joint control |
| Q.102) a) 10 crore | Q.135))20% |
| Q.103) a) 60 | Q.136) d) All of the above |
| Q.104) b) 12%p.a. | Q.137) True |
| Q.105) a) Right issue | Q.138) Bonus |
| Q.106) Book Building Method | Q.139) b) Gain |
| Q.107) Calls-in-Advance A/c | Q.140) d) All of the above |
| Q.108) 10%p.a. | Q.141) Physical Capital |
| Q.109) c) Profits | Q.142) a) IND AS 34 |
| Q.110) 25% | Q.143) c) Historical cost basis |
| Q.111) True | Q.144) d) All of the above |
| Q.112) False | Q.145) c) spare part of dough mixing machine |
| Q.113) False | Q.146) b) decreases |
| Q.114) True | Q.147) b) fair value |
| Q.115) True | Q.148) True |
| Q.116) d) all of the above | Q.149) False |
| Q.117) a) 30 days | Q.150) c) Contingent asset |
| Q.118) d) All of the above | |
| Q.119) d) All of the above | |
| Q.120) a) Operating Cycle | |
| Q.121) d) all of the above | |
| Q.122) c) 25% | |
| Q.123) b) fund | |
| Q.124) c) General Reserve | |
| Q.125) d) all of the above | |
| Q.126) Non-Scheduled Banks | |
| Q.127) False | |
| Q.128) d) All of the above | |
| Q.129) d) All of the above | |
| Q.130) c) 25% | |
| Q.131) d) All of the above | |
| Q.132) d) All of the above | |
| Q.133) Joint Venture | |

CMA Inter – Paper 10 -Section B Auditing – Q. No. 151 to 200

MCQ

Q. 151 is an exclusive right granted by the Government to the manufacturer to dispose of or otherwise benefit from the result of the invention of a production process.

- a) Patent
- b) Trademark
- c) Brand name
- d) Intellectual property

Q.152 . 'Property, Plant and Equipment 'refers to such tangible items that

- a) are held for use in the production or supply of goods or services, for rental to others or for administration purposes
- b) are expected to be used during more than one period.
- c) Both a and b
- d) are to be used in consumption process

Q.153 Which of the following are employee benefit expenses

- a) Provident Fund
- b) Gratuity
- c) Perquisites
- d) All of above

Q.154 Rule-3 of the Companies (Cost Records and Audit) Rules, 2014 provides that all companies under regulated and non-regulated list, engaged in the production of goods or providing services, having an overall turnover from all its products and services of Rs. crore or more during the immediately preceding financial year, are required to include cost records in their books of account.

- a) 40
- b) 30
- c) 35
- d) 50

Q.155 which of the following companies are required to submit secretarial audit report

- a) Every Listed Company
- b) Public co. having paid up share capital of Rs. 50 Cr or more.
- c) Public company having a turnover of 250 crore rupees or more

d) All of Above

Q.156 verification includes –

- a) Examination of existence of the assets or liabilities on the reporting date.
- b) Examination of ownership and control of the asset or liabilities on the reporting date.
- c) Examination of possession of the assets on the reporting date
- d) all of the above

Q.157 as per Part I of Schedule III of the Companies Act, 2013 all items of inventories shall be included in the head '.....' under the subhead 'Inventories'.

- a) Non Current Assets
- b) Current Assets
- c) Fixed assets
- d) Liquid Assets

Q.158 The term suggests particularly the amount recoverable from customers.

- a) trade receivable
- b) Trade payable
- c) Current liability
- d) Operating income

Q 159 In notes to accounts Inventories shall be classified as.....

- a) Raw materials
- b) Work-in-progress
- c) Finished goods
- d) All of the above

Q.160 As per Schedule III of Companies Act ,Other Equity comprises of the following elements .

- a) Share application money pending allotment;
- b) Equity component of compound financial instruments;

c) Revaluation Surplus

d) All of the above

Q.161 As per schedule II of companies Act 2013 , 'Other Reserves' shall be classified in the notes as-

a) Capital Redemption Reserve;

b) Debenture Redemption Reserve;

c) Authorised Capital

d) a and b only

Q.162) Cash and Cash equivalents includes.....

a) Cash in Hand

b) Balances with Bank and FD

c) a only

d) a and b

Q.163 For each class of equity shares, the company must disclose

a) the number of shares issued, subscribed and fully paid and subscribed and not fully paid

b) no. and amount of shares authorised,.

c) Forfeited Shares

d) All of above

Q.164 Which of the following is not the benefit of cost audit

a) Helps in pricing policy

b) Identifies inefficiency

c) Helps in determination of Standard costs

d) All of above

Q.165 Which of the following does not come in regulated sector for Cost records Rules .

a) Telecommunication

- b)Electricity
- c)Petroleum
- d)Turbo Jets

Q.166 Which of the following is not the Non regulated sector for Cost Records Purpose

- a)Arms
- b)Iron and Steel
- c)Coffee And Tea
- d)Fertilisers

Q.167 Secretarial Auditor should be the member of Institute of

- a) Cost Accountants of India
- b) Secretaries of India
- c) Company Secretaries Of India
- d) None of above

Q.168 Educational institutions of any state in India are generally established and run under theor Public Trust Act of the state concerned

- a)Companies Act ,2013
- b) Societies Registration Act 1960
- c) Internal Audit
- d) Forensic Audit

Q.169 Audit procedure of educational institute involves following

- a) Understand the Constitution
- b) Assess the Internal Control System
- c) Consult the Minute Book
- d) All of Above

Q.170 Revenue from operation comprises of

- a)sale of goods,

- b) sale of services
- c) other operating revenues
- d) All of above

Q.171 Other Operating Revenue Includes following

- a) Discount Received
- b) Bad Debts Recovery
- c) Both a and b
- d) None of above

Q.172 provisions regarding branch accounts is mentioned in section

- a) 148
- b) 128
- c) 133
- d) All of Above

Q.173 casual vacancy' in auditor includes

- a) death,
- b) resignation,
- c) disqualification
- d) all of above

Q.174 Any casual vacancy in auditor of Govt company will be filled by theof India within thirty days.

- a) CJI
- b) C&AG
- c) President
- d) ICAI

Q.175is 'a confident and forceful statement of fact or belief'. Ha) Audit trail

- a) Confirmation
- b) Certificate

c)assertion

d)Ledger

Q.176 Other income comprises

a)interest income (for companies other than a finance company),

b) dividend income,

c)net gain

d)all of above.

Q.177comprises of interest cost on structured debt instruments such as Debentures as well as traditional institutional finance such as Bank Loan, secured or unsecured

a) Finance Cost

b)Expenses

c)Income

d)Liabilities

Q.178 'The opinions expressed in audit reports issued by statutory auditors can broadly be divided into following two categories

a) Unmodified Opinion

b) Modified Opinion

c) Both a and b

d) None of above

Q.179 all items of PPE have been disclosed in the balance sheet of the company under the head '

a) Non-current Assets

b)Current Asset

c) Fixed Assets

d) Intangible assets

Q.180 Companies (Declaration and Payment of Dividend) Rules, 2014 provides that in the event of inadequacy or absence of profits in any year, a company may declare dividend out of

- a) Surplus
- b) free reserves
- c) Securities premium
- d) Revaluation reserve

Q.181 the amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within days from the date of declaration of such dividend

- a) 6
- b) 5
- c) 3
- d) 2

Q.182 All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of

- a) Investor Education and Protection Fund
- b) Investor reimbursement fund
- c) SEBI.
- d) Any of the above.

Q.183 is the written communication on the part of the auditor to convey his opinion to the client.

- a) Audit report
- b) Audit Certificate
- c) Audit Evidence
- d) Audit Observation

Q.184..... is a written confirmation of the exactness of the facts stated therein and does not involve any estimate or opinion.

- a) Audit report
- b) Audit Observation
- c) Audit Certificate
- d Audit Evidence

Q.185 Which of the following is not a characteristic of good audit report.

- a) Simplicity:
- b) Clarity
- c) Future Prediction
- d) Fairness

Q.186 Audit Engagement offers Level of Reasonable assurance .

- a) High
- b) Low
- c) Moderate
- d) Absolute

State Whether following Are True or False

Q.187 . CARO 2020 is applicable for all statutory audits commencing on or after 1st April, 2021 corresponding to the financial year 2020-21.

Q.188 . Photocopy of purchase invoices should not be allowed while auditing purchases of an entity.

Q.189 As per Regulation 24A of the SEBI(LODR) Regulations, 2015, every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice

Q.190 vouching examines whether all transactions undertaken by the entity have been recorded and nothing has been purposefully left out.

Q191 Investments are the assets held by an enterprise for earning income by way of dividends, interest and rentals, for capital appreciation, or for other benefits to the investing enterprise.

.Q.192 Turbo jets industry comes in regulated sector.

Q.193 Auditor is not required to obtain bank reconciliation statement for each and every bank account.

Q.194 Cement industry comes in regulated sector.

Q.195 The auditor shall see that all items of PPE have been carried at cost less accumulated depreciation less accumulated impairment loss..

Q.196 In case of company, the auditor shall also ensure that depreciation has been calculated in compliance with Schedule II of the Companies Act 2013.

Q.197 No company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year

Q.198 Audit of financial statements offers Absolute level of Assurance.

Q.199 Cost Audit Can be performed by any one of the Chartered Accountant, Cost Accountant or Company Secretary .

Q.200 Audit Report can be oral or written similar to a contract.

Answer key CMA Inter – Paper 10 - Section B Auditing Q. 151 to 200

MCQ

- Q.151 a) Patent
- Q.152 c) Both a and b
- Q.153 d)All of above
- Q.154 c) 35
- Q.155 d) All of Above
- Q 156 d) All of Above
- Q.157 b)Current Assets
- Q.158 a) Trade receivable
- Q.159 d)All of the above
- Q.160 d)All of the above
- Q.161 d) a and b only
- Q.162 d) a and b
- Q.163 d)All of above
- Q.164 d)All of above
- Q.165 d)Turbo Jets
- Q.166 d)Fertilisers
- Q.167 d) Company secretaries of India
- Q.168 Societies Registration Act 1960
- Q.169 d) All of Above
- Q.170 d)All of above
- Q.171 c) Both a and b
- Q.172 b)128
- Q.173 d) all of above
- Q.174 b) C&AG
- Q.175 c) assertion
- Q.176 d) all of above.
- Q.177 a)Finance Costs
- Q.178 c) both of a and b
- Q.179 a) Non-current Assets

Q.180 b) Free Reserve

Q.181 b) 5

Q.182 a) Investor Education and Protection Fund

Q.183 a) Audit Report.

Q.184 c) An audit certificate

Q.185 c) Future Prediction

Q.186 a) High

True Or False Answer key

Q.187 (True)

Q.188 (TRUE)

Q.189 (TRUE)

Q.190 (TRUE)

Q 191 (TRUE)

Q.192 (FALSE)

Q.193 (FALSE)

Q.194 (FALSE)

Q.195 (TRUE)

Q.196 (TRUE)

Q.197 (TRUE)

Q.198 (FALSE)

Q.199 (FALSE)

Q.200(FALSE)

CMA Inter Paper 10 – Section A: Corporate Accounting

Q.201) AS 3 is mandatory for small and medium companies. State whether True or False.

Q.202) All IND AS Compliant entities are required to prepare Cash Flow statement. State whether True or False.

Q.203) AS 3 does not deal with cash flows arising from foreign subsidiaries. State whether True or False.

Q.204). An investment normally qualifies as a cash equivalent when it has a short maturity of, say, Two months or less from the date of acquisition. State whether True or False.

Q.205) Cash Equivalents usually includes Equity Investment. State whether True or False.

Q.206) Conversion of debt to equity is cash flow from financing activity. State whether True or False.

Q.207) Increase in current liabilities means increase in cash flows from

- a) Financing Activities
- b) Operating Activities
- c) Investing Activities
- d) None of the above

Q.208) Which of the following is not a non-cash transaction?

- a) the acquisition of an entity by means of an equity issue
- b) the acquisition of assets by assuming directly related liabilities
- c) the conversion of debt to equity
- d) All of the above

Q.209) Another name of cash book is cash flow statement. State whether True or False.

Q.210) Which of the following is not required to be disclosed as per AS 3.

- a) Reconciliation of items mentioned in Cash flow and Balance sheet.
- b) Cash and Cash equivalents with restriction on use
- c) Denominations of Cash in Hand
- d) None of the above

Q.211) Cash inflow from TDS deducted on payment to contractor for rendering service will be classified as

- a) Financing Activities
- b) Operating Activities
- c) Investing Activities
- d) None of the above

Q.212) Which of the following is not a Cash or Cash equivalent?

- a) Demand Deposit

- b) 14 days T-Bill
- c) Equity Investment
- d) All of the above

Q.213) Credit purchase of Machinery will be recorded as Cash flow from Investing Activities. State whether True or False.

Q.214) Collection of cash against construction work done of the road by the construction company is cash inflow from which type of Activity?

- a) Financing Activities
- b) Operating Activities
- c) Investing Activities
- d) None of the above

Q.215) Payment of IGST on import of raw material is cash outflow from which type of Activity?

- a) Financing Activities
- b) Investing Activities
- c) Operating Activities
- d) None of the above

Q.216) : Division II of Schedule III is applicable for a company whose financial statements are prepared in compliance with IND AS. State whether True or False

Q.217) Division II additionally provides the format of the Statement of Changes in Equity unlike Division I. State whether True or False.

Q.218) A receivable shall be classified as a if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business.

- a) Claim
- b) Creditor
- c) Trade receivable
- d) Normal receivable

Q.219) Sch III deals only with presentation and disclosure requirements, accounting classification into Debt and Equity components is governed by the applicable.....

Q.220) Face/Par Value, as per Capital Clause in Memorandum of Association should be disclosed as per disclosure requirement Schedule III. State whether True or False.

Q.221) Share Options Outstanding need not to be shown as separate line item as per Guidance Note by ICAI.

Q.222) In Defined Benefit Plans, amounts to be recognized in profit or loss include-:

- a) current service cost.
- b) any past service cost and gain or loss on settlement.
- c) net interest on the net defined benefit liability (asset).
- d) All of the above

Q.223) is the removal of all or part of a recognized asset or liability from an entity's balance sheet.

Q.224) A provision should be measured after tax. State true or false.

Q.225) decline in market value of investments between the end of the reporting period and the date when the financial statements are approved for issue is.....after the reporting period.

Answer Key : Section A: Corporate Accounting

- Q.201) False
- Q.202) True
- Q.203) True
- Q.204) False
- Q.205) False
- Q.206) False
- Q.207) b) Operating Activities
- Q.208) d) All of the above
- Q.209) False
- Q.210) c) Denominations of Cash in Hand
- Q.211) b) Operating Activities
- Q.212) d) All of the above
- Q.213) False
- Q.214) b) Operating Activities
- Q.215) c) Operating Activities
- Q.216) True
- Q.217) True
- Q.218) c) Trade receivable
- Q.219) Accounting Standard
- Q.220) True

Q.221) False

Q.222) d) All of the above

Q.223) Derecognition

Q.224) False

Q.225) Non adjusting event

CMA Inter – Paper 10 -Section B Auditing – Q. No. 226 to 250

MCQ

Q. 226 Hospitality sector is divided into following four categories

- a) Restaurants,
- b) Travel and Tourism,
- c) Hotels
- d) All of the above

Q.227 Which of the following is not the type of banks

- a) Commercial Banks
- b) Regional Rural Banks
- c) City Bank
- d) Small Finance Banks

Q.228 deal with the form and content of financial statements of a banking company

- a) Banking Regulations Act, 1949
- b) State Bank of India Act, 1955
- c) RBI Act, 1949
- d) Companies Act, 2013

Q.229 The auditor of a nationalised bank is to be appointed by.....

- a) Shareholders
- b) the bank concerned acting through its Board of Directors
- c) CAG
- d) the bank concerned with the approval of the Central government.

Q.230 The auditor of State Bank of India (SBI) is appointed by

- a) Shareholders
- b) the bank concerned acting through its Board of Directors
- c) CAG

d) the bank concerned with the approval of the Central government.

Q.231 Auditors of Regional Rural Banks are appointed by.....

- a) Shareholders
- b) the bank concerned acting through its Board of Directors
- c) CAG
- d) the bank concerned with the approval of the Central government.

Q.232 Auditor of Private Banking companies are to be appointed by

- a) Shareholders
- b) the bank concerned acting through its Board of Directors
- c) CAG
- d) the bank concerned with the approval of the Central government.

Q.233 in case of nationalised banks, the remuneration of auditors is fixed by

- a) Shareholders
- b) the bank concerned acting through its Board of Directors
- c) CAG
- d) the bank concerned in consultation with RBI

Q 234 Companies (Auditor's Report) 2020 (CARO,2020) is to Banking company

- a) Applicable
- b) Partially applicable
- c) Not Applicable
- d)applicable with some exemptions

Q235.Audit involves examination of all the operations and activities of the entity under audit.

- a) Operational
- b) Management
- c) Cost
- d) Performance

State Whether following Are True or False

Q.236 . The balance of Bills Payable must represent only the balances outstanding on the date of reporting.

Q.237 . While auditing Alteration of share capital ,the auditor must confirm that alteration was authorised by articles.

Q.238 In case of a qualified opinion, the heading of the 'Basis for Opinion' paragraph must be modified as 'Basis for Qualified Opinion'.

Q.239 Auditor should express 'Adverse Opinion' when financial statements were prepared on going concern basis even after planning to cease the operation of the company within next six months.

Q240 An audit report with a disclaimer of opinion must include the 'Basis for Disclaimer'..

Q.241 Internal Financial Control came into existence to help Statutory auditors reduce their responsibility.

Q.242 Auditor is not required to comment on internal Financial Control of entity , he needs to just check it.

Q.243 the National Financial Reporting Authority was replaced by The NACAS (NFRA) under the new Companies Act of 2013 .

Q.244 Maximum 20 no. of members should be there in NFRA .

Q.245 Accounting Standards Committee and Auditing Standards Committee are only two committees in NFRA

Q.246 Monitor and enforce compliance with accounting standards and auditing standards is one of the duties of NFRA

Q.247 NFRA accepts recommendations from Accounting experts and professionals in various field for new Accounting and Auditing Standards.

Q.248 SA 300 deals with Planning an Audit of Financial Statements.

Q.249 SA 530 deals with Audit Sampling.

Q.250 Mr. P is a relative of Mr. A and he is holding shares of X Ltd. of face value of `60,000 only (6,000 shares x `10 per share). Therefore, M/s ABC & Co. is not disqualified for appointment as an auditor of X Ltd as shareholding of relative is within permissible limit of Rs. 1 lakh.

Answer key CMA Inter – Paper 10 - Section B Auditing Q. 151 to 200

MCQ

Q.226 d) All of above

Q.227 c) City Bank

Q.228 a) Banking Regulations Act, 1949

Q.229 b) the bank concerned acting through its Board of Directors

Q.230 c) CAG

Q.231 d) the bank concerned with the approval of the Central government.

Q.232 a) Shareholders

Q.233 d) the bank concerned in consultation with RBI

Q.234 c) Not Applicable

Q.235 a) Operational

True Or False Answer key

Q.236 (TRUE)

Q.237 (TRUE)

Q.238 (TRUE)

Q.239 (TRUE)

Q.240 (TRUE)

Q.241 (FALSE)

Q.242 (FALSE)

Q.243 (FALSE)

Q.244 (FALSE)

Q.245 (FALSE)

Q.246 (TRUE)

Q.247 (FALSE)

Q.248 (TRUE)

Q.249 (FALSE)

Q.250 (TRUE)

[illegible]