

**ENTRANCE EXAMINATION FOR ADMISSION, MAY 2013.**

**M.Com. (ACCOUNTING AND TAXATION)**

**COURSE CODE : 311**

Register Number :

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*Signature of the Invigilator*  
*(with date)*

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**COURSE CODE : 311**

**Time : 2 Hours**

**Max : 400 Marks**

***Instructions to Candidates :***

1. Write your Register Number within the box provided on the top of this page and fill in the page 1 of the answer sheet using pen.
2. Do not write your name anywhere in this booklet or answer sheet. Violation of this will be disqualification.
3. Read each question carefully and shade the relevant answer (A) or (B) or (C) or (D) in the relevant box of the ANSWER SHEET using HB pencil.
4. Avoid blind guessing. A wrong answer will fetch you -1 mark and the correct answer will fetch 4 marks.
5. Do not write anything in the question paper. Use the white sheets attached at the end for rough works.
6. Do not open the question paper until the start signal is given.
7. Do not attempt to answer after stop signal is given. Any such attempt will disqualify your candidature.
8. On stop signal, keep the question paper and the answer sheet on your table and wait for the invigilator to collect them.
9. Use of Calculators, Tables, etc. are prohibited.

1. Application of statistical techniques to a business decision problem depends on the availability and reliability of
 

(A) Statistical data	(B) Tools
(C) Investigator	(D) All of these
2. Primary data can be collected by
 

(A) Direct personal investigation	(B) Schedule
(C) Interview	(D) All of these
3. A sample is the selection of a part of the
 

(A) Data	(B) Report
(C) Universe	(D) Editing
4. Which is/are technique of selecting 'Random Sampling'
 

(A) Lottery technique	(B) correlation technique
(C) Interview technique	(D) All of these
5. Which is the formula of computing of correlation under direct method?
 

(A) $r = \frac{\sum dx dy}{\sqrt{n}}$	(B) $r = \frac{\sum dx dy}{N X SD_x X SD_y}$
(C) $r = \frac{\sum dx dy}{dy}$	(D) $r = \frac{\sqrt{N-1}}{100} (dy - dx)$
6. Which is the type of Regression
 

(A) Simple regression	(B) Complex regression
(C) Random regression	(D) Single regression
7. In a symmetric distribution, the relationship between averages is like this
 

(A) Mean > Median > Mode	(B) Mean < Median < Mode
(C) Mean = Median = Mode	(D) Mean > Median < Mode
8. A graph of a cumulative frequency distribution is called
 

(A) Ogive	(B) Frequency polygon
(C) Pie diagram	(D) Histogram
9. Which of the following is a relative measures of dispersion
 

(A) Standard deviation	(B) Variance
(C) Co-efficient of variance	(D) None of the above
10. Depiction of relationship present between two variables is called
 

(A) Correlation	(B) Regression
(C) Dispersion	(D) Location

11. Which is the banking regulation Act  
(A) Companies Act 1956 (B) The Indian Contract Act 1872  
(C) The banking companies Act 1949 (D) None of the above
12. .... is the basic requirement of economic development  
(A) Co-ordination (B) Capital formation  
(C) Training (D) Cost
13. Which is not a type of bank  
(A) Deposits bank (B) Foreign bank  
(C) Rural bank (D) Store bank
14. The secondary function of a bank involves  
(A) Cash credit (B) To issue bank draft  
(C) Discounting of trade bills (D) All of these
15. Where is the head office of RBI  
(A) Jaipur (B) Delhi  
(C) Bombay (D) Bengaluru
16. In a perfectly competitive market, the firm will be  
(A) A price maker  
(B) A price taker  
(C) Restricting entry of other firms  
(D) Producing a product which will be different from its competitors
17. A partner has an implied authority to  
(A) Acquire immovable property on behalf of the firm  
(B) Enter into a partnership on behalf of firm  
(C) To borrow money on behalf of the firm  
(D) None of these
18. Notional cost is a  
(A) Product cost (B) Sunk cost  
(C) Period cost (D) Hypothetical cost

19. The slope of demand curve is  
 (A) Upward from left to right (B) Downward from left to right  
 (C) Concave (D) Convex
20. Where there is no legal separation between the assets and liabilities of a business, and the assets and liabilities of an individual, the business is  
 (A) A sole trader (B) A limited company  
 (C) A cooperative (D) A partnership
21. Sum payable based on output to the owner for use of right vested to him  
 (A) Rent (B) Royalties  
 (C) Interest (D) None of all
22. A contract of insurance is a contract of  
 (A) Indemnity (B) Pledge  
 (C) Guarantee (D) Hypothecation
23. What is the full form of IRDA?  
 (A) Industrial Regulation and Development Authority  
 (B) Insurance Regulatory and Development Authority  
 (C) Indian Regulation and Development Authority  
 (D) None of these
24. If the correlation between body weight and annual income were high and positive, we could conclude that:  
 (A) High incomes cause people to eat more food.  
 (B) Low incomes cause people to eat less food.  
 (C) High income people tend to spend a greater proportion of their income on food than low income people, on average.  
 (D) High income people tend to be heavier than low income people, on average.
25. Linear relationship refers to  
 (A) Straight line  
 (B) Constant change in dependent variable  
 (C) Curves  
 (D) None of the above

26. Period cost means
- (A) Variable cost (B) Fixed cost  
(C) Semi variable cost (D) None of the above
27. The costing method in which fixed factory overhead is added to inventory is
- (A) Absorption costing (B) Marginal costing  
(C) Standard costing (D) Differential costing
28. The return after the pay off period is not considered in case of
- (A) IRR Method (B) ARR Method  
(C) Pay-back method (D) NPV Method
29. Which one of the following is a depleting asset?
- (A) Mines (B) Patents  
(C) Technical know-how (D) Books
30. On which one of the following amortization is provided?
- (A) Quarries (B) Loose tools  
(C) Trade marks (D) Land
31. Which one of the following is fictitious assets?
- (A) Deferred revenue expenditure (B) Capital expenditure  
(C) Depreciation expenditure (D) Miscellaneous expenditure
32. Which one of the following duty is based on the size of the product?
- (A) Octroi duty (B) Specific duty  
(C) Ad valorem duty (D) Anti-dumping duty
33. Incidence of tax and impact of tax fall on different persons is
- (A) Entertainment Tax (B) Sales Tax  
(C) Toll (D) All the above
34. HSN classification is not applicable to
- (A) Excise duty (B) Customs duty  
(C) Octroi duty (D) None of the above
35. Which one of the following income is taxed at 15% for the assessment year 2013-14
- (A) Long-term capital gain on sale of shares  
(B) Short capital gain on sale of shares  
(C) Dividend from ULIP  
(D) Dividend from cooperative societies

36. Spread rate refers to
- (A) The excess of average lending and deposits rates
  - (B) The excess of CRR over SLR
  - (C) The excess of CAR over Repo
  - (D) The excess of Repo over reverse Repo
37. "GATS" of the WTO is
- (A) General agreement on trade subsidies
  - (B) General agreement on trade in services
  - (C) General agreement on trade secrets
  - (D) General agreement on trade in securities
38. India's foreign trade is characterized by
- (A) Surplus current account
  - (B) Deficit invisibles trade
  - (C) Surplus visibles trade
  - (D) Deficit balance of trade
39. Which of the following is related to accounting standards?
- (A) GAAR
  - (B) GAAP
  - (C) IAAS
  - (D) FASB
40. Which one is the component of capital market?
- (A) Commercial bill market
  - (B) Treasury bill market
  - (C) Gilt-edged securities market
  - (D) Certificate of deposits market
41. Who provides 'angel capital'?
- (A) Venture capitalist
  - (B) Professional banker
  - (C) High net-worth individual
  - (D) Foreign institutional investors
42. Which one of the rating agencies is the earliest?
- (A) ICRA
  - (B) CRISIL
  - (C) CARE
  - (D) FRI
43. The concept of "4Ps" of marketing was originally propounded by
- (A) F.W. Taylor
  - (B) Levitt
  - (C) Kotler
  - (D) A.S. Ganguly

44. Find the external environmental factors from the following
- (A) Strengths and threats
  - (B) Weaknesses and opportunities
  - (C) Opportunities and threats
  - (D) Strengths and weaknesses
45. 'Dissonance' is a stage in the process of
- (A) Buying
  - (B) Pricing
  - (C) Promoting
  - (D) Bargaining
46. The number of product lines that a company offers is
- (A) Consistency of product mix
  - (B) Length of product mix
  - (C) Depth of product mix
  - (D) Width of product mix
47. The stage of a product's life cycle when the sales curve peaks and starts to decline and profit continues to decline, is called
- (A) Introduction stage
  - (B) Decline stage
  - (C) Growth stage
  - (D) Maturity stage
48. Behaviourally anchored rating scales (BARS) are
- (A) Appraisal related
  - (B) Security related
  - (C) Morale related
  - (D) Succession related
49. Prescribing the qualifications required for a job position is called
- (A) Job analysis
  - (B) Job description
  - (C) Job specification
  - (D) Job posting
50. Family pension scheme relates to
- (A) Employee health
  - (B) Employee safety
  - (C) Social welfare
  - (D) Social security
51. That personnel function interested in getting more and more candidates for a position is
- (A) Compensation
  - (B) Recruitment
  - (C) Selection
  - (D) Advertisement
52. The activities of increasing the knowledge and skills of an employee to perform a particular job are known as
- (A) Job enrichment
  - (B) Job enlargement
  - (C) Training and development
  - (D) Induction and placement

53. Foreign direct investments intend to
- (A) Make profit from capital market
  - (B) Make earnings through interest
  - (C) Acquire controlling interest
  - (D) Destabilize host economy
54. Canada is a member of
- (A) NAFTA
  - (B) ASEAN
  - (C) SAARC
  - (D) EC
55. The exchange rate of Indian Rupee against US Dollar moved from \$ 1 = Rs. 40 to \$ 1 = Rs. 50. It means
- (A) Rupee appreciated by 25% and Dollar depreciated by 20%
  - (B) Rupee depreciated by 25% and Dollar appreciated by 20%
  - (C) Both appreciated by 25%
  - (D) Both depreciated by 25%
56. Under geographic indications of WTO come
- (A) ThirupathiLaddu
  - (B) Process patent
  - (C) Transfer pricing
  - (D) TATA's NANO
57. Find the odd-one out
- (A) GDR
  - (B) ADR
  - (C) IDR
  - (D) SDR
58. Income Tax act is applicable to
- (A) Whole of India
  - (B) Whole of India except Jammu and Kashmir
  - (C) Whole of India except the state of Sikkim
  - (D) Whole of India except North Eastern states
59. Under the income tax act, the incidence of tax depends on
- (A) The citizenship of the tax payer
  - (B) The age of the tax payer
  - (C) Residential status of the tax payer
  - (D) Tax paying capacity of the tax payer



60. Income from tea cultivation and manufacturing of tea business has to be divided into two parts
- (A) 40% is agricultural income
  - (B) 50% is agricultural income
  - (C) 60% is agricultural income
  - (D) 70% is agricultural income
61. The strategy suggested for eliminating tax evasion is
- (A) Conducting surveys frequently to detect evasion
  - (B) Lowering the tax rates and bringing a larger segment under tax bracket
  - (C) Dispensing with the income tax totally
  - (D) Announcing voluntary disclosure schemes to unearth black money
62. The due date of first instalment of advance tax by assesses other than companies is
- (A) 15th June
  - (B) 30th June
  - (C) 15th July
  - (D) 15th September
63. If Opening Stock is Rs10,000, Net Purchases Rs70,000, Wages Rs2,500, Carriage inward Rs.500 and Closing Stock Rs15,000, what is the Manufacturing Cost ?
- (A) Rs.65,000
  - (B) Rs.83,000
  - (C) Rs.68,000
  - (D) Rs.73,000
64. What does a high pay-out ratio indicate?
- (A) A High Earning Per Share (EPS)
  - (B) The management is not ploughing back enough profit.
  - (C) The management is ploughing back profit.
  - (D) The company is earning high profit.
65. Which one of the following statements is true?
- (A) Capital expenditure does not affect the profitability of a concern but revenue expenditure does.
  - (B) Capital expenditure affects the profitability of a concern directly but revenue expenditure does not.
  - (C) Capital expenditure affects the profitability of a concern indirectly but revenue expenditure affects directly.
  - (D) Both capital expenditure and revenue expenditure affect the profitability of a concern directly.

66. If a business's activities are described as continuing, they are:
- (A) Continuing to be profitable.
  - (B) Continuing beyond the end of the financial period.
  - (C) Continuing to cause the business anxiety.
  - (D) Continuing until the end of the financial year, but then closing
67. PBIT stands for:
- (A) Profit before interest and taxation.
  - (B) Profit before income and taxation.
  - (C) Profit before income and turnover.
  - (D) Profit before interest and turnover.
68. 'Significant influence' (in the definition of an associate) is presumed to exist if one entity owns at least the following percentage of another entity's shares:
- (A) 10
  - (B) 30
  - (C) 20
  - (D) 50
69. What proportion of an associate's turnover is included within a group's turnover total in its group profit and loss account?
- (A) 20%
  - (B) 50%
  - (C) 100%
  - (D) None
70. Which one of the following most closely defines 'Amortization'?
- (A) The depreciation of tangible fixed assets
  - (B) The depreciation of intangible fixed assets
  - (C) The depreciation of current assets
  - (D) The revaluation of land and buildings
71. Which one of the following most closely defines 'Goodwill'?
- (A) The difference between the cost of an investment in a business and the value of the net assets acquired in that business
  - (B) The payment made to purchase a business from its existing owner
  - (C) The amount received by a bus the difference between what the owner thinks the business is worth and the actual value of the business's fixed assetsiness owner when selling that business
  - (D) None
72. Cash has been described as:
- (A) The lifebuoy of the business
  - (B) The lifeboat of the busines
  - (C) The lifeline of the business
  - (D) The lifeblood of the business

73. The definition of cash as used in Cash Flow Statements includes:
- (A) Only cash balances.
  - (B) Only bank balances.
  - (C) Bank balances and bank overdrafts.
  - (D) Cash in hand plus bank balances less bank overdrafts.
74. How can a profitable business fail?
- (A) Because it can't pay its bills
  - (B) Because it has more current liabilities than current assets
  - (C) Because it has a bank overdraft
  - (D) Because it has too much cash
75. Which of the following is not a standard heading in a cash flow statement?
- (A) Financing
  - (B) Taxation
  - (C) Equity dividends paid
  - (D) Current expenditure
76. Amount set aside out of profits or other surpluses which are not meant to cover any liabilities, contingency, commitment or depreciation in the value of assets
- (A) Provision
  - (B) Reserve
  - (C) Sinking Funds
  - (D) None of all
77. The value of reputation of firm is known as
- (A) Provision
  - (B) Goodwill
  - (C) Capital Reserve
  - (D) None of all
78. A statement which emerges after the marshalling of entries relating to a person, an assets or item of expense or income for a particular period is known as
- (A) Accounts
  - (B) Journal
  - (C) Accounting
  - (D) None of all
79. A business may be split into various divisions and located into various places are known as
- (A) Branches
  - (B) Department
  - (C) Segment
  - (D) None of all
80. A person unable to pay or settle his debt is known as
- (A) Solvency
  - (B) Insolvency
  - (C) Insolvent
  - (D) None of all

81. Sum payable based on output to the owner for use of right vested to him
- (A) Rent (B) Royalties  
(C) Interest (D) None of all
82. Break even analysis refers to ascertainment of level of operations where total revenue is equal to
- (A) Variable cost (B) Total cost  
(C) Fixed cost (D) None of all
83. Margin of Safety is equal to
- (A) Actual sales- Break even sales (B) Sales – Contribution  
(C) Sales- Fixed cost (D) None of all
84. X, Y and Z have been sharing profits and losses in the ratio of 3: 2: 1. Z retires. His share is taken over by X and Y in the ratio of 2: 1. Calculate the new profit-sharing ratio.
- (A) X and Y 11: 3 (B) X and Y 11: 5  
(C) X and Y 11:7 (D) X and Y 7:11
85. On dissolution, realization account is debited with
- (A) All assets to be realised  
(B) All outside liabilities of the firm  
(C) Cash received on sale of assets  
(D) None of the above
86. Goods worth Rs. 1,000 taken by the proprietor for personal use should be credited to
- (A) Purchases account (B) Sales account  
(C) Drawings account (D) Bank account
87. Subscriptions receivable at the beginning and end of the year are Rs. 2000 and Rs. 3000 respectively. Income and Expenditure accounts show subscriptions at Rs. 20,000. The amount shown in receipt and payment account under subscriptions account
- (A) Rs. 19,000 (B) Rs. 23,000  
(C) Rs. 22,000 (D) Rs. 18,000
88. A Fund of Funds is a scheme that invests primarily
- (A) In money market instruments  
(B) In other schemes of the same mutual fund or other mutual funds  
(C) In the bullion market  
(D) Only in primary market.

89. Consignee's account is a
- (A) Nominal account (B) Personal account  
(C) Real account (D) None of the above
90. A draft purchased is reported lost and the purchaser wants to stop the payment of the draft. Can the bank do it?
- (A) Bank cannot stop payment since it is a promissory note.  
(B) Bank can stop payment since covered under negotiable instrument.  
(C) Bank can ask the purchaser to suffer for negligence and bank cannot help.  
(D) Bank would issue stop payment instructions only after two weeks from date of issue.
91. A man saves every year Rs. 4,000 and invests it at the end of the year at 10 per cent per annum compound interest. Calculate the total amount of his savings at the end of the third year.
- (A) 13,260 (B) 13,230  
(C) 13,240 (D) 13,250
92. In case of Strategic Alliances
- (A) The partners will remain as separate entities  
(B) The partners will lose their individual identities  
(C) One partner will get merged with the other  
(D) None
93. A truck cost Rs. 6,000 with a residual value of Rs. 2,000. The truck is expected to have a useful life of 50,000 miles. By assuming the truck is driven 20,000 miles the first year, the depreciation expenses would be
- (A) 2,400 (B) 240  
(C) 16,000 (D) 1,600
94. The degree of financial leverage reflects the responsiveness of
- (A) Operating income to changes in total revenue  
(B) EPS to changes in EBIT  
(C) EPS to changes in total revenue  
(D) None of the above
95. Balance of Payment includes components
- (A) Current & Capital Account, Unilateral Payments & Official Settlement A/c  
(B) Revenue Account, P & L Account, Capital Account, Official Account  
(C) Trade Account, Activity Account, Revenue Account, Currency Account  
(D) Forex Account, Trade Account, Funds Account

96. Expand the IFRS?
- (A) Indian Financial Reporting standard
  - (B) International Financial Reporting standard
  - (C) Indian Financial Reporting system
  - (D) None of the above
97. Speculator is a person
- (A) Who evaluates the performance of the company
  - (B) Who uses his own funds only
  - (C) Who is willing to take high risk for high return
  - (D) Who considers here says and market behaviours
98. Equity shareholders rights are listed below. One of the right is incorrect
- (A) Right to have first claim in the case of winding of the company
  - (B) Right to vote at the general body meeting of the company
  - (C) Right to share profits in the form of the dividends
  - (D) Right to receive a copy of the statutory report
99. The major player in the Indian money market is
- (A) Co-operative banks
  - (B) Indigenous banks
  - (C) Commercial banks
  - (D) Reserve Bank of India
100. It is a predetermined cost on a scientific basis taking into consideration all the factors relating to costs like raw material consumption rate, labour efficiency, machine efficiency etc
- (A) Estimated cost
  - (B) Budget cost
  - (C) Standard cost
  - (D) None of all
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