

Time: One Hour

Max. Marks: 50

Instructions

- Solve any 25 questions from Q1 to Q30
- Solve any 25 questions from Q31 to Q60

- 1 The use of management accounting is
(A)Optional (B)Compulsory (C)Legally obligatory (D)Compulsory to some and optional to others
- 2 Management accounting is-----
(A)Subjective (B)Objective (C)Constrictive (D)Destructive
- 3 The assessment of financial statements by a shareholder is an example of
(A)Vertical Analysis (B)Horizontal Analysis (C)Internal Analysis (D)External Analysis
- 4 Which of the following are techniques, tools or methods of analysis and interpretation of financial statements?
(A)Ratio Analysis (B)Average Analysis (C)Trend Analysis (D)All of the above
- 5 When the concept of ratio is defined in respected to the items shown in the financial statements, it is termed as
(A)Accounting ratio (B)Financial ratio (C)Costing ratio (D)None of the above
- 6 Liquidity ratios are expressed in
(A)Pure ratio form (B)Percentage (C)Rate or time (D)None of the above
- 7 Which of the following are sources of funds?
(A)Issue of bonus shares (B)Issue of shares against the purchase of fixed assets (C)Conversion of debentures into shares (D)None of the above
- 8 Funds Flow Statement is also known as
(A)Statement of Profit and Loss (B)Statement of Sources and Application of Funds. (C)Statement of Working Capital (D)All of the above
- 9 Cash Flow Statement is also known as
(A)Statement of Changes in Working capital (B)Statement accounting for variation in cash (C)Both a and b (D)None of the above
- 10 Cash Flow Statement is based upon
(A)Cash basis of accounting (B)Accrual basis of accounting (C)Credit basis of accounting (D)None of the above
- 11 Which of the following is true about management accounting?
(A)Accounting is extremely sensitive to investors needs. (B)Accounting with knowing Profit and Loss. (C)Associated with presentation of accounting data. (D)Accounting with knowing Assets and Liabilities.
- 12 Management accounting assists the management
(A)Only in control (B)Only in direction (C)Only in planning (D)In planning, direction and control
- 13 Interpretation of accounts is the
(A)Art and science of translating the figures (B)To know financial strengths and weaknesses of a business (C)To know the causes for the prevailing performance of business (D)All of the above
- 14 The term 'Financial Statement' covers
(A)Profit & Loss Statement (B)Balance sheet and Profit & Loss Statement appropriation account (C)Profit & Loss Statement and Balance sheet (D)All of above are false
- 15 Which statement is prepared in the process of funds flow analysis?
(A)Schedule of changes in working capital (B)Funds Flow Statement (C)Both a and b (D)None of the above
- 16 Bond, debentures and term loans fall under:
(A)Current assets (B)Non-current assets (C)Non-current liabilities (D)Current liabilities
- 17 General Profitability ratios are based on
(A)Investments (B)Sales (C)a & B (D)None of the above
- 18 Gross Profit ratio is also termed as
(A)Gross Profit Margin (B)Net Margin to net sales (C)Both a and b (D)Non of the above
- 19 Cash Flow Statement is prepared from
(A)Profit and loss account (B)Balance Sheet (C)Additional Information (D)All of the above
- 20 _____ reconciles the opening cash balance with the closing cash balance of a given period on the basis of net decrease or increase in cash during that period.
(A)Cash Flow Statement (B)Funds Flow Statement (C)Both a and b (D)None of the above
- 21 General Profitability ratios are based on
(A)Investments (B)Sales (C)A& B (D)None of the above
- 22 Gross Profit ratio is also termed as
(A)Net Margin to net sales (B)Gross Profit Margin (C)Both a and b (D)All of the above
- 23 Management accounting is related with
(A)The problem of choice making (B)Recording of transactions (C)Cost knowing (D)All of the above

Examination October 2020

- 24 Management accountancy is a structure for
(A) Costing (B) Accounting (C) Decision making (D) Management
- 25 The term current asset doesn't cover
(A) Car (B) Debtors (C) Stock (D) Prepaid expenses
- 26 P&L statement is also known as
(A) Statement of operations (B) Statement of income (C) Statement of earnings (D) All of the above
- 27 Which of the following are current assets?
(A) Fixed investments (B) Trade Payables (C) Short-term loans and advances (D) Furniture
- 28 Which of the following transactions will result in inflow of funds?
(A) Issue of debentures (B) Conversion of debentures into equity shares (C) Redemption of long term loan (D) Creation of General Reserve
- 29 Gross profit ratio is calculated by
(A) $(\text{Gross Profit}/\text{Gross sales}) \times 100$ (B) $(\text{Gross Profit}/\text{Net sales}) \times 100$ (C) $(\text{Net Profit}/\text{Gross sales}) \times 100$ (D) None of the above
- 30 Liquid assets is determined by
(A) Current assets + Prepaid expenses (B) Current assets + unprepaid expenses (C) Current assets - stock (D) None of the above
- 31 While preparing Cash Flow Statement, non-cash items and non-operating items are not required to be adjusted under _____
(A) Indirect method (B) Direct method (C) Both a & b (D) None of the above
- 32 The amount of operating expenses which are actually been paid in cash are shown under
(A) Cash flow from sales (B) Cash outflow on purchases (C) Cash outflow on expenses (D) All of above are false
- 33 Management accounting deals with
(A) Constructive information (B) Qualitative information (C) Both a and b (D) None of the above
- 34 The management accounting can be stated an extension of
(A) Cost Accounting (B) Financial Accounting (C) Responsibility Accounting (D) All of the above
- 35 Comparison of financial statements highlights the trend of the _____ of the business.
(A) Financial position (B) Current Assets only (C) Fixed Liabilities only (D) None of these
- 36 The form of balance sheet is
(A) Vertical only (B) Horizontal only (C) Horizontal and vertical (D) Horizontal or vertical
- 37 Which statement is prepared in the process of funds flow analysis?
(A) Schedule of changes in working capital (B) Funds Flow Statement (C) Both a and b (D) None of the above
- 38 Overall Profitability ratios are based on
(A) Investments (B) Sales (C) A& B (D) None of the above
- 39 Net Profit ratio is calculated by
(A) $(\text{Gross Profit}/\text{Gross sales}) \times 100$ (B) $(\text{Gross Profit}/\text{Net sales}) \times 100$ (C) $(\text{Net Profit}/\text{Net sales}) \times 100$ (D) None of the above
- 40 Acquisition and disposal of long term assets is included in
(A) Cash flow from investing activities (B) Cash flow from financing activities (C) Cash flow from operating activities (D) None of the above
- 41 Which of the following is not a cash inflow?
(A) Decrease in debtors (B) Issue of shares (C) Decrease in creditors (D) Sale of fixed assets
- 42 Which of the following are tools of management accounting?
(A) Decision accounting (B) Standard costing (C) Budgetary control (D) All of the above
- 43 Which of the following is not including the scope of Management Accounting?
(A) Financial Accounting (B) Cost Accounting (C) Tax Accounting (D) None of these
- 44 Which of the following are techniques, tools or methods of analysis and interpretation of financial statements?
(A) Taxation (B) Profit & Loss Account (C) Trend Analysis (D) None of These
- 45 Which of the following statements are true?
(A) Financial statements are only interim report. (B) Financial statements are also known as annual records. (C) Financial statements are only External report (D) None of These
- 46 Which of the following is source of funds?
(A) Cash deposited into Bank (B) Cash withdrawn from Bank (C) Sale of Goods costing ₹10,000 for ₹8,000 (D) Sale of marketable securities for cash
- 47 Funds Flow Statement is prepared on the basis of data of P&L statement and two consecutive balance sheets.
(A) True (B) False (C) Value delivery (D) None of the above
- 48 Debtors Turnover ratio is also known as
(A) Receivables turnover ratio (B) Creditors velocity (C) Stock velocity (D) Payable turnover ratio
- 49 Turnover ratios are also known as
(A) Profitability ratios (B) Activity ratios (C) Performance ratios (D) None of the above
- 50 Which of the following is not a cash outflow?
(A) Increase in Prepaid expenses (B) Increase in debtors (C) Increase in stock (D) Increase in creditors
- 51 A firm that issues stocks and bonds to raise funds results in
(A) Decreases Cash (B) Increases Cash (C) Increases Equity (D) Increases Liabilities

Examination October 2020

52 Which of the following is not the features of Management of Accounting.

- (A)Accounting information (B)Feature oriented (C)Compulsory information (D)Management oriented

53 "Management Accounting is concerned with accounting information which is useful to management", whose definition?

- (A)James H. Bliss (B)Robert Anthony (C)J. Batty (D)Michael Porter

54 The basic financial statements include

- (A)Statement of Cash Flows (B)Statement of Retained Earnings (C)Balance Sheet and Income Statement (D)None of the Above

55 Analysis of any financial Statement comprises

- (A)Balance sheet (B)P&L Account (C)Trading account (D)All of the above

56 As per accounting standard AS3, provision for taxation should be treated as

- (A)As a current liability (B)As an appropriation of profits (C)As a fixed liability (D)None of the above

57 Which of the following are applications of funds?

- (A)Payment of dividend on share capital (B)Payment of tax (C)Increase in working capital (D)All of above

58 Two basic measures of liquidity are :

- (A)Inventory turnover and Current ratio (B)Current ratio and Quick ratio (C)Gross Profit ratio and Operating ratio (D)Current ratio and Average Collection period

59 Current Ratio is:

- (A)Solvency Ratio (B)Liquidity Ratio (C)Activity Ratio (D)Profitability Ratio

60 Cash flow statement is prepared for financial planning of

- (A)Long range (B)Medium range (C)Short range (D)Very Long range